

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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September 10, 2020
Start: 10:10 a.m.
Recess: 11:52 a.m.

HELD AT: Remote Hearing

B E F O R E: Daniel Dromm
CHAIRPERSON

COUNCIL MEMBERS:

- Keith Powers
- Helen Rosenthal
- Diana Ayala
- Mark Gjonaj
- Vanessa L. Gibson
- Francisco Moya
- Barry Grodenchik
- Rory I. Lancman
- Jimmy Van Bramer
- Adrienne E. Adams
- Karen Koslowitz
- Laurie A. Cumbo
- Robert E. Cornegy, Jr.
- Alicka Ampry-Samuel
- Farah N. Louis
- Steven Matteo

A P P E A R A N C E S (CONTINUED)

Letitia James, Attorney General
New York State

Leroy Comrie, Senator
New York State Senate

David Weprin, Assembly Member
New York State Assembly

Rose Marie Cantanno, Associate Director
of Consumer Protection Unit
New York Legal Assistance Group

Jacqueline Griffin, Senior Staff Attorney
Legal Aide Services

Julian Saint Patrick Clayton, Deputy
Director on Policy and Research
Center for New York City Neighborhoods

Tenying Yangsel, Foreclosure Prevention
Housing Counselor
Chhaya Community Development Corporation

Yoselin Estrella, Executive Director
Neighborhood Housing Services

Aaron Weber, New York City Resident

Jan Lee, New York City Resident

Ann Korchak, New York City Resident

Abraham Gross, New York City Resident

Albert Scott, Steering Committee Member
East New York Land Trust

Hannah Anousheh, Coordinator
East New York Land Trust Initiative

Deborah Ack, Steering Committee Member
East New York Community Land Trust

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2 SERGEANT-AT-ARMS: Sergeant Tanner, if you
3 could please start your recording and, Sergeant
4 Perez, if you could please start your recording.

5 SERGEANT-AT-ARMS: Recording started.

6 SERGEANT-AT-ARMS: Cloud recording also
7 being. And good morning, everyone, and welcome to
8 today's remote New York City Council hearing on the
9 Committee on Finance. At this time, would all
10 panelists please turn on their video for
11 verification? Once again, all panelists, please turn
12 on your videos for verification. To minimize
13 disruption, please place all electronic devices on
14 vibrator silent mode. If you wish to submit
15 testimony, you may do so at
16 testimony@Council.NYC.gov. Once again, that is
17 testimony@Council.NYC.gov. Thank you so much for
18 your cooperation. Chair Dromm, we are ready to
19 begin.

20 CHAIRPERSON DROMM: Okay. Thank you
21 very much. Good morning and welcome to today's
22 Finance Committee meeting. I am Council member
23 Daniel Dromm and I am Chair of the committee. We
24 have been joined by several colleagues who are here
25 with us today and they are Majority Leader Cumbo,

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2 Minority Leader Matteo, Council members Adams,
3 Rosenthal, Ampry-Samuel, Grodenchik, Ayala, Moya,
4 Gjonaj, Karen Koslowitz, and we also join, of course,
5 by our Attorney General Letitia James and Senator
6 Leroy Comrie, as well as Assembly Member David
7 Weprin. Can you see me?

8 COMMITTEE COUNSEL: Yes. We can see
9 you now, Chair.

10 CHAIRPERSON DROMM: Okay. Thank you.
11 Do I need to repeat that?

12 COMMITTEE COUNSEL: No, Chair.

13 CHAIRPERSON DROMM: Okay. Thank you
14 very much. All right. I just need to switch to
15 something then before we start and I will pull it up
16 in a moment. Bear with me. Okay. I'm going to turn
17 it over to our Committee counsel to go over some
18 procedural items. Committee counsel, would you
19 please go over those items now?

20 COMMITTEE COUNSEL: Thank you, Chair.
21 My name is Stephanie Ruiz and I am New York City's
22 counsel on finance. Before we begin, I want to
23 remind everyone that you will be on mute until you
24 are recognized to speak. At which time, you will be
25 on muted by the zoom host. If you mute yourself

2 after you have been unmuted, you will need to be on
3 muted again by the host. I will now hand it back to
4 Chair Dromm.

5 CHAIRPERSON DROMM: Thank you. Today,
6 the committee will be considering two pieces of
7 legislation with the aim of providing greater
8 protections to property owners in New York City. The
9 two pieces of legislation are Intro 2039 which would
10 authorize the extension of deadlines for the filing
11 of applications and renewal applications for certain
12 real property tax abatement and exemption programs
13 and Resolution number 1387, sponsored by Council
14 member Adams which supports a piece of state
15 legislation that would postpone the New York City
16 2020 tax lien sale until one year after the COVID-19
17 state of emergency has been lifted. Let's begin with
18 Intro 2039. This bill would extend the deadline for
19 the filing of an application or a renewal application
20 due in calendar year 2020 from March 16, 2022 July
21 15, 2024 certain real property tax exemption or
22 property tax abatement programs. These programs
23 include the senior citizen homeowners exemption,
24 disabled homeowners exemption, the veterans exemption
25 and the alternative veteran exemption, the school tax

2 relief exemption, the disabled crime victim Good
3 Samaritan exemption, the clergy exemption, and the
4 cooperative in condominium property tax abatement.

5 This bill is being considered pursuant to the
6 authority granted the city via chapter 9 due to state
7 laws of 2020, originally sponsored in the Senate by
8 Senator Comrie permitting such an extension.

9 According to the memo in support of the state bills,
10 both state legislation was conceived because COVID-19
11 virtually shut down the normal order of business,
12 including gatherings of people at workshops,
13 seminars, and in person visits to offices to normally
14 assist people navigating technical matters like
15 filling out real property tax abatement renewal
16 documents. Therefore, the state determined that a
17 three month extension of the deadline was warranted.
18 Even though it is passed to July 15, this bill will
19 allow the Department of Finance to approve hundreds
20 of applications that were submitted prior to that
21 date. Without this legislation, these seniors,
22 people with disabilities, and vets would have to wait
23 until next year to receive the property tax benefit,
24 rather than receiving it this year.

2 Next, we have Resolution number 1387,
3 sponsored by Council member Adams. This resolution
4 would support the passage of 8921 Sponsored by
5 Senator Leroy Comrie that would postpone the city's
6 lien sale until at least one year after the COVID-19
7 state emergency declaration. Since the drafting of
8 the resolution, Assembly member David Weprin has
9 sponsored the companion Assembly Bill A 10961.
10 Before I invite Council member Adams to speak about
11 her resolution, I would like to address today's
12 absence of any witnesses from the administration.
13 Representatives of the Department of Finance, the
14 Department of Environmental Protection, and the
15 Department of Housing Preservation and Development
16 were all invited to testify today, but,
17 unfortunately, the administration has chosen not to
18 send anyone to provide testimony or answer any other
19 questions. We were eager to discuss the two pieces
20 of legislation, but most importantly, to hear about
21 the mayor's decision to postpone the lien sale again
22 until September 25. Over the past week, there's been
23 a lot of news about the lien sale. It was the
24 mayor's decision to postpone it. The issuance of the
25 governor's executive order purporting to delay it

2 even further in public discussion about the impact of
3 the limited outrage conducted by DOF over the past
4 few weeks. This would have been an excellent
5 opportunity for the administration to explain the
6 rationale behind its policies and clear up any
7 confusion that may have arisen as a result of the
8 shifting plans. The effect of this year's annual tax
9 lien sale is an important topic, one that must not be
10 avoided or forestalled, as it stands to impact
11 thousands of New Yorkers. Many already hard-hit by
12 the COVID-19 pandemic. The Council will be sending a
13 letter to the administration containing the questions
14 that we had originally planned to ask at this hearing
15 and we hope they will provide an expeditious
16 response. I will now turn the mic over the Council
17 member Adrienne Adams for her remarks. Council
18 member Adams? Oh. And we've also been joined by
19 Council member Lancman.

20 COUNCIL MEMBER ADAMS: Thank you so much,
21 Chair Dromm. In morning, everyone. First again, and
22 like to thank Chair Dromm for allowing me to deliver
23 comments about Resolution 1387. I also gave thanks
24 to Senator Leroy Comrie and Assembly member David
25 Weprin for their legislation at the state level and

2 their tireless partnership in Southeast Queens. I
3 also think our Attorney General Letitia James for her
4 steadfast leadership and assistance in the executive
5 order issued by Governor Cuomo.

6 Right now, the New Yorkers are suffering
7 from the financial impacts of COVID-19. They are
8 struggling with food insecurity, loss of income, and
9 many are afraid that they will lose what they have
10 worked their whole lives for, their homes. It is
11 outrageous that the administration did not bother to
12 attend today's hearing. Failing to appear with full
13 knowledge of the dire situation that property owners
14 are currently facing is completely unacceptable and
15 speaks volumes as New Yorkers are experiencing
16 unprecedented hardship. Lastly, the Governor issued
17 an executive order postponing the lien sale until
18 October. This morning, my team received an email
19 from the Department of Finance indicating mode lien
20 sale would be conducted on September 25. In fact,
21 New York City's 311 website still reflects the
22 September date. As the Department of Finance failed
23 to appear today to discuss this matter and this
24 information on the sale date is still being
25 disseminated, are we love to believe that the

2 administration intends to move forward in violation
3 of the Governor's order? The 1000 dollars threshold
4 for the lien sale was set in the 90s and has not been
5 adjusted to account for inflation at all. This means
6 that property owners face liens for minuscule debts
7 which will quickly balloon one sold to private
8 investors. This is what property owners on the lien
9 sale phase right now and what the administration
10 likes to call, quote, the fairest big city. Outside
11 of the clear financial hardships that residents
12 currently face due to COVID-19, appropriate outreach
13 on outstanding debts was impossible. Even though
14 these debts were not incurred during the pandemic,
15 how can anyone enter a payment arrangement at this
16 time if they are unemployed or have been devastated
17 financially because of this pandemic? The 2020 lien
18 sale was postponed, but it doesn't go far enough.
19 The revenue generated from the sale will not offset
20 the harm inflicted on our communities and we cannot
21 compound the current problems of New Yorkers. I'd
22 like to think, again, the members of the Coalition
23 for Affordable Homes for being on the forefront of
24 this conversation and, again, my colleagues in
25 government, Attorney General Letitia James, Senator

2 Leroy Comrie, Assembly member David Weprin, first
3 standing up in solidarity to protect New York City
4 property owners. Thank you, Chair Dromm.

5 CHAIRPERSON DROMM: Thank you very
6 much. And before I proceed, I'd like to announce
7 that we've been joined by Council members Louis,
8 Cornegy, and Powers. We are also grateful to be
9 joined by Attorney General Letitia James, Senator
10 Leroy Comrie, Assembly member David Weprin, who was
11 the Chair of this committee not too long ago. And I
12 look forward to hearing their testimony as well as
13 the testimony of the members of the public who have
14 signed up to testify. I will now ask the committee
15 counsel to call up the witnesses. Let's begin now.

16 COMMITTEE COUNSEL: Thank you. As a
17 reminder to the witnesses, you will be on mute until
18 it is time for you to testify, at which time you name
19 will be called on and you will be unmuted by the Zoom
20 host. If you mute yourself after which you've been
21 unmuted, you need to be a muted again by the host.
22 If any Council members have questions for any
23 witnesses, please use the Zoom raise hand function
24 and you will be added to the queue and I will
25 recognize you after the witness has finished

2 speaking. We will start by hearing from Attorney
3 General Letitia James followed by Senator Leroy
4 Comrie and Assembly member David Weprin.

5 ATTORNEY GENERAL JAMES: Good morning.
6 Good morning, Chair Dromm and members of the
7 committee. My name is Letitia James, the Attorney
8 General of the great state of New York. It's very
9 nice to see so many familiar faces today. I
10 appreciate the opportunity to appear before you to
11 testify in support of Resolution 1387, sponsored by
12 one of my heroes, Council member Adrienne Adams, and
13 supported in the state legislature by my also-- my
14 very good friend, Senator Leroy Comie, and, in the
15 Assembly, Assembly member David Weprin. With this
16 resolution, law makers in Albany will know where the
17 people of New York stand and that this committee and
18 this Council will stand up to protect ownership at
19 this critical-- homeownership that this critical
20 time, when so many New Yorkers are hurting because of
21 the pandemic. And that is why I urge the Governor
22 to issue an executive order to stop the lien sale
23 from moving forward. The order was issued on Friday,
24 effectively revoking the authority of localities to
25 sell liens and delaying and is such sale until at

2 least October 3rd. And I have stated publicly that,
3 if any city moves to sell liens before that date, my
4 office will take immediate legal action to enforce
5 the executive order. The COVID-19 pandemic ripped
6 through New York City's neighborhoods like terrible,
7 violent storm. Its destructive wrath came down
8 hardest on working-class communities, largely
9 community of color. The very same communities that
10 many of our essential workers call home. 24,000 of
11 our neighbors became sick and died, many more lost
12 their jobs, and many more are struggling to hold on.
13 It is unconscionable that, amid this backdrop of
14 suffering, New York City and move forward with the
15 tax lien sale. As a city Council member who formally
16 represented Fort Green, Clinton Hill, parts of Crown
17 Heights, Prospect Heights, and Bedford Stuyvesant,
18 and then the entire city is Public Advocate, I've
19 seen the destructive power of the lien sale. Its
20 power to destroy wealth or transfer wealth. Its
21 power to destabilize whole blocks and communities.
22 It saddens me to see how the weight of the lien sale
23 falls heavy is on communities of color and, in
24 particular, black and brown communities that have
25 long been denied their share of the American dream.

2 Families that have fought and worked so hard to put
3 that first stake in the ground to advance to the next
4 wrung, to own their home and to build wealth not just
5 for themselves, but for future generations. To move
6 forward with the lien sale is an active gross
7 indifference to the struggle into the history. It
8 angers me to see a map of where the lien sale
9 properties are located and to compare it with the map
10 of racial and ethnic makeup and then took compare
11 this map with the communities that have the highest
12 rate of COVID-19 infections and deaths. They all
13 correlate to one another. We are failing these
14 communities. This is the tale of two cities that the
15 Mayor one spoke of. Part research has shown that LE
16 moves six times more likely to be sold and a majority
17 black neighborhood then and majority white
18 neighborhood and twice as likely to be sold and a
19 majority Hispanic neighborhood then a white
20 neighborhood. This year's lien sale is no different
21 with most properties located in majority minority
22 neighborhoods like Bed-Stuy, Flatbush, Brownsville,
23 Jamaica, St. Albans, Wakefield, and the North Shore
24 of Staten Island. These neighborhoods are still
25 recovering from the last financial housing crisis.

2 Predatory lenders devastated these neighborhoods 12
3 years ago and now they are facing a new round of
4 predatory debt collection via the lien sale. Why do
5 I call it predatory debt collection? Because once a
6 lien is sold, a homeowner is first hit with a five
7 percent surcharge and then and nine percent interest
8 rate that compounds daily. This is how a relatively
9 small debt can quickly balloon and become
10 insurmountable. And while most homeowners with the
11 lien sale are able to avoid foreclosure, there is
12 still put under extreme financial distress. They are
13 often targeted by scammers who feed off of this
14 distress. These are individuals who are basically
15 bottom feeders. Others may feel they have no choice
16 but to make a short sale. In any case, the equity
17 that took decades to build can easily be a raised in
18 just a few years. All too often, these homes are
19 then snatched up by real estate speculators and house
20 flippers. In this way, the lien sale facilitates the
21 transfer of wealth from individuals and families
22 struggling the gap by to the investor class. The
23 greatest transfer of wealth that we have witnessed in
24 a long time. There are over 9000 properties on this
25 year's lien sale list. Of the most concern are the

2 4700 small homes on the list. Many of which are
3 likely to be owner-occupied. There are almost 49
4 nonprofit properties on the lien sale list. Many of
5 them belonging to the houses of worship. In years
6 past, the city has done extensive outreach to
7 property owners on the list to make sure they are
8 aware of the danger they are in and to try to get
9 these owners into payment plans to avoid having their
10 lean sold. But this year has been different. COVID
11 has put severe constraints on the intensity of
12 outreach and communication with property owners and
13 many homeowners has fallen through the cracks. In
14 fact, in some cases, it has been nonexistent. It is
15 a risk we cannot afford to take. At the onset of the
16 pandemic, I directed my office to suspend the
17 collection of student loans and medical debt to the
18 state and referred to the office of Attorney General
19 for collection. The decision for me was an easy one.
20 It is simply wrong to force debt collection at this
21 time. Too many families are hurting. It is no
22 different with the lien sale. We cannot put the
23 homes and financial well-being of 4700 families at
24 risk. I want to conclude by observing that the local
25 law authorizing the lien sale expires at the end of

2 this year and it will require an act of the Council
3 to reauthorize it. While we are discussing the lien
4 sale here today because of the pandemic, we must also
5 look beyond this moment and realize the opportunity
6 for reform. The lien sale was created in 1996 when
7 New York was a much different city. Since then, we
8 have seen the community preserving potential of land
9 trust. We can find a better way, a fairer way, to
10 collect tax and warded debt. We can stop tossing
11 small homeowners into the clutches of private debt
12 collectors charging sky high interest rates.
13 Apartment buildings can be turned into affordable
14 housing. We can focus on outcomes that strengthen
15 neighborhoods, rather than undermine them and we can
16 stop a further increase in the number of homeless in
17 our city. I commend Council member Adams for her
18 leadership and I commend all of my colleagues in
19 government and in this committee and this Chair for
20 taking this important step in protecting
21 homeownership and stopping the greatest transfer of
22 wealth that we have seen in some time. I will work
23 to ensure that our partners in Albany here the call
24 and pass legislation to postpone the sale. Until
25 then, my office will be vigilant and, again, stopping

2 any municipality from selling any tax liens. I roned
3 the passage of this resolution, but I also learned
4 passage in Albany. Thank you for this opportunity.

5 CHAIRPERSON DROMM: Thank you, Madam
6 Attorney General. I have a few questions for you. I
7 know that last week you issued a joint statement
8 along with Governor Cuomo-- or actually an executive
9 order along with Governor Cuomo to further delay the
10 lien sale. What have you heard from constituents and
11 advocates across the state on what differences there
12 might be between the lien sale in New York City and
13 other parts of the state?

14 ATTORNEY GENERAL JAMES: Mainly the
15 focus of this resolution is limited to the New York
16 City and, at this point in time, the lien sale right
17 now is just pending in the city of New York. And so,
18 we are focusing our efforts on, basically, what is
19 happening in New York City. In upstate New York, we
20 have engaged in a number of preservation efforts with
21 allies and upstate New York. We have provided and
22 created land trust, we've provided additional
23 resources as a result of settlement monies to a
24 number of affordable housing entities and upstate New
25 York. We are working with land trust. We are

2 working with municipalities and upstate New York to
3 create homeownership opportunities and to preserve
4 affordable housing, unlike what is happening in New
5 York City. And that is we have an administration,
6 unfortunately, which is demonstrated grows into
7 friends to the damage that this lien sale will have
8 on homeownership and, in particular, in communities
9 of color.

10 CHAIRPERSON DROMM: Attorney General, I
11 know that name your testimony, you mentioned 1996 as
12 the date when lien sales went into effect. I believe
13 that is what you said.

14 ATTORNEY GENERAL JAMES: Yes.

15 CHAIRPERSON DROMM: But are there any--
16 And I think you criticized that and want to look at
17 that. Are there any circumstances under which you
18 would, you know, reconsider reauthorizing the lien
19 sale prior to 2021 or, in general overall statewide?

20 ATTORNEY GENERAL JAMES: Mr. Chair, as
21 you know, as the Public Advocate, we negotiated with
22 the city of New York to remove one, two, and three
23 homes to ensure that not for profits were not
24 included on the list. There were a number of reforms
25 that we put forward. Unfortunately, most of the

2 reforms that we negotiated with this administration
3 are not reflected on the lien sale. The lien sale,
4 as you know and as I have said publicly, is riddled
5 with errors and it is for that reason, in addition to
6 the damage that it will cause during this period of
7 the pandemic, that it be delayed.

8 CHAIRPERSON DROMM: I think you know
9 also the administration or, at least the Department
10 of Finance, has argued that, without the lien sale,
11 they possibly face 150 or so million dollar loss in
12 terms of revenue to the city at this time. That
13 impact the serious during this time of the pandemic.
14 What is your feeling about that?

15 ATTORNEY GENERAL JAMES: The loss to
16 homeowners, I think, cannot be quantified and it is
17 really critically important that, at this point in
18 time, our concern be about, again, community
19 preserving and about ensuring that homeowners are
20 kept in their home and that we do not transfer this
21 wealth and destroy the equity that they have built
22 up. Right now, we are anticipating and hoping that
23 the federal government will provide resources to New
24 York City, as well as to the state of New York during
25 this period of time, but I do not think that we

2 should balance this budget or be concerned with rug
3 guards to resources on the backs of these homeowners.

4 CHAIRPERSON DROMM: You know, the
5 differences that you alluded to in your testimony are
6 quite stark and sense of who is being hit the hardest
7 with the lien sales. I looked at the numbers myself
8 in preparing for this hearing today and members like
9 Council member Adams had upwards of 200 or so lien
10 sales. Maybe other members close to 300 possible
11 lien sales. And then I looked at a district like
12 mine-- now, granted, we do have more co-ops than we
13 do single-family homes, but it was my district only
14 have 41. So, can you elaborate more about the impact
15 that would have on communities of color because
16 those are the districts that are primarily
17 communities of color.

18 ATTORNEY GENERAL JAMES: Yeah. Again,
19 all you have to do is take a map of the devastating
20 impact that occurred during the economic struggles
21 when we were facing the significant number of
22 foreclosures. You look at the number of
23 foreclosures, you look at where the lien sales are,
24 and you also look at those communities that have been
25 hit hardest by COVID-19 and, clearly, there is a

2 correlation between all three of those. And we
3 should not be adding to the distraction that is
4 already happened as a result of the economic downturn
5 that we experience in the early 90s. What we should
6 be doing is creating more opportunities to preserve
7 middle-class, working-class communities, as well as
8 communities of color. And we should not be using the
9 excuse that we need to go forward because we need
10 additional revenue.

11 CHAIRPERSON DROMM: Has your office
12 seen any predatory lending activity or deed fraud or
13 mortgage fraud surrounding the properties in the lien
14 sale?

15 ATTORNEY GENERAL JAMES: Yes. We have
16 seen a significant increase in deed theft in the city
17 of New York. And, as you know, we've dedicated an
18 entire weekend to reaching out to those communities.
19 Again, it's the same communities that will be
20 impacted by this lien sale that have been victimized
21 by deed theft. We have been working, again, with
22 this administration, as well as with the state of New
23 York to protect homeowners against deed theft, which
24 is rampant in the city of New York.

2 CHAIRPERSON DROMM: Yeah. A good
3 friend of mine was a victim of that, as well, number
4 years ago. Just terrible how they swiped her house
5 away from her and her elderly mother. It's
6 incredible.

7 ATTORNEY GENERAL JAMES: Yeah.

8 CHAIRPERSON DROMM: That's it for me,
9 Attorney General, for my questions. I don't know if
10 there any other. I don't believe that there are this
11 point. Okay. So, I think what we want to do now is
12 that we will go to Senator Leroy Comrie for testimony
13 and then Assembly member Weprin. Thank you, Attorney
14 General.

15 ATTORNEY GENERAL JAMES: Thank you.

16 CHAIRPERSON DROMM: Senator Comrie?

17 SENATOR COMRIE: Good morning. Good
18 morning, Council member Dromm. I'll begin by
19 thanking, Council member Dromm, who has always been a
20 good friend and the members of the Finance Committee
21 for providing me an opportunity to speak about
22 Council Resolution 1387 and my companion bill in the
23 state Senate and in the Assembly. My companion bill
24 is Senate 8921 and the Assembly bill by Assembly
25 member Weprin 10961 which would postpone the 2020

2 lien sale until one year after the COVID-19 state of
3 emergency has been lifted. As you know, I represent
4 Southeast Queens. When COVID-19 struck our city,
5 thousands of nurses, home health aides, transit
6 workers, and other essential workers met the
7 challenge of the moment and let our city out of one
8 of the worst crises that we have ever faced. Many
9 others have lost income, jobs, and especially loved
10 ones. Many of these people-- in fact,
11 disproportionate number of people who were affected
12 so personally by the pandemic, live in the outer
13 boroughs that are now being most affected by this
14 lien sale. In the months since the worst of the
15 COVID-19 outbreak, we have all endeavored to do what
16 we can to help New Yorkers recover, but our recovery
17 is far from over. Today, we face the challenge of
18 preventing the lien sale that will only further
19 destabilize our communities and families within them.
20 And like we experienced with COVID-19, it is people
21 of Senate District 14 and other minority communities
22 that face against threat from the lien sale, as has
23 been stated so eloquently by our Attorney General.
24 The debts on thousands of Class I tax properties are
25 scheduled to be sold off to predatory debt collectors

2 whose interests do not lie in what is best for New
3 York City, but only for their profit margins. And
4 what is best for their profit margin is to push and
5 intimidate these homeowners into foreclosure. In the
6 middle of a pandemic when unemployment has shattered
7 records and the uncertainty about the future is at
8 all-time high, handing the keys to over 7000 New York
9 City properties to unscrupulous debt collectors is a
10 recipe for disaster. I want to thank Attorney
11 General Tish James, Assembly member Weprin, Council
12 member Adrienne Adams, the Coalition for Affordable
13 Homes, housing advocates, and property owners to
14 create this opportunity to have this resolution today
15 and also two bills that are in the state legislature.
16 Something that is reasonable. I can't believe it
17 hasn't happened yet. Let's push the lien sale back
18 to one year after the expiration of the state of
19 emergency. Because of the pandemic, we haven't been
20 able to provide enough opportunity for affected
21 property owners to rectify their debts ahead of the
22 lien sale. Too many people still don't know that
23 their properties are even at risk. It's only through
24 the fact that we have had press conferences over the
25 last few weeks and have raised our voices that people

2 are even know where that they may be in trouble. Too
3 many homeowners, even with [inaudible 00:31:37] debt
4 or risk of foreclosure. This is not right. This is
5 not a just thing that can happen. This lien sales
6 should not happen, especially now, while we are going
7 through this pandemic. Thanks to the Attorney
8 General and Governor Cuomo, this past Friday,
9 affected property owners were spared the harassment
10 of debt collectors and the fear that comes with
11 housing and security that they are still dealing with
12 every day. I'm asking you to please pass the
13 resolution in near city Council, 1387, which would
14 support my Senate bill and Assembly member
15 legislation-- Assembly member Weprin's legislation
16 in the state Senate-- in the state Assembly that
17 would defer the lien sale until after the pandemic.
18 We need to give people time to consult with
19 attorneys, to work with the Department of Finance in
20 their limited schedule because of the pandemic, which
21 is understandable, to create the payment agreement
22 and to learn about exemption programs. Otherwise, we
23 are putting bounties on the homes of thousands of
24 middle-class homeowners throughout our city. Again,
25 you know, I just want to be very clear that this is

2 very important to us. I'm very disappointed that the
3 administration has not worked with us in good faith.
4 I heard clearly with the Attorney General has said
5 about looking at making sure that we end this lien
6 sale practice. The tax commission is meeting later
7 this year. I hope to work with the city Council
8 members to make sure that we change this lien sale
9 and this debt is going. I want to thank all of you
10 Council members, especially, the Council members have
11 signed on to the resolution already and I am sure
12 that this will pass the Council. But we also need to
13 look at the deed theft. We also need to look at the
14 other issues that are taking properties away from our
15 homeowners that are struggling to make things happen.
16 Council member Dromm, you asked a question about, you
17 know, what would happen with the money? That money
18 that they are attempting to collect would stay
19 circulating within the city. These small homeowners
20 are city people. They are city residents. They are
21 essential workers. They are spending their money
22 within the city limits. To try to take this and
23 enact this deed sale by September 25th is
24 unconscionable by the Mayor's office. And I want to
25 thank the Attorney General for being very clear that

2 she's not going to let that happen. And I know that
3 if we continue to work together as a team on all
4 levels of government, we can make sure that
5 homeowners will not get hurt during this pandemic
6 when most of them are struggling to even pay their
7 rent and maintain services. Again, I want to thank
8 you, Council member Dromm, my colleague, and a shero
9 and a great person, Council member Adams, for
10 introducing the legislation and all my familiar faces
11 in the city Council. Thank you very much for putting
12 this resolution fourth and I look forward to its
13 passing and I look forward to continuing the work
14 with you and the Affordable Housing Coalition so that
15 we can make sure that we can get rid of this lien
16 sale altogether. Thank you very much.

17 CHAIRPERSON DROMM: Thank you very
18 much, Senator Comrie. It's always good to see you.
19 We're going to go right to Assembly member David
20 Weprin and then we have questions for both of you.
21 So, let's go to Assembly member Weprin now.

22 ASSEMBLY MEMBER WEPRIN: Good morning.
23 Chair Dromm, can you hear me?

24 CHAIRPERSON DROMM: Yes.

2 ASSEMBLY MEMBER WEPRIN: It's a great
3 pleasure for me to re-join you again. I always get
4 pleasure out of coming back to the city Council,
5 although it is a little different remotely, but
6 certainly still have very fond memories of chairing
7 your committee for eight years from 2002 third 2009.
8 Then I want to thank you for your leadership is
9 finance chair and for working together with me and so
10 many other colleagues on so many issues of importance
11 for the city of New York. I also am here to testify
12 on behalf of Resolution 1387, introduced by one of my
13 Council members Adrienne Adams in support of Senator
14 Comrie's legislation Senate 8921 and my bill in the
15 Assembly, 10961, to post the New York City tax lien
16 sale until one year after the COVID-19 state of
17 emergency has been lifted in the state of New York.
18 I'd like to especially thank Councilwoman Adams for
19 inviting me to speak today and Senator Comrie for co-
20 sponsoring the legislation in the Senate, and our
21 dynamic Attorney General who we hear from earlier,
22 Letitia James, for not only joining us today and last
23 Monday at our press conference in support of
24 postponing the tax lien sale, but also for the
25 actions that she has taken in conjunction with the

2 Governor to have the lien sale delayed so far. I
3 have come here today to this peak on behalf of the
4 hundreds of homeowners in my Assembly district will
5 be affected by this lien sale, as well as by the
6 thousands of homeowners across Queens and across the
7 entire city will be severely impacted by this lien
8 sale that is allowed to proceed. As I said at our
9 press conference last week, it is absolutely
10 unconscionable to hold a tax lien sale in the midst
11 of this pandemic during one of the largest economic
12 slowdowns in our cities history. The amount gained
13 from proceedings with the sale now will be so
14 amenable compared to what will be loss from both of
15 the human and financial standpoint. This sale, as we
16 just heard, will please people who are already
17 struggling in the hands of debt collectors and
18 unscrupulous creditors will then be able to be placed
19 with further financial pressure and strain on those
20 already burdened homeowners. It will add to the
21 city's strain, according to the city Comptroller,
22 Scott Stringer, spending 3.2 billion dollars each
23 year on homelessness. Most significantly, it will
24 push the owners of, to be exact, 3901 residential
25 Class I properties and 1393 Class II properties like

2 condos and Co-ops, into a terrible situation where
3 they're in danger of losing the roof over their head.
4 These numbers are not insignificant. I, myself, have
5 a significant number of those properties in my
6 Assembly district, as well as throughout Queens.
7 While I appreciate the postponements to date made by
8 the city of New York and the most recent actions by
9 our Attorney General and Governor Cuomo, it is
10 imperative that we postpone this sale until after
11 this pandemic has passed and people are on firmer
12 footing.

13 To close, I would like to-- I look
14 forward to making sure that we pass this legislation
15 [inaudible 00:39:11] in the Assembly and Senate and,
16 once again, I would like to thank my colleague in
17 government, Councilwoman Adrienne Adams, for her
18 sponsorship of this resolution, as well as my
19 colleague in the legislature, Senator Comrie. So, I
20 urge you to pass this resolution and we should
21 postpone the tax lien sale until a year after this
22 pandemic ends. Thank you, Chairman Dromm.

23 CHAIRPERSON DROMM: Thank you very much
24 and let me start off with a few questions and then we
25 have some others who want to ask questions, as well.

2 So Resolution 1387 supports the passage of Senate
3 Bill 8921 sponsored by Senator Comrie and Assembly
4 Bill 10961 sponsored by yourself, Assembly member
5 Weprin, which would prohibit New York City's tax lien
6 sale for one year after the COVID-19 state of
7 emergency has been lifted. Can either of both of you
8 explain why you wanted to have it-- was a just a
9 one-year extension?

10 ASSEMBLY MEMBER WEPRIN: Well we--

11 SENATOR COMRIE: I'll start.

12 ASSEMBLY MEMBER WEPRIN: Go ahead,
13 Senator.

14 SENATOR COMRIE: Yeah. I'll start. Now,
15 again, I want to think the Coalition for Affordable
16 Homes for bringing this to our attention that we have
17 so many errors on the lien sale. That were non-
18 profits on the lien sale, that there were churches on
19 the lien sale, that there were properties on the lien
20 sale that shouldn't have been listed at all that were
21 in error. You know, we understand that, because of
22 the pandemic, the Department of Finance was not able
23 to do their due diligence that it normally does, that
24 it hasn't been able to work with our offices to do
25 evening meetings or even set up or clear up these

2 errors, but we wanted to acknowledge that these
3 errors were important to be highlighted. That it is
4 important that they acknowledge that the entire list
5 needed to be reformatted. So, we just felt that it
6 would take at least a year for them to get back on
7 their footing. And then, we could also take another
8 hard look at the entire reason why we are even having
9 this type of lien sale, which are predatory and, you
10 know, trying to change even the focus on the lien
11 sale. Because, the money that they-- again, these
12 are homeowners. These are homeowners that are
13 staying in the city. They don't have second homes in
14 the Hamptons. They are struggling to make ends meet.
15 They are spending their dollars within the city.
16 They are raising families within the city and now, we
17 need to give them a special circumstance during this
18 pandemic and we need to really look at the entire
19 lien sale it should and try to get it away from
20 predatory lenders. It is shameful and disgraceful
21 that this city is allowing predatory debt collectors
22 to go after the people that are most impoverished in
23 the city. They should be going after the Trumps and
24 the Vernados and the folks with major property
25 managers that are getting away with ripping off our

2 residents, not the small homeowners. But we need to
3 take a hard look at this. So, we need to take it and
4 postpone it for one year after the state of emergency
5 has been lifted, knowing that we may go into another.
6 I know everybody is saying that it may get worse in
7 the fall again and, you know, we don't know when this
8 thing is going to end. Hopefully, there will be a
9 solution, a vaccine that will work, and after it is
10 fully vetted and tested, but everybody is saying
11 that, with everything that is happening, were in for
12 another regression once the fall happens in the
13 winter happens. So, we figured that it would be at
14 least a year, just to be on the safe side, to make
15 sure that we have time to look at all of the issues
16 around the tax lien sale.

17 CHAIRPERSON DROMM: Thank you, Senator.

18 ASSEMBLY MEMBER WEPRIN: Chairman

19 Dromm, can I interject?

20 CHAIRPERSON DROMM: Sure.

21 ASSEMBLY MEMBER WEPRIN: I agree with

22 the comments by Senator Comrie, but another issues--

23 and this was a huge issue. When Senator Comrie and I

24 were both in the city Council is the water lien

25 portion of it and there were so many mistakes made by

2 the city and DEP on putting people, you know, who had
3 leaks that they didn't know about and then they
4 multiply in the amounts and it kept piling up with
5 interest on top of interest and a lot of people got
6 put into the tax lien sales because of unpaid water
7 charges. Also, during this pandemic, we had the
8 opportunity to have the town hall meetings, the
9 outreach that we normally would. Normally, the
10 Department of Finance would reach out to us, let us
11 know the number of properties in our district and
12 gave us an opportunity to have a hearing on them.
13 That has not taken place because of the pandemic.
14 So, because of that particular situation, we thought
15 a year from the end of the pandemic would be enough
16 time, you know, too, basically, have people back on
17 track and know which properties are potentially in
18 danger of the foreclosure sale and losing their
19 property. So, we wanted to give enough time with an
20 outside date and that is why we chose a year from the
21 end of the pandemic. And, as Senator Comrie said, we
22 don't know when that is.

23 CHAIRPERSON DROMM: Thank you. You
24 know, number of people, many people, believe that
25 delaying the tax lien sale is the right thing to do,

2 but it will cause some stress. Senator Comrie
3 address that. I asked the Attorney General about
4 that, as well. But that brings me to another issue
5 which is the issue of the city borrowing money. Have
6 either of you taken a stand in support or against the
7 city borrowing money to get through the fiscal
8 crisis?

9 SENATOR COMRIE: We have, in the Senate,
10 we sent the indication to the Mayor into the Speaker
11 that we wanted to have a clear understanding for what
12 the borrowing would be for. That there was a total
13 financial plan behind it. That the city Council
14 would send us a resolution on it, as well and, you
15 know, that we've also been pushing hard to get the
16 Mayor to work with the unions to come up with a total
17 financial plan and resolution on issues. We believe
18 that there are many things that the unions can do to
19 try to alleviate the need to borrow 5 billion dollars
20 and we wanted to see that worked out as much as
21 possible. We are willing to do the borrowing once
22 those things are in place and if we have some clear
23 understanding what the money was going to be used
24 for. When it was originally presented to us, there
25 was no explanation on how the money was going to be

2 used or where the money was going to be used. What
3 savings the city was going to going. Kind of work
4 out with they do with the unions. We think that
5 pension buyout, we think the issue of looking at the
6 health savings and the other benefit packages that
7 are with the unions now could be a possibility to
8 save a lot of money and, actually, could get better
9 plans, as well. So, we wanted to see all that in
10 place. But I can tell you that, as the Senate body,
11 we are not rejecting the need to borrow money because
12 we are-- on the Senate level, we're in more debt
13 than you guys are. So we need to look at the
14 borrowing on the Senate level, as well, for the
15 entire state, but we wanted to see a total financial
16 plan and not just a request for 5 billion dollars
17 donation.

18 CHAIRPERSON DROMM: And, Assembly
19 member Weprin, you wanted to address that?

20 ASSEMBLY MEMBER WEPRIN: Yes. Yes,
21 Chairman Dromm. Of course, borrowing long-term for
22 operating expenses is what got New York City into
23 trouble in the 70s. It really should be a last
24 resort, but, right now, what we're looking to do is
25 get the most out of Washington. You know, there's no

2 question that this was a national issue. New York
3 was at first. Both the city and the state. We were
4 the epicenter at one point of the pandemic. Thank
5 God, it's gotten better. We have, you know,
6 flattened the curve and we have less than one percent
7 for the last 30 days, but we are in the mess that we
8 are in because of that. It really should be done in
9 an overall plan to see what we'll get out of
10 Washington. You know, we're not totally ruling out
11 borrowing, but at the same time, that should probably
12 be a last resort and as part of an overall package.
13 There is additional revenue that can be achieved
14 through additional tax is in creating new taxes. I
15 have had bills, you know, to bring back the commuter
16 tax for many years and I think that is still
17 something that should be looked at, especially in a
18 fiscal crisis, for New York City. We have talked
19 about the marijuana tax, if we legalize marijuana,
20 and we've been very close to that. We've talked
21 about online sports betting, which I think is an
22 important new revenue source that will help the city,
23 as well as the state. So, I think it should be done
24 in an overall package, you know, not just by itself.
25 So I think we would like to see, but our first

2 priority should be to see what we are going to get
3 from Washington and what we are not going to get from
4 Washington. And we all, of course, no, that there is
5 an election around the corner, and that could change
6 the whole picture, as well.

7 CHAIRPERSON DROMM: And I know you
8 mentioned the borrowing got us into some trouble in
9 the 70s, but I think, also, we did some borrowing
10 after 9/11 and that was what helped us get out of the
11 situation right after 9/11, if I'm not mistaken.

12 ASSEMBLY MEMBER WEPRIN: That is true
13 and, if we do borrowing, should be done on an
14 emergency basis and, possibly, you know, on a limited
15 basis. But, yes. Borrowing could be part of the
16 package, but it should be part of an overall package,
17 not in a vacuum by itself.

18 CHAIRPERSON DROMM: Okay. Thank you.
19 And for Senator Comrie, you happen to also be the
20 sponsor of Senate Bill 8122, which led to the
21 introduction of Intro 2039, which this committee is
22 also hearing today. As we mentioned, that
23 legislation authorizes the extension of the
24 application deadline for certain property tax until
25 July 15th. What led you to realize that this was a

2 problem that needed to be addressed and would you
3 support a permanent extension to this deadline?

4 SENATOR COMRIE: Yes. I would support a
5 permanent extension to the deadline. You know, it's
6 the same situation. People who are struggling right
7 now because of the pandemic that have lost, you know,
8 income that, you know, been sick. You know, if you
9 look at the properties in question, it's in the same
10 areas that have had the highest losses due to COVID-
11 19 that have been in the most impoverished areas of
12 the city and are struggling to make ends meet. So,
13 you know, we wanted to create some relief for these
14 homeowners. Then, you know, it's the same situation
15 with the tax lien sale. These are people that are
16 invested in the city in a real way by investing in
17 their small businesses and in their homes and we
18 wanted to create this opportunity to give them some
19 relief so they're not, you know-- the city is
20 picking on the lowest hanging fruit, the people that
21 can't go anywhere, the people who are actually
22 contributing to the city and the most essential way
23 by creating the opportunity for people to be able to
24 move around in the city, to be able to eat in the
25 restaurants. These are the essential workers that

2 are struggling to try to get by. So, you know, we
3 thought it was important to do that bill, as well.
4 And I want to thank the city Council for wanting to
5 pass that resolution, as well. I can assure you that
6 we have great support in both the Assembly in the
7 Senate for both of these bills that we are pushing
8 the day and also the other resolution, as well. But
9 it is important that, you know, we also take a larger
10 look and how we deal with property issues in the
11 city. We know that Council member Cornegy and Miller
12 and Adams have been, you know, in the forefront in
13 dealing with the issues of our tax levy and how the
14 taxes are even assessed in this city. I've been part
15 of students shamelessly need to relook how the
16 venison's property taxes in the city because, again,
17 those same neighborhoods are paying higher
18 percentages in property taxes than anywhere else in
19 the city. But as in the city [inaudible 00:52:03]
20 targeting people that don't have the ability to
21 understand what they are going through with the
22 highest taxes, the quickest turnaround as far as
23 going after them if they can't pay, and also property
24 theft. So, we really need to take a look at this
25 together and all three branches of government and try

2 to push back and change what is going on here.

3 Because this is the biggest transfer of property that
4 is happening to a minority community and we have to
5 stop the bleeding.

6 CHAIRPERSON DROMM: Okay. Thank you,
7 Senator. Before I go to other questions from
8 committee members, I want to say that we have been
9 joined by Council member Gibson and Van Bramer and
10 also that the administration has submitted written
11 testimony in support of Intro 2039 and that testimony
12 is on the Council's website. So, with that, let's go
13 to Council member Cornegy.

14 COUNCIL MEMBER CORNEGY: Good morning.
15 Thank you, Chair Dromm. Thank you to the Senator,
16 the Assembly member for the great work they are doing
17 on the state level. Also, obviously, thank you to
18 Tish James. I just wanted add that, you know-- said
19 this 1000 times. It's a three-legged stool. There
20 is the tax lien, there is deep theft indeed fraud,
21 and there is been the use of the third-party transfer
22 program that have conspired to actually do more
23 displacement to homeowners than anything else in the
24 city and we have already mentioned that these are
25 black and brown homeowners. So, I just wanted to not

2 ask a question, but thank you for your diligence and
3 it's a perfect example of how relationships between
4 our city and state colleagues. I have the pleasure
5 of sharing a great relationship with my state
6 colleagues. How important that is. So, for those of
7 you who are struggling earlier relationships with
8 your state colleagues, this is a perfect example of
9 how it works when we all conspire to do what is in
10 the best interest of our constituents. So, Senator
11 Comrie, Assembly member Weprin, and, obviously,
12 Attorney General Tish James, thank you so much to
13 your work. I look forward to continue to partner
14 with you to do what is in the best interest of our
15 small homeowners. Thank you.

16 SENATOR COMRIE: Thank you.

17 CHAIRPERSON DROMM: Thank you very
18 much, Council member Cornegy. And having worked with
19 all three of our folks that gave testimony this
20 morning, I can attest to the fact that working
21 together is what works the best. So, thank you very
22 much. That's it for questioning and we're going to
23 now move on to public testimony. I am going to ask
24 committee counsel to call up those who are going to
25 get public testimony. Thank you again.

2 SENATOR COMRIE: Council member Dromm, I
3 just want to take another minute to thank all of you
4 Council members. And, again, just check our Council
5 member Cornegy said, you know, working together and
6 continuing to collaborate is the best thing to make
7 sure that our homeowners and it citizens are
8 protected. So, thank you, Council member Dromm.
9 Thank you, Councilmember Adams and all of the
10 councilmembers. Stay safe and have a great day.
11 Thank you.

12 CHAIRPERSON DROMM: Thank you.

13 COMMITTEE COUNSEL: As we move on to
14 the rest of the witnesses, please be advised that you
15 will have 30 minutes for your testimony. We ask that
16 you please await for the Sergeant-at-arms to tell you
17 when your time be. The Sergeant will then let you
18 know when your time is up. We will now hear from
19 Rose Marie Cantanno followed by Jacqueline Griffin
20 and Julian Saint Patrick Clayton. Ms. Cantanno, you
21 may begin when ready.

22 ROSE MARIE CANTANNO: Good morning, Chair
23 Dromm, Council-- I'm sorry. Can you hear me? Okay.
24 Council members and staff, good morning and thank you
25 for the opportunity to speak in support of the

2 passage of resolution 1387, which would [inaudible
3 00:55:56] New York City 2020 tax lien sale until one
4 year after the COVID-19 state of emergency has been
5 listed. My name is Rose Marie Cantanno and I am the
6 associate director of the Consumer Protection Unit at
7 the New York Legal Assistance Group, a nonprofit law
8 office dedicated to providing free legal services in
9 civil matters to low income New Yorkers. NYLAG uses
10 the power of the law to help New Yorkers in need
11 combat social and economic justice. I have had the
12 privilege of representing New York City homeowners in
13 all five boroughs for the last 10 years. In fact,
14 today is my 10 year anniversary at NYLAG. I am
15 constantly amazed at the spirit and sense of
16 community among these homeowners. Many of these
17 individuals have spent their entire lives investing
18 in their homes and building their communities. Many
19 of them are people who came to this country and to
20 New York for their American dream and achieved it.
21 They worked hard, often two or three jobs, and grew
22 their wealth in the form of homeownership. They
23 stronghold every month to make their mortgage
24 payments and finally arrived at a place where their
25 homes were owned, free and clear of any debt. They

2 managed to pay their taxes and other home expenses,
3 even amid the rising cost of living in New York City,
4 but this took everything they had. Then COVID-19
5 change their lives and finances overnight. Many of
6 the homeowners affected by the tax lien sale our
7 senior citizens on fixed incomes who rely on family
8 members to assist them financially, including paying
9 the real estate taxes on their homes. In addition,
10 they rely on renters and roommates to help make these
11 payments. However, because so many people have lost
12 their income during this pandemic, many of these
13 individuals who were relied on, now find it
14 impossible to keep assisting our senior citizens who
15 have found themselves in a terrible situation. Even
16 for those who are not seniors, the loss of income
17 from closed businesses has left them using every
18 penny they have for such necessities such as food
19 and, unfortunately, lately, medical and even funeral
20 costs that have been incurred during this pandemic.
21 Another result of this pandemic has been the
22 separation of these homeowners from many of the
23 services which would normally be able to assist them.
24 Normally, organizations such as NYLAG would spend a
25 few months preceding the tax lien sale reaching out

2 to homeowners, attending outreach events, assisting
3 them with payment plans, requesting exemptions from
4 the tax lien sale, or applying for available grants
5 to help keep their liens from being sold. All of
6 these efforts were not possible due to the inability
7 to congregate because of the virus. Virtual of
8 events did not reach anywhere the number of people
9 our live events did. Often, these individuals do not
10 have the technology or know how to work with us in
11 this virtual space. They couldn't walk into the
12 Department of Finance office to ask for options.
13 It's no secret that the tax lien sale has a disparate
14 impact on communities of color, immigrant
15 communities, and those who have historically
16 struggled to amass wealth and financial security.
17 According to an analysis by the Coalition for
18 Affordable Homes, liens sold for one to three
19 families in 2015, New York City is six times more
20 likely to sell a lien and a majority black or
21 African-American neighborhood and twice as likely in
22 a neighborhood Latin X or Hispanic. It's important
23 to remember that these are not people that just do
24 not want to pay the taxes. These are people who,
25 through hard work and dedication, have paid off their

2 homes. These are the people who lay awake at night
3 worrying about how they are going to pay their bills.
4 The truth is, their taxes are still going to be paid.
5 They're not asking for tax forgiveness or any kind of
6 free pass. They simply are asking that they are
7 taxed at not be sold to an investor who will charge
8 them excessive interest rate and high legal fees from
9 the start. I have seen a 2000 dollar tax lien become
10 a 4000 dollar tax lien overnight. Payment plans are
11 rarely offered in the law doesn't provide all the
12 safeguards in tax foreclosures which are afforded to
13 mortgage foreclosures. For these reasons, NYLAG
14 strongly supports delaying the 2020 tax lien sale
15 until one year after this emergency has ended as the
16 day the emergency ends, everyone is not going to be
17 back and do a good financial plan. Thank you for the
18 opportunity to testify on this important and timely
19 issue. I look forward to working with the Council to
20 ensure that hard-working homeowners are protected in
21 the wake of this pandemic. Thank you.

22 CHAIRPERSON DROMM: Okay. Thank you.
23 We'll go to our next witness.

24 SERGEANT-AT-ARMS: Time starts now.

2 COMMITTEE COUNSEL: We will now hear
3 from Jacqueline Griffin.

4 JACQUELINE GRIFFIN: Hi. Good morning.
5 My name is Jacqueline Griffin. I am a senior staff
6 attorney in the Brooklyn office of Legal Services
7 NYC. I want to echo Rose Marie's comments that, when
8 it comes to the consequences of this lien sale, their
9 following most heavily on homeowners who have long
10 invested in their neighborhoods. These are largely
11 senior citizens on fixed incomes and these are
12 largely families of color. And I would like to talk
13 a bit just about sort of, even pre-COVID, what our
14 office is seeing in terms of the consequences of the
15 tax lien sale. Basically, because the tax lien sale
16 is-- the list of tax lien sale list is a public
17 document, it's very easy for anyone who is seeking
18 that target these individuals to know which
19 homeowners in which neighborhoods are in financial
20 distress and they are often subject to incessant
21 calls, mailings, visits from investors who are
22 seeking to buy their homes at discounted prices. And
23 because of the confusion surrounding the lien sale,
24 including the fact that DEP and DOF have very
25 separate systems for how to get off of the lien sale

2 and exemptions that people are entitled to, because
3 of the confusion, it is very easy for these
4 homeowners who are already in financial distress to
5 fall prey to the predators. In one of the most
6 common scams that we are seeing in our office these
7 days is the targeting of properties that remain in
8 the name of deceased ancestors. And so, an investor
9 who sees someone's home on a lien sale list will
10 contact potential heirs to that property. These are
11 typically people who are living out of state with no
12 connection to the property and they, basically, tell
13 them a story about how they are in danger of being
14 responsible for the delinquent debt and they convince
15 them to sell their suppose it interest in the
16 property for pennies on the dollar. The investor
17 will then seek to both harass and sell the home
18 through a partition action so that they can get the
19 resident homeowner out of the property. And for us,
20 as advocates, we are both litigating these cases in
21 court, but we are also having to remove them from the
22 lien sale list year after year until we can get their
23 names back on the property. And so, just the cycle
24 of having these liens sold repeatedly is causing a
25 lot of harm to mostly black and brown communities.

2 And it is important to note that, while these deed
3 thieves have the title to the property, that there
4 are charges that are accruing on the property that
5 would not otherwise be there. So, if there is an LLC
6 on the property, then homeowners are not going to be
7 able to get their exemptions. They are going to be
8 subject to property taxes at a higher rate and DOF
9 does not provide any remedy on the backend or any
10 retroactive benefit for these homeowners who we are
11 litigating to save their homes as victims of deed
12 theft or deed fraud.

13 SERGEANT-AT-ARMS: Time expired.

14 CHAIRPERSON DROMM: Can you wrap up
15 quickly, please?

16 JACQUELINE GRIFFIN: Sure. Thank you so
17 much.

18 CHAIRPERSON DROMM: Sure.

19 JACQUELINE GRIFFIN: I mean, obviously,
20 we appreciate the legislation that is in front of the
21 Council at this point, but the truth is that low and
22 middle income communities are disappearing and the
23 annual lien sale exacerbates that. Of course, it's
24 going to all be made worse by COVID, but this is
25 destabilizing neighborhoods. People are being

2 stripped of their equity. They are losing their
3 homes and there is, you know, basic question of who
4 we are going to protect here. Are we going to
5 protect her vulnerable seniors? Are we going to
6 protect our disabled people? Are we going to protect
7 these intergenerational homes that are keeping run
8 slow in participating in government programs that
9 house vulnerable children and their families? So,
10 it's really a question of sort of the devastating
11 effects of the foreclosures that would come from a
12 lien sale, particularly at this time, would have
13 really horrifying effects for communities of color
14 largely.

15 CHAIRPERSON DROMM: Okay. Thank you
16 very much for your testimony and thank you for
17 wrapping up and we will go to the next person. Thank
18 you.

19 COMMITTEE COUNSEL: We will now hear
20 from Julian Saint Patrick Clayton followed by Tenying
21 Yangsel and Yoselin Estrella.

22 SERGEANT-AT-ARMS: Time starts now.

23 JULIAN SAINT PATRICK CLAYTON: Thank
24 you. Good morning. Thank you, Chair Dromm. Thank
25 you to the members of the Committee on Finance for

2 holding this hearing. My name is Julian Saint
3 Patrick Clayton I am the deputy director on policy
4 and research at the Center for New York City
5 Neighborhoods where we promote and protect affordable
6 homeownership in New York so the middle and working
7 class community can thrive in strong communities.
8 Given the short amount of time I have available, I am
9 going to focus on a few key issues, but I will direct
10 interested parties to my written testimony for
11 further detail. So, first, the tax lien sale will
12 hurt New York City homeowners, tenants, and
13 communities. We find that 87 percent of the roughly
14 4600 homes on the 2020 sale are in the Bronx,
15 Brooklyn, and Queens and we estimate that at least
16 half of those are owner-occupied. We saw that in
17 prior sales like in 2019. The sale of tax class I
18 properties were over 10 times more likely to be
19 located in majority black census tracts than a
20 majority white census tracts. From a second point,
21 the lien sale revenue is comparatively minuscule.
22 From the city revenue perspective, revenues are
23 generated about an average of 87 million between 2015
24 and 2019 while property tax collection was roughly 25
25 billion. And to put that into perspective, and

2 fiscal year 2019, the city's property tax revenue was
3 about 28 billion dollars which was 459 times higher
4 than and that means sale revenue for that year of 61
5 million. If there is no proper outreach, there
6 should be no lien sale. In previous years, the
7 Department of finance has conducted extensive
8 outreach to ensure that property owners both
9 understood the lien sale and could take steps to
10 address it. However, as noted due to COVID-19, the
11 DOF's organized virtual events have had limited
12 impact because only of the fraction of the homeowners
13 have been reached. We saw that of the roughly 9600
14 properties on the lien sale eligibility list
15 published in July, only 562 were removed by August
16 17th. And a very important point, their cities,
17 comparable to New York City, have moved away from the
18 lien sale. Both Philadelphia and Baltimore both
19 suspended their water leave themselves out of concern
20 that they will be penalizing the most vulnerable
21 homeowners and, most notably, in Cook County, home to
22 Chicago, the treasurer order the indefinite
23 postponement of lean sales on the grounds that,
24 quote, holding the lien sale-- holding a tax sale
25 under these circumstances would be an unfair to tens

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2 of thousands of homeowners who are living paycheck to
3 paycheck as we phase this pandemic. Okay. We
4 applaud the Council member Adams for putting forth
5 this resolution and the cosponsors. We are in favor
6 of Introduction 2039 and, looking ahead, we asked the
7 committee to consider removing homeownership units
8 from the lien sale altogether and keep them under the
9 city's purview. We welcome the opportunity to work
10 with the Department of finance, Chair Dromm,
11 committee to ensure that the lean sales do not
12 further destabilize our communities. Thank you for
13 the opportunity to testify.

14 CHAIRPERSON DROMM: Thank you. Can you
15 just go over those numbers again? You said 25
16 billion in tax revenues over what period of time
17 versus how much income from lean sales?

18 JULIAN SAINT PATRICK CLAYTON: Sure.
19 So, in fiscal year 2019, the city's property tax
20 revenue was estimated to be 27.9 billion, which was
21 459 times higher than the net lien sale revenue of 61
22 million.

23 CHAIRPERSON DROMM: 61 million. Okay.
24 Thank you very much. I appreciate it.

25

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2 JULIAN SAINT PATRICK CLAYTON: No
3 problem at all.

4 COMMITTEE COUNSEL: We will now hear
5 from Tenying Yangsel followed by Yoselin Estrella and
6 Aaron Weber.

7 SERGEANT-AT-ARMS: Time starts now.

8 TENYING YANGSEL: Good morning, Chairman
9 Dromm, Council member Adams, and all the esteemed
10 members of the Finance Committee. Thank you for
11 hearing my testimony and for all that you are doing
12 for the homeowners of New York City. My name is
13 Tenying Yangsel. I am a foreclosure prevention
14 housing counselor at Chhaya Community Development
15 Corporation. Chhaya works to build [inaudible
16 01:09:12] housing stability and economic well-being
17 of South Asian and Indo Caribbean communities in New
18 York and we work extensively with constituents and
19 many of your districts. Chhaya supports resolution
20 1387 and we implore the city Council to pass it,
21 especially in regards to class I properties. Every
22 year, Chhaya conducts outreach to the South Asian and
23 Indo Caribbean community members on the tax lien sale
24 list. We typically find several hundred class I
25 properties with South Asian owners facing a tax lien

2 sale, mainly in the districts mentioned above. Our
3 staff then travels throughout Queens to knock on
4 doors and speak directly to homeowners on the list.
5 What we find through the outrage is very concerning
6 to us. While some homeowners know about the issue,
7 we often find many homeowners who are not aware that
8 they are on the list. In many cases, the homeowner
9 does not speak English and cannot understand the
10 letters that they receive about the overdue taxes.
11 When we were able to reach homeowners, we invite them
12 to our office and explain their options to them.
13 They are eager to get back on track, set up a payment
14 plan, and do what they can to prevent their liens
15 from being sold. Chhaya's outreach helps dozens of
16 homeowners each year avoid the tax lien sale and end
17 the process of going down the path of rising debt and
18 potential foreclosure. This year was different. Due
19 to COVID-19 crisis, Chhaya was unable to safely
20 conduct the outreach that we typically do to
21 homeowners on the tax lien sale list. While most of
22 our work is shifted to remote platforms, we were
23 unable to access phone numbers for most of the
24 homeowners in a letter in the mail does not generate
25 the same outcome as personal, face-to-face

2 interaction. It would be truly unjust to allow so
3 many homeowners to end up in [inaudible 01:10:55]
4 debt because community groups like guys were
5 inhabited by an unprecedented health crisis from
6 intervening and giving homeowners a shot at
7 correcting the tax debt with the city. Lastly, there
8 are community engagement, I can tell you that our
9 clients are not irresponsible homeowners. Many of
10 them are working-class immigrants who make meager
11 wages and have invested all of their hard work in
12 buying a home. Many of them have been economically
13 scarred by one financial crisis after another. They
14 are the victims of stagnant incomes, disappearing job
15 opportunities, and the rising costs of living. The
16 tax lien sale puts too many of these homeowners in a
17 position where they cannot catch up with the growing
18 debt. Some even end up losing their home. During
19 the greatest public health crisis and economic
20 recession of our time, I think it is our
21 responsibility as the city to give homeowners a
22 chance to catch their breath and postpone their 2020
23 tax lien sale. Thank you.

24 SERGEANT-AT-ARMS: Time expired.

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2 CHAIRPERSON DROMM: Thank you. Where
3 do you do this outreach?

4 TENYING YANGSEL: We do it in Queens
5 [inaudible 01:12:00]. We have two offices. One in
6 Jackson Heights and one in South Richmond Hill.

7 CHAIRPERSON DROMM: Yeah. I've never
8 seen it in Jackson Heights, so I was wondering where
9 you do the outrage.

10 TENYING YANGSEL: Yeah. I can get back to
11 you about specific places. We look through the list.

12 CHAIRPERSON DROMM: And how many people
13 do you outreach to? Can you hear me?

14 TENYING YANGSEL: Hello?

15 CHAIRPERSON DROMM: Yeah. Can you hear
16 me?

17 TENYING YANGSEL: Yes. Sorry. I was
18 unmuted. So, I'm new to Chhaya, so I haven't done in
19 from last. I joined this year. So, I think we look
20 at the list, tax lien sale list and then we identify
21 homeowners who are South Asian Indo Caribbean and
22 then go through them, the list.

23 CHAIRPERSON DROMM: Okay. I mean, I am
24 the Council member for your district and we go

25

2 through the list. Do you know how many are in
3 Jackson Heights?

4 TENYING YANGSEL: I don't know right now.
5 I can--

6 CHAIRPERSON DROMM: Oh.

7 TENYING YANGSEL: get back to you.

8 CHAIRPERSON DROMM: Okay.

9 TENYING YANGSEL: You said 40 something,
10 yes, for Jackson Heights.

11 CHAIRPERSON DROMM: Yeah. I would be
12 very interested to see her know the number of
13 homeowners that you do outreach to, particularly in
14 my district, and if you have statistics on the other
15 districts, as well. And also, are you a paid
16 employee of Chhaya?

17 TENYING YANGSEL: Yes. I am a foreclosure
18 prevention counselor.

19 CHAIRPERSON DROMM: Okay. And then,
20 the funding for the position, where does that come
21 from?

22 TENYING YANGSEL: I can get back to you on
23 that. Chhaya can get back to you on that.

24 CHAIRPERSON DROMM: Okay. Because I
25 have not seen that work in the neighborhood, but I'm

2 certainly interested in having those questions
3 answered.

4 TENYING TANGSEL: Sure. I'll definitely--

5 CHAIRPERSON DROMM: Thank you. Thank
6 you. All right. Let's put our next person.

7 COMMITTEE COUNSEL: we will now hear
8 from Yoselin Estrella followed by Aaron Weber and Jan
9 Lee.

10 SERGEANT-AT-ARMS: Time starts now.

11 YOSELIN ESTRELLA: Hi. Good morning
12 everyone. Thank you for the opportunity to testify.
13 Thank you, Chair Dromm and thank you to also all my
14 colleagues at the Coalition for Affordable Homes for
15 the advocacy and also the rest of the Council
16 members. My name is Yoselin Genao Estrella and I am
17 the vacuum director of Neighborhood Housing Service
18 is of Queens, CDC. We provide the tools at NHS of
19 Queens for low to moderate income Queens's residents
20 to be able to buy, keep, and maintain their homes.
21 And it's very appropriate and we wholeheartedly
22 support and applaud the efforts to postpone the tax
23 lien and also the leadership under the leadership of
24 Councilwoman Adams and introducing Reso 1387. This
25 is a small, yet a significant step in the right

1 direction to help LMI homeowners being the backbone
2 of our community. We have seen, at this point, that
3 districts that have been the center of the epidemic,
4 this pandemic. We have seen how, even before this
5 pandemic, our clients were living on the end. Now,
6 without a proper safety net of programs, the future
7 may be unforeseen. So, we applaud and we really
8 wholeheartedly also look for a more comprehensive
9 plan both at the federal for both--- from the
10 federal, the state, and also the Council to continue
11 to provide [inaudible 01:15:54] cities to provide
12 much critical programs and look for solution. Like I
13 mentioned, this is a small step, yet significant, for
14 our clients. Most of our clients that we serve are
15 brown and also African-Americans and also many of
16 them are seniors. As we, our offices, we all tried
17 to equip ourselves with-- to work remotely. We also
18 find that the most vulnerable are also going to the,
19 high time, due to the lack of technology and also
20 literacy, to be able to reach not only the office for
21 our services. So this will give them time to look
22 for to apply and also look for solutions. So, we
23 applaud and we think also all of our colleagues and
24

2 we urge the Counsel to pass this resolution in the
3 city Council. So, thank you.

4 CHAIRPERSON DROMM: Thank you very
5 much, Yoselin. And I really appreciate all the work.
6 You know, so many people have come to my office to
7 thank me our staff for referring them over to your
8 organization and every single one of them gets the
9 individualized help that they need. I also
10 appreciate that you go through all of the tax lien
11 sale list, when you come in to see us for, you know,
12 and discussion on what is happening in the
13 neighborhood, you can provide us with all that
14 information. So, I'm very grateful to you for being
15 on top of all that in for the work that you do.
16 Thank you very much.

17 YOSELIN ESTRELLA: Thank you. Thank you.
18 It takes a village and it takes all of us in the
19 community to work together to really provide
20 comprehensive assistance to the backbone of our
21 neighbors. Our neighbors are key and we need to make
22 sure that we have programs available for them. So,
23 thank you for your leadership, as well.

24 CHAIRPERSON DROMM: Thank you. Okay.
25 Let's now go to the next person, please.

2 COMMITTEE COUNSEL: We will now hear
3 from Aaron Weber, followed by Jan Lee Ann and check.

4 SERGEANT-AT-ARMS: Time starts now.

5 AARON WEBER: Hi, everybody. Hello,
6 Finance Committee. Thank you so much for your hard
7 work and leadership. I am a small property owner in
8 East Harlem with a storefront and rent regulated
9 residential tenants and the big question is how can
10 tax lien sales occurred during an eviction
11 moratorium? This would be very destructive to small
12 working class property owners such as myself. We
13 have always been financially responsible. The rule
14 of thumb is keeping one years' worth of taxes in your
15 savings and reserves. We pay July taxes in full,
16 despite the shutdown of commercial businesses and the
17 laws of rent income which was over 65 percent during
18 that time period for us. Taxes were paid straight
19 out of our savings and reserve account, which was
20 meant for capital improvements and emergencies.
21 There is a huge hole in our budget and we cannot
22 sustain to pay taxes in full again in January. We
23 fear a tax lien sale on our property and many like
24 ours. A tax lien sale would wipe out all the hard
25 work and sacrifice of my family that took generations

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2 to achieve. So, I want to thank the Finance
3 Committee for your leadership again and taking this
4 seriously. Thank you.

5 CHAIRPERSON DROMM: Thanks. Thanks
6 very much. Can you just describe the loss of income
7 a little bit more in terms of your tenants? What
8 matters looked like? Did you say 65 percent or
9 something like that? Can you just-- Are you muted?
10 I can't hear you. Yeah. You are muted.

11 AARON WEBER: Okay. Yeah. Here we go.

12 CHAIRPERSON DROMM: Okay. Good. All
13 right.

14 AARON WEBER: Yeah. The shutdown of the
15 commercial tenant, which comprises 65 percent of our
16 rents, was lost right off the bat during the time
17 period.

18 CHAIRPERSON DROMM: So that's really
19 has a detrimental effect on you.

20 AARON WEBER: Yep. And paying taxes as per
21 normal left a big hole in our budget and it's going
22 to take years to make it back up.

23 CHAIRPERSON DROMM: Okay. Thank you.
24 Thanks for your testimony. I appreciate you taking
25 the time to do this. Thank you.

2 AARON WEBER: Thank you.

3 COMMITTEE COUNSEL: We will now hear
4 from Jan Lee followed by Anne Korchak and Abraham
5 Gross.

6 SERGEANT-AT-ARMS: Time starts now.

7 JAN LEE: Good morning, committee
8 members and Chair Dromm. My name is Jan Lee. I'm
9 very disappointed that we don't have representation
10 from the Mayor's office here today. My family is
11 owned the same tenement buildings in Chinatown for 96
12 years, a tenement that I call home. In 96 years, my
13 Chinese-American family has housed countless
14 individuals and businesses. We were here for them
15 when racism found her tenants to the confines of our
16 community. From the days of the Chinatown bachelor's
17 society to the 21st century, we have successfully
18 created stability in the lives of immigrant families,
19 students, and seniors for three generations. We are
20 community assets. But, like many thousands of small
21 property owners, some in Chinatown, we could never
22 have foreseen the pandemic that would strip away our
23 savings and our emergency fund. The backbone of our
24 buildings are restaurant tenants, which employ many,
25 many people who were forced to close for months and

2 now they are relegated to ceding to people at a time
3 outdoors. The income just isn't there. We are
4 trying our best. We dug deep to sustain our own
5 family and, when our friends got sick and some have
6 died, so we did grocery runs to the food pantry for
7 our tenants and we made rent concessions where we
8 could. The lien sale needs to be canceled. It is
9 simply a moral to expect thousands of small property
10 owners to be bound by draconian laws that
11 historically plunge families into financial ruin to
12 fill a budget gap that amounts to nothing more than
13 chasing a penny in a hurricane. Investors should
14 never be allowed to profit from our COVID-19 misery.
15 Is that what we want? To keep this feature of city
16 government a vestige of the Giuliani administration?
17 Why would this Council do that in 2021? Property
18 owners are less capable now than we were in March and
19 this Council must acknowledge that by voting to
20 support 137. I want to applaud all of you for the
21 attention that you have given this. This is very
22 serious. Thank you.

23 CHAIRPERSON DROMM: I was going to say
24 thank you very much, Jay. And your emotion
25 represents emotion that anybody who feels or sees

2 themselves, I should say, on the tax lien sale list.
3 Your family particularly being here for 96 years in
4 that building and your emotion is followed by its
5 very, very much. So, thank you.

6 JAN LEE: Thank you. The process has
7 been very, very frustrating, Chair. Going to the
8 Department of finance on Friday, I didn't find out
9 until 3:30 from the tweet from the Mayor, but I just
10 want to let the folks know that the Department of
11 Finance is in no way prepared to process these lien
12 sale applications. We did not receive a payment
13 plan. We are still trying to work with the city, but
14 I want you to understand from first-hand experience,
15 the Department of Finance is, and no way, prepared
16 and likely will not be prepared come January or even
17 after. So, I applaud all the politicians who put so
18 much work in the best. Thank you so much.

19 CHAIRPERSON DROMM: I'd like you to
20 reach out to me. Yeah. Okay. I'd like you to reach
21 out to me at Dromm, D R O M M, @Council.nyc.gov and
22 give me some specifics about your case and I'm going
23 to look into it further.

24 JAN LEE: I appreciate it very much,
25 Chair. Thank you.

2 CHAIRPERSON DROMM: Thank you.

3 COMMITTEE COUNCIL: We will now hear
4 from Ann Korchak followed by Abraham Gross and
5 Deborah Ack.

6 SERGEANT-AT-ARMS: Time starts now.

7 ANN KORCHAK: I'll like to thank the
8 Council members that put forward Resolution 1387. My
9 family has been a multifamily landlord for nearly 80
10 years. We provide housing for 20 families on the
11 upper West side in District 6. 40 percent of our
12 tenants are rent regulated. Most year, approximately
13 a third of my rent roll goes back to the city as
14 property tax. This year, because of higher vacancies
15 and rent concessions, nearly 50 percent of my rent
16 roll will be used to cover taxes. If we don't see a
17 rebound in 2021, we could be on the next lien sale
18 list. As the COVID crisis drags on, it is becoming
19 very clear that not only tenants are vulnerable, but
20 small landlords are, as well. Small owners provide a
21 large percentage of the rent regulated housing stock
22 and we don't have the benefit of a huge portfolio
23 that would allow us to whether a protracted, tough
24 economic crisis. By postponing the lien sale until
25 one year after COVID-19 state of emergency has been

2 lifted, you will allows small owners like my family
3 to navigate this unprecedented crisis. In turn, you
4 are allowing this sector that is providing a sizable
5 portion of the city's affordable housing to remain
6 stable. Ownership stability in tenant housing
7 stability are very much connected and, therefore, I
8 asked the city Council to pass this resolution.
9 Thank you very much.

10 CHAIRPERSON DROMM: And thank you also.
11 It's very important that we hear from people like
12 you. Thank you.

13 ANN KORCHAK: Yes.

14 COMMITTEE COUNSEL: We will now hear
15 from Abraham Gross.

16 SERGEANT-AT-ARMS: Time starts now.
17 Abraham, you are unmuted.

18 ABRAHAM GROSS: Are you hearing me?

19 SERGEANT-AT-ARMS: Yep.

20 CHAIRPERSON DROMM: Yep.

21 SERGEANT-AT-ARMS: Time starts now.

22 ABRAHAM GROSS: Yes. Council member
23 Dromm, the proposal of this legislation pertains to
24 extending property tax abatement. My name is Abraham
25 Gross and my testimony is about the humanitarian

1 crisis, and unfathomable cruelty that I, and millions
2 of other low income New Yorkers face as the result of
3 abuse and mismanagement of tax abatements and, in
4 particular, the 421 A tax abatement. For the past
5 353 days, I have been battling homelessness on and
6 off. More than 180 days have been during the
7 pandemic crisis. The pain and the suffering
8 inflicted on me and millions of other applicants is
9 completely unnecessary. By clear and convincing
10 evidence, the 421 A tax abatement is a massive
11 corruption scheme. In May 2020, HPD, which manages
12 the tax abatements, and midday that an official press
13 release that out of 74,000 applicants to the subject
14 property, 99 percent were rejected, except that 60
15 percent of the tax abatement apartments when two
16 egregiously and eligible candidates who either owned
17 property out of state, sometimes worth millions of
18 dollars, or were family and friends. The Department
19 of Investigations substantiated the heart and soul of
20 my allegations, mainly that the tax abatement for 21
21 apartments are going to egregiously unqualified
22 members of society, including HPD executives. I have
23 reached out to many Council members who have on this
24 call. 90 percent of them simply ignored my attempts
25

2 to establish some form of human contact. One in
3 particular who is on this call and appears not to be
4 on this call anymore, when I came to her office, she
5 recognized this was a serious problem and that HPD
6 has a history of wrongfully rejecting people from tax
7 abatement's affordable housing. She promised to help
8 then she refused to respond to my calls. She made
9 and scheduled a meeting and she completely ignored
10 me. When I went to her office, I was told by her
11 chief of staff at the best thing you can do is to go
12 into public shelter. As it turns out, by an
13 investigative journalist findings the same Council
14 member at the same time, she hung me out to dry,
15 moved into the luxury affordable complex adjacent to
16 the one I was rejected from after being approved and
17 managed by the same-- by HPD and the same marketing
18 agent. Respectfully, is this the level of public
19 integrity that New Yorkers could expect where 90
20 percent of the Council members that get an email from
21 someone saying, I've been homeless during the
22 pandemic.

23 SERGEANT-AT-ARMS: Time expired.

24 ABRAHAM GROSS: [inaudible 01:30:02]

25 Please respond. Ignore. And the one Council member,

2 who it is in her district, promises to help, but then
3 instead of helping, she hangs out the constituent to
4 dry and moves into an apartment that was not on the
5 market. I know this might seem to you far-fetched,
6 but this is the reality that I and millions of other
7 applicants for the 421 A affordable housing tax
8 abatements deal with. And, respectfully, if you look
9 at the Webster dictionary, you look at the word evil,
10 it's defined as morally reprehensible. It is morally
11 reprehensible that a law abiding citizen is tortured
12 and abused and, by clear and convincing evidence,
13 this is only happening because of corruption and
14 green and, by clear and convincing evidence, Council
15 members, instead of doing their job and protecting
16 the public interest, have been bribed with luxury
17 housing and that is my reality. I'd be so grateful
18 if, you know, you and any other public official of
19 integrity would actually reach out to me. And I just
20 want to emphasize I'm speaking not only for myself,
21 but I've met at least 86 other people with my exact
22 same condition and some of them are in the third-
23 party transfer tax abatements. The problem is that
24 there's no oversight, that public officials treat
25 public property like it is their own, and Council

2 members don't feel a moral obligation to help their
3 constituents by intervening and stopping this
4 egregious corruption. Thank you for--

5 CHAIRPERSON DROMM: Abraham, thank you
6 very much and you can always reach out to us, and our
7 email address. Again, dromm@council.nyc.gov. But I
8 have to say, if you're with-- If the Department of
9 Investigations is looking at this case, then we need
10 to let that proceed and then see what the findings
11 are there.

12 ABRAHAM GROSS: And I respectfully
13 responded that, please?

14 CHAIRPERSON DROMM: Yes.

15 ABRAHAM GROSS: Okay. The Department of
16 Investigations confirmed the information in March.
17 They have done nothing since. These apartments more
18 people I've been given, egregiously eligible
19 apartments. As it turns out, the Department of
20 Investigations investigators who are working on this
21 case are also part of the problem. They too have
22 received luxury affordable housing. This is known
23 because of their credit report and, when the
24 [inaudible 01:32:41] was protested, each and every
25 one of those investigators simply removed the

2 department from the housing records. It's sort of a
3 widespread city corruption scandal which, you know,
4 I'm looking at you. You might be thinking, hey, this
5 guy is crazy. This guy is not crazy. The evidence
6 is there, but the problem is anyone who causes
7 trouble-- like if you are not to look into this, you
8 would be offered a luxury apartment no questions
9 asked. Turns out it's hard for public officials to
10 turn down an offer. Hey, here's a 2 million dollars.

11 CHAIRPERSON DROMM: Abraham, you're
12 talking about corruption, so I need to stop it here
13 because I don't know the allegations I don't know the
14 details of certain things. So, why don't you email
15 me and then we can move on from there, like I said,
16 the Department of Investigation, that is our
17 investigatory agency. Have to go a little bit with
18 that, but email me and we will follow up with you.

19 ABRAHAM GROSS: Thank you for your time.

20 CHAIRPERSON DROMM: Okay. Thank you.

21 COMMITTEE COUNSEL: We will now hear
22 from Deborah Ack followed Albert Scott and Hannah
23 Anousheh.

24 SERGEANT-AT-ARMS: Time starts now.

2 COMMITTEE COUNSEL: It appears that Ms.
3 Ack might have jumped off the Zoom, so we will
4 proceed with Albert Scott followed by Hannah
5 Anousheh.

6 SERGEANT-AT-ARMS: Time starts now.

7 ALBERT SCOTT: Hi. Good morning,
8 everyone. My name is Albert Scott and I am a
9 longtime resident of East New York and a steering
10 committee member of East New York Community Land
11 Trust. I just would like to say I am in total
12 support of this resolution. Thank you. Thank you,
13 Council member Adams and others for taking the
14 initiative and making this a true issue. This
15 matters to black and brown homeowners in East New
16 York, especially the portion of East New York that
17 does not have any Council representation because that
18 seat, the 37th Council District C has been vacant
19 since January 2020 and their district offices has
20 been closed. So they're not been-- residents and
21 homeowners that may not have knowledge he is unable
22 to please go to a district office. In addition to
23 that, I would just like to say again our district is
24 highly impacted by the lien sale than any other
25 community in New York City. The 37th Council

2 District is number one. And by going forward with
3 the 2020 lien sale, the city is allowing also Wall
4 Street investors to exploit the economic turmoil that
5 families in my community are facing right now. And
6 this is not right in this is why I am so appreciative
7 of this resolution is a good next step forward.
8 However, what we are definitely are looking at is,
9 after this, it is very important that we went to
10 reform this tax lien sale program. This program was
11 started by Giuliani and this, we understand also,
12 that this program sunsets in December of this year,
13 2020, and it is very important that the city Council
14 definitely look and start paying attention and start
15 looking at reforming this program and we, especially,
16 especially this committee-- the work-- we're
17 looking forward to work with this specific Finance
18 Committee to reform this lien sale law permanently.
19 Permanently. In addition to that, East New York
20 Community Land Trust will be following up with this
21 committee to talk about reforming the lien sale in
22 greater detail and, again, I'd just like to reiterate
23 it is so important, especially communities such as
24 East New York and Brownsville, that not only this
25 resolution is fully supported by then focused on

2 reforming or getting rid of this whole tax lien
3 system. Thank you.

4 CHAIRPERSON DROMM: Okay. Thank you
5 very much and we appreciate your testimony and coming
6 in today to do this. Thank you. Let's go. I think
7 we have two more, if I'm not mistaken.

8 COMMITTEE COUNSEL: Yes. That's
9 correct, Chair. We will now hear from Hannah
10 Anousheh followed by Deborah Ack.

11 SERGEANT-AT-ARMS: Time starts now.

12 HANNAH ANOUSHEH: Good morning. Can you
13 hear me?

14 SERGEANT-AT-ARMS: Yes.

15 HANNAH ANOUSHEH: Okay. Great. Good
16 morning, Chairman Dromm, and members of the Finance
17 Committee. My name is Hannah Anousheh and I'm the
18 coordinator of the East New York Community Land Trust
19 Initiative and I'm on staff at Cypress Hills Local
20 Development Corporation. Cypress Hills and East New
21 York, Council District 37 is more deeply impacted by
22 the tax lien sale than any other district in New York
23 City with 512 properties in the 2020 lien sale.
24 Meanwhile, we do not have representation in city
25 Council until January as steering committee member,

2 Al Scott, said. Therefore, East New York Community
3 Land Trust supports this resolution to postpone the
4 2020 lien sale, but we believe this does not go far
5 enough. We ask that the Counseling, especially this
6 committee, work with us to reform the lien sale into
7 a program that protects black and brown homeowners
8 instead of hurting them and that creates affordable
9 housing instead of pushing rent-stabilized buildings
10 into further distress. So East New York Community
11 Land Trust is working with a citywide coalition of
12 partner organizations and community land trusts to
13 reform the tax lien sale before the program sunsets
14 this year. We ask that the Finance Committee work
15 with us to pass reforms such as removing one to three
16 family owner-occupied homes from the lien sale and
17 enabling CBO's and CLT's to purchase individual
18 liens. Thank you. And also, steering committee
19 member, Deborah Ack, is on the line now. I wonder if
20 she can speak, as well.

21 CHAIRPERSON DROMM: Yes. Of course.

22 And thank you for being quick and to the point.

23 Thank you. We got it. Deborah?

24 DEBORAH ACK: Okay. Good morning, Chair

25 Dromm and Finance Committee and respective government

2 officials and all who are present here today. First,
3 I'd like to thank Letitia James for her moving
4 testimony so Mr. Lee. I'm going to try and contain
5 myself because they had me all over the place
6 emotionally. My name is Deborah Ack and I'm a
7 longtime resident of East New York and a steering
8 committee member of the East New York community Land
9 Trust Initiative. I'm here to say that black and
10 brown homeowners in East New York are more impacted
11 by the lien sale than any other community in New York
12 City. By going forward with the lien sale, the city
13 is allowing the Wall Street investors to exploit the
14 economic turmoil that families in my community are
15 facing right now. This is not right. That is less
16 support this resolution imposed on the 2020 lien
17 sale. With that being said, I don't think the
18 resolution goes far enough. The tax lien sale
19 program, started by Giuliani, sunsets in December
20 2020. The city Council and, especially this
21 committee, need to work with us, the East New York
22 Community Land Trust Initiative, to reform the lien
23 sale law permanently. We all know that the economic
24 devastation of this pandemic will last more than a
25 year. The East New York CLT looks forward to

2 following up with this committee and anybody else who
3 is interested in reforming the lien sale in greater
4 detail. Thank you for allowing me to testify.

5 CHAIRPERSON DROMM: Thank you very
6 much. Thank you for your offered educators on the
7 Community Plan Trust issue. I appreciate it. We
8 will reach out to you on that, as well, and thank you
9 for being our last person, I believe, to give
10 testimony because you really wrapped it all up for us
11 and I appreciate that very much. And I, too, was
12 moved by both those pieces of testimony.

13 DEBORAH ACK: Yes. Yes.

14 CHAIRPERSON DROMM: Okay. Is that it,
15 counsel?

16 COMMITTEE COUNSEL: Yes, Chair. We
17 have heard from all members of the public who
18 registered to testify today.

19 CHAIRPERSON DROMM: Okay. Just one
20 moment. I've got to pull out my directions here.
21 Okay. Thank you to everyone who testified today. As
22 I mentioned at the start of the hearing, we will be
23 submitting a formal letter to the administration with
24 a list of questions regarding the two pieces of
25 legislation that we had hoped they would be here

2 today to answer. We look forward to their
3 expeditious response to this letter and I will
4 conclude today's hearing now. And one, two, three.

5 [gavel]

6 CHAIRPERSON DROMM: This hearing is
7 officially adjourned at 11:52 a.m. in the morning.
8 Think it all of the staff who worked so hard--

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date September 15, 2020