

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  
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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](mailto:testimony@Council.NYC.gov). Once again, that is  
17 [testimony@Council.NYC.gov](mailto: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

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

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

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

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.

25

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

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

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 weather 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](mailto: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