



OFFICE OF THE BROOKLYN BOROUGH PRESIDENT

**Third Party Transfer Hearing
New York City Council
July 22, 2019**

Good morning: My name is Eric L. Adams and I am Brooklyn's borough president, representing more than 2.6 million residents who call the borough home. I would like to thank City Councilmember Robert Cornegy, chair of the City Council Committee on Housing and Buildings, and Council Member Ritchie Torres, chair of the City Council Committee on Oversight and Investigation, for convening this hearing on the New York City Department of Housing Preservation and Development (HPD)'s Third Party Transfer Program (TPT), a topic that Brooklynites know all too well.

The issue around the TPT program is all too real in Brooklyn, especially in the central Brooklyn neighborhoods of Bedford-Stuyvesant and Crown Heights. As a property owner, I know firsthand of the struggles of maintaining your home and paying the taxes that come along with it. This program has predominantly affected our seniors, who bought their property at a time when the neighborhoods they = lived in were not sought after.

Today, the strain of gentrification is impacting neighborhoods across New York City. In Brooklyn neighborhoods, homeownership means families can build equity while also benefiting from stable housing costs in a city that continues to see

rapidly rising rents. According to a Center for NYC Neighborhoods study, Brooklyn has long been a borough where working-class families can buy and own a home: Today, 29 percent of Brooklyn households are homeowners and, of them, just over half (53 percent) earn a low-to-moderate income. Fifteen percent are middle income, while 28 percent are high-income. This trend is showing that the number of high-income Brooklyn homeowners increased from 23 percent to 28 percent over the past decade, while the proportion of low, moderate, and middle-income homeowners decreased.

This trend is showing no sign of changing. This past March, State Senator Velmanette Montgomery, Assembly Member Tremaine Wright, and my office worked together to host a hearing to highlight the concerns and issues that have been plaguing communities around deed fraud and how we can prevent foreclosures on homes that may be at risk. However, through extensive discussion with community stakeholders, this issue is continuing to grow and there appears to be deeper and possibly illegal actions being undertaken to defraud homeowners of their property.

Unfortunately, the TPT program may be playing a role in defrauding homeowners of their property. Residents continue to inform my office that their homes were never supposed to be a part of the foreclosure list, that they have been foreclosed upon despite repaying their delinquent taxes in good standing, and that several homes have actually been returned to homeowners because they were wrongly seized.

Based on these complaints that continue to come to my office, and the larger crisis of deed fraud that we are witnessing, I again renew my call for a forensic audit of

the TPT program, and an investigation on the Federal, State, and City level, into this issue. The proposed formation of a task force to examine the TPT program is long overdue given the cloud of obscurity around the City's seizure of properties, but it must be accompanied by real oversight by the City Council. In addition, I am in full support of Public Advocate Jumaane Williams' legislation calling for a two-year moratorium on the TPT program. No one should be losing their home while the task force is doing its job.

In addition to fully assessing the problems surrounding the TPT program, I urge the task force and the Council to examine the possibility of paying restitution to property owners impacted by TPT seizures in the form of their lost equity. We have a responsibility to address the loss of generational wealth in communities of color, whether accidental or purposeful. I also seek task force membership for residential stakeholders and advocates who have first-hand experience with the impacts of the TPT program.

When a person's home is endangered or seized, especially when it is being done by, or through, the participation of a government agency, we must ensure any action taken against them occurred completely within the bounds of the law. In addition, when our homeowners may have fallen behind in property taxes or proper upkeep, we must exhaust all of our resources to keep them in their homes before implementing means of forcing them out.

Finally, we must do more to ensure that bad actors and government programs are not forcing low-income residents and seniors out of their homes in the face of a demographically and economically changing borough.

These tactics that are imbedded in our local policies must be reviewed and changed. More importantly, we must do what we can to ensure that we do not force our families who are paying their taxes and investing in our communities out of their property because of government policy.

I want to thank the committee and its members for hosting this hearing and allowing me to address you on this very important issue.

Thank you for your time.