



NEW YORK STATE SENATOR

Velmanette Montgomery

Senator Montgomery and 18 members of the New York State Black, Puerto Rican, Hispanic, and Asian Legislative Caucus call for a moratorium on New York City's Third Party Transfer Program

SENATOR VELMANETTE MONTGOMERY October 29, 2018

| ISSUE: **NYC HPD NYC HPD THIRD PARTY TRANSFER PROGRAM PROTECTING HOMEOWNERS
NYS PUERTO RICAN HISPANIC AND ASIAN LEGISLATIVE CAUCUS**

Senator Velmanette Montgomery, Senator Roxanne J. Persaud, Senator Leroy Comrie, Senator Kevin S. Parker, Senator Jamaal T. Bailey, Senator Luis R. Sepulveda, Senator Brian A. Benjamin, Assemblyman N. Nick Perry, Assemblywoman Latrice M. Walker, Assemblywoman Tremaine Wright, Assemblyman Charles Barron, Assemblyman Victor M. Pichardo, Assemblyman Al Taylor, Assemblywoman Yuh-Line Niou, Assemblywoman Latoya Joyner, Assemblywoman Pamela J. Hunter and Assemblyman Eric Dilan call on Chief Judge Janet DiFiore, Chief Administrative Judge Lawrence K. Marks, Mayor Bill de Blasio, New York City Department of Buildings Commissioner Rick D. Chandler, P.E., New York City Department of Finance Commissioner Jacques Jiha, Ph.D. and N.Y.C. Dept. of Housing Preservation and Development Commissioner Maria Torres-Springer to issue a moratorium on New York City's Third Party Transfer Program.

The letter notes:

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We, the undersigned members of the New York State Black, Puerto Rican, Hispanic, and Asian Legislative Caucus, are writing with regard to New York City's current Third Party Transfer Program, and the bundle of 66 Brooklyn properties that were taken through in rem foreclosure proceedings and judgment in December 2017. We are requesting a moratorium on the further transfer of ownership and imposition of third-party managers at each of the properties, and on the further implementation of the City's Third Party Transfer Program, until an investigation can be conducted to determine the following, at the very least: (1) whether the actions taken by the New York City Department of Finance (DOF), the New York City Department of Housing Preservation and Development (HPD), and New York City Department of Buildings were in keeping with the letter and spirit of the City's 1996 Distressed Property laws and procedures; and (2) what is the actual impact of the City's program on working families and communities of color?

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Relatedly, we believe it is important to determine at this juncture the extent to which the city's current Third Party Transfer initiative was implemented to fulfill a purpose other than that which was intended by New York City Local Law No. 37, as adopted in 1996, and by the authority given by New York State to New York City to engage in in rem foreclosure proceedings in the prior decade. One fundamental question that comes to the fore is whether, or the extent to which, New York City's 2015 to 2018 transfers of ownership and management of 66 properties pursuant to the December 2017 Kings County judgment, utilizing its distressed property law proceedings, were within the boundaries of the purpose of these proceedings, or whether New York City overreached in its authority to employ the in rem foreclosure method to take title of the properties.

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We are alarmed by the fact that the properties on this list in Kings County are located exclusively in rapidly gentrifying, Black and Brown communities such as Bedford Stuyvesant, Crown Heights, Brownsville, Bushwick and East New York; where displacement of working

families and seniors from these communities is at an all-time high. Apparently, similar proceedings and judgments were embarked on by HPD and DOF in communities in Queens County and Bronx County. We, the members of the Black, Puerto Rican Hispanic and Asian Legislative Caucus represent the communities where these properties are located.

To read the full letter, download the PDF.

To learn more about this issue and its impact on communities of color, visit:

<https://www.kingscountypolitics.com/1217-dean-street/>

<https://www.kingscountypolitics.com/city-seizes-multiple-properties-as-real-estate-scandal-grows/>

<https://www.kingscountypolitics.com/category/city-real-estate-scandal-hpd-tpt-program/>

<https://www.kingscountypolitics.com/city-sits-on-brownstone-as-elderly-woman-waits-on-bated-breath/>