

Brooklyn HDFC Coalition Testimony March 15,2019

Joint Hearing to Examine the Crisis Facing Homeowners in Brooklyn

Brooklyn Borough Hall 209 Joralemon Street Brooklyn NY 11201

State Senator Velmanette Montgomery, Brooklyn Borough President Eric Adams,
Assemblymember Tremaine Wright

In partnership with (list in formation) State Senators: Brad Hoylman, Robert Jackson, Kevin Parker, Brian A. Benjamin and Assembly Member Al Taylor

The Brooklyn HDFC Coalition thanks State Senator State Senator Velmanette Montgomery, Brooklyn Borough President Eric Adams, Assembly member Tremaine Wright and State Senators: Brad Hoylman, Robert Jackson, Kevin Parker, Brian A. Benjamin and Assembly member Al Taylor for hearing our call to address this housing crisis.

This is unfortunately a familiar method of destroying neighborhoods, eliminating community stability, wiping out equity, accelerating gentrification and ultimately displacing thousands of seniors, women, families and low income people of color.

Our Coalition was initially formed to preserve our self determination in managing our collective home ownership: HDFC Coops. HDP had created a Regular Agreement(RA) eliminating all decision making by the Coop's boards and shareholders. Instead all decisions were placed in the hands of HDP's chosen "monitors" and management companies(at the coop's expense.) HDFC s that declined signing this RA would be prevented from their rights to DAMP real estate tax exemption (DAMP expires 2029.)

Due to the growing awareness of the RA's existence and its contents, shareholders advocated for their City Councilmember to force HPD to host public

borough meetings so HDFCs could review and discuss this RA. The overall conclusion was this RA was punitive, paternalistic and did not reflect the realities and obstacles facing HDFCs. The NYC Council directed HPD to halt the process of implementing this RA and instead solicit the concerns and recommendations from shareholders.

In the midst of organizing city wide RA discussions amongst HDFCs and elected officials, we learned of a city wide HDFC foreclosure list, initially listing 82 then 73 HDFCs, 18 were Brooklyn HDFCs.

Prior to the knowledge of this list, there were 354 HDFCs and 5264 apartment units within Brooklyn Council Districts 33-45. To our knowledge possibly 4-5 HDFCs were able to pay their tax arrears or their City Councilmember removed them from the foreclosure list. The rest of the former shareholders are demoralized, living in uncertainty, chaos and lack of heat and hot water.

The Brooklyn coalition committed itself to outreaching to all 18 HDFC's and finding that a number of shareholders were totally unaware of that their buildings were on a foreclosure list nor did they know what could be done to reverse this.

We also worked with the Manhattan HDFC Coalition and other HDCF activists to spread the word and offer our assistance to them in the fight for their homes, by outreaching to the Mayor, city council members, comptroller and NYC Council Black, Latino and Asian Caucus.

Brooklyn Coalition hosted an Article XI training led by some generous pro bono Financial and ATAX expert from the Manhattan HDFC Coalition's foreclosure committee. Several HDFC representatives were trained to assist themselves and others to obtain an Article XI waiver and be removed from the foreclosure list. Many submitted their packets but they were either left on a retired HPD staffers desk, asked for additional documents only to be told that it was too late to review their packets.

As we continued to outreach to those on the list, we were struck with the tenacity of the boards and shareholders who remained committed to keeping their homes, but were also confronted with a number of hardships such as:

Death and illness of former board members and shareholders that sometimes left a small number to keep things going;

The combination of rising operating expenses and the inability for low income shareholders to provide sufficient incomes to meet their obligations;

No access to low interest rate loans to pay for capital improvements;

Little to no assistance from HPD or UHAB to obtain loans, provide resources and services to repair or replacement building infrastructure of pre-war building ;

How to change this picture and create an environment and support so HDFC Coops can thrive

Establish A CITY Wide HDFC COOP Task Force: Consisting of shareholders/Board members who will establish a program of prevention and assistance. The Taskforce will develop a meaningful assessment method to assist HDFC's in determining their needs and access to needed resources

The Task force will also be provided with point persons in government agencies i.e., HPD, Finance, Buildings, DEP.

The Task force would design and establishment One Stop Service Centers with qualified staff capable of assisting COOP's obtain appropriate resources, training and vetted vendors.

Immediately stop the practice of applying third party transfer (TPT) to HDFC coops that results in taking away our deeds and equity.

Note: TPT was created to eliminate the burden to the City of neglected and abandoned buildings by Landlords. NOT TO GRAB OUR HOMES, EQUITY, DEEDS, AND TO DISPLACE US FROM OUR COMMUNITIES.

Immediately provide the same resources that the City makes available to wealthy developers, including but not limited to:

Exemption of HDFC Coops from water taxes and remove utility arrears as a "criteria" for foreclosure;

Provide J-51 Tax incentive and Low interest loans

Immediate examination of the procedures, practices, tactics and legality of NYC Housing Preservation and Development, Finance Department, DEP, the Court System and Third Party Transfers.

This Hearing allows us to join to protect our low-income coops and family homes that are a vital part of our cities housing landscape. Brooklyn HDFC stands in solidarity with Manhattan HDFC Coalition, LES Association and our State and City electives who are both committed and courageous enough to call for a moratorium on TPT and foreclosures.

Submitted by Brenda Stokely