

My name is Enid Braun. Like many homeowners whose homes have been damaged by adjacent construction, my husband and I are seniors. This problem is rampant in historically Black, Latino and immigrant neighborhoods facing significant real estate speculation, often escalated by upzoning. Developers acquire and demolish houses, sometimes through foreclosure, to build much larger market rate housing, frequently damaging adjacent longtime residents. Many homeowners believe damages are done on purpose to intimidate neighbors to sell to them.

Construction law is complex and esoteric. People don't know their rights and often don't have the financial means to exercise them. Those of us who do sue not only fear for our homes but also for whatever nest egg we have. A document detailing these problems, developed by a group of affected homeowners, is included with my written testimony.

DOB is the only enforcer of a confusing mix of State laws, legal precedent and City regulations that supposedly protect neighbors adjacent to construction.

1. 881 Law protects developers' rights to excavate, encroach on and underpin neighbors' houses. License or party wall agreements are supposed to be in place to protect adjacent owners' rights, but DOB grants excavation permits without checking and most homeowners don't know they are entitled to this protection.
2. The cost of an attorney and a structural engineer who documents the pre-construction condition of your home can easily cost \$10,000. An escrow or bonding requirement funded by developers would allow homeowners to hire their own professionals and gain repairs if damages occur.
3. Insurance policies typically exclude *foundation damage due to earth movement, whether from manmade or natural causes*. Though City regulations forbid developer liability insurance from excluding the *type of work being permitted*, DOB never reviews policies before issuing excavation permits, only certificates showing aggregate limits. Since every homeowner's policy has that same exclusion, we have nowhere to turn.

It is the State's responsibility to regulate the insurance industry. The earth movement exclusion is insidious. Sellers of non-complying liability policies to contractors and developers should be barred from doing business here.

We need LLC transparency reform! As LLCs, the same developers can damage multiple homes all over the City and there is no way to track them. DOB often knows these repeat bad actors but cannot deny permits or initiate additional scrutiny. I know homeowners being pressured to sign a license agreement with a developer whose business address is just a post office box! LLCs can just dissolve and reorganize, so that even if a homeowner wins a lawsuit there may be no way collect. This same accountability issue faces tenants with bad landlords.

We have additional information and recommendations to share with you. Thank you for your time.