

# TAKEROOT JUSTICE

## Testimony to the NYC City Council

### Committee on Finance

### Preliminary Budget Hearing for FY 2024

March 6, 2023

Good afternoon. My name is Paula Segal. I am speaking today as Senior Staff Attorney in the Equitable Neighborhoods practice of TakeRoot Justice. TakeRoot works with grassroots groups, neighborhood organizations and community coalitions to help make sure that people of color, immigrants, and other low-income residents who have built our city are not pushed out in the name of “progress.”

Thank you for the opportunity to testify as the Council prepares its response to the Mayor’s preliminary FY2024 budget. I am here to draw attention to the need to adjust the preliminary budget to reflect the fact that the City does not have authority to sell tax liens and to add support for a new collection system for municipal arrears; the preliminary budget’s inclusion of \$80 million revenue from the lien sale in the budget is misplaced. On the expenditures side of the budget, the amount allocated to the Department of Housing Preservation and Development for Community Land Trust (CLT) contracts must be increased to reflect the expanding capacity of community land trust organizations and the expanded opportunities for the City to partner with CLTs on crucial preservation and development projects that stabilize housing and other key types of real estate across New York City Neighborhoods.

### **An Equitable Framework for Municipal Debt Collection**

The majority of this Council has been clear that it will not authorize any lien sale in the future (by letter sent to the Mayor in May 2022, attached). In FY24, the Department of Finance must have additional resources to bring debt collection into the ambit of the City, incentivizing timely payments and allowing owners who simply cannot pay to resolve their debt in a manner that increases the City’s supply of affordable housing. The City’s growing number of Community Land Trusts (“CLTs”), located in nearly every neighborhood, would be ideal partners for such a system: the City could forgive the debts of owners who voluntarily transfer the land beneath their properties to CLTs. This would allow them and their tenants to stay while preserving some equity. For owners who do not accept that voluntary preservation strategy, the City will need to take an active role in foreclosure and disposition to CLTs partnering with preservation owners like the Not-for-Profit developers Housing Preservation and Development already engages through the Third Party Transfer program.



I have attached a detailed framework developed by the Abolish the Tax Lien Sale coalition with insight from across the housing preservation and development sector, as well as many members of this Council. TakeRoot and the rest of the Coalition look forward to being a resource as the Department and the Council put a new system in place this year.

### **Expanding Funding for the Community Land Trust Initiative**

TakeRoot is a member of the New York City Community Land Initiative (NYCCLI), an alliance of grassroots, affordable housing, environmental and economic justice organizations working to promote community land trusts (CLTs) and neighborhood-led development. NYCCLI members include CLTs organizing for deeply-affordable social housing, commercial and community spaces, and other needs in low income Black and brown neighborhoods across the five boroughs.

We at TakeRoot support this growing movement for affordable community-controlled housing, commercial and community spaces through legal services to CLT members of the initiative and other groups exploring the CLT model. We provide everything from education on orientation and incorporation, to transactional representation in negotiating ground leases and joint venture agreements. Our work and the work of our clients would not be possible without a contract with HPD that is the result of this Council's Community Land Trust Initiative. Since FY20, when the Council established the initiative, we have seen demand for our services grow exponentially and CLT organizing flourish in every borough of the City.

More than 1,200 homes are now in CLT portfolios or pipelines, according to HPD, and New York City and State have proposed policy changes that would help CLTs bring more land and housing into community stewardship. The last two fiscal years have seen consistent funding for the Initiative, but no expansion to match the expanded opportunities and demands. With this enhancement, the initiative will support 20 organizations, including new CLTs in Edgemere, Queens, and Flatbush, Brooklyn, and expand citywide education, organizing, and technical assistance to meet the growing and urgent need for CLTs. The final FY24 budget should provide that expansion and increase funding the HPD has available for community land trust contracts to \$3 million.

Equally importantly: the budget must include capital funding commitments to support CLT-driven revitalization of buildings that fell into disrepair while under City ownership like the Tenant Interim Lease buildings recently-acquired by our clients at the East Harlem El Barrio Community Land Trust and the Kingsborough Armory, for which a community visioning process is now underway. This Council has made great strides towards ensuring that such public properties are disposed of to CLTs and other not-for-profits so that they can be used for the public good, but without capital commitments to support those new owners as they work to reverse decades of disinvestment, such dispositions are at best a gesture and at worst the offloading of the City's problems onto community-based organizations.