



PRESS RELEASE

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NYC COUNCIL LAYS GROUNDWORK TO ABOLISH GIULIANI-ERA LIEN SALE

Council authorizes limited lien sale for one year, creates task force to recommend new system involving community land trusts

February 2, 2021 - The City Council has passed legislation charting the course for ending New York City's tax lien sale, and replacing it with an equitable municipal debt collection system that preserves affordable housing and stabilizes Black and brown NYC neighborhoods.

A broad-based coalition of groups secured major changes to [Intro 2166A-2020](#) before its passage last week, including reauthorization of the lien sale for one year rather than four as originally proposed. The bill permits the fewest liens to be sold on small homes in the history of the lien sale. By raising the threshold for eligibility for the lien sale from \$1,000 to \$5,000, the bill exempts over half of 1-3 family homes, condos and coops that have been included in past years. Any owner of a property with fewer than ten units who declares that they have experienced financial hardship due to COVID-19 will likewise be excluded.

Crucially, the bill requires the Mayor and Speaker of the City Council to appoint a Task Force by April to study and publicly present a replacement system of debt collection for NYC, to go into effect when the lien sale authorization expires, in one year. The taskforce, to include community and advocacy groups, must study the potential "transfer of properties with delinquent property taxes, sewer and water rents subject to a lien to community land trusts, land banks, mutual housing associations or other similar entities."

Community groups have [called urgently for ending the lien sale](#), through which NYC sells property tax and other municipal debts in bulk to an investor-backed trust. The trust tacks on high interest rates and fees, pushing financially-strapped property owners into further distress,

and can foreclose on properties. The lien sale disproportionately harms and siphons wealth from Black and brown homeowners and neighborhoods. An analysis from the Coalition for Affordable Homes found that the City was six times more likely to sell liens on one-to-three family homes in majority Black neighborhoods, and twice as likely to sell liens in majority Latinx neighborhoods, than in majority white neighborhoods.

“Introduction 2166A was a well fought journey and I am proud of how far we have come thus far,” said **Council Member Adrienne Adams**, who sponsored the bill. “The fact we were able to secure such major changes with a broad-based group of community partners speaks volumes to what we can accomplish in the future. I look forward to continuing on this journey with our partners to secure and preserve housing for our districts in need.”

“We look forward to working with the task force and with the next administration and City Council to abolish the sale after this year, and to replace it with equitable solutions, including those that engage community land trusts and other nonprofits,” said the **Abolish the NYC Tax Lien Sale Coalition** in a statement released before the Council vote. “We thank the Council and the Administration for listening to grassroots groups, homeowners, tenants, and others directly affected by the lien sale for decades.”

The Abolish the NYC Tax Lien Sale Coalition includes the East New York Community Land Trust, East Harlem/El Barrio Community Land Trust, New Economy Project, New York City Community Land Initiative, The Bronx CLT, Northwest Bronx Community and Clergy Coalition, Community Service Society of New York, Western Queens CLT, TakeRoot Justice, The Coalition for Community Advancement, Cooper Square Community Land Trust, MHANY Management, Brooklyn Movement Center, Habitat for Humanity New York City, HOPE - Housing Organizers for People Empowerment, This Land is Ours CLT, and others.

Eight Council Members members voted against any reauthorization of the lien sale at all.

“New York City's lien sale disproportionately impacts black and brown homeowners, threatening families with eviction and removing precious affordable housing from our city,” said **Council Member Antonio Reynoso**, who was among those voting against any reauthorization. “It's time to put an end to this predatory practice and there can't be any half-stepping about it—we need to abolish the lien sale once and for all.”

“The tax lien sale has disproportionately stripped homes from Black and Latino homeowners, raising small amounts of short-term revenue for the city on the backs of low and moderate-income New Yorkers,” said **Council Member Brad Lander** to explain his ‘No’ vote. “I am committed to work with community partners on a new approach grounded in land trust principles to keep people in their homes.”

“The tax lien sale has been literally forcing New Yorkers into homelessness for years. The pandemic only made this cruelty more obvious and unconscionable,” said **Council Member Carlos Menchaca**. “It is past time to abolish this Giuliani-era policy, and replace it with a more humane and equitable approach to property debt. Thankfully, advocates have organized and generated ideas for us, and cities around the country and the world have models we can learn from. We must start that work immediately if we are to build communities that guarantee housing as a human right to all.”

“The passage of Intro 2166A is a first step in changing the tax lien sale system that has long caused displacement and housing insecurity,” said **Council Member Jimmy van Bramer**.

“With the existence of the tax lien sale in New York City, our city continues to prioritize corporate profits. The next step is to abolish the tax lien sale and replace it with a government run program that puts people and community first.”

“The lien sale privatizes the collection of the City’s debt to debt collectors,” said **Council Member Kalman Yeger** during the stated meeting. “It takes away people’s homes in our city. It has done that historically and it will continue to do that. I do not think this is right and I do not think we should be giving the City the right to do this.”

Council Members who voted for the limited authorization also committed to this being the last year of lien sales.

“The City must abolish practices, such as lien sales, that prey on and strip wealth from BIPOC communities,” said **Council Member Ben Kallos**, Co-Chair of the **Progressive Caucus**. “We worked hard to make changes to the original bill and push this administration closer to abolishing lien sales, I look forward to working with the task force to replace lien sales with community building and empowering solutions such as creating more community land trusts.”

“Proud that through the leadership of Council Member Adams we were able to achieve the necessary protections to support homeownership in communities of color. As we work to close the wealth gap, there is nothing more important.” said **Council Member I. Daneek Miller**, Co-Chair of the **Black, Latino, and Asian Caucus**. “I look forward to working with my colleagues to provide a more permanent, non-predatory solution to the City’s debt collection,”

“I want to thank the broad coalition of advocates and community leaders who worked so hard this year to address a lien sale process that for too long has forced countless black and brown families from their homes while furthering gentrification and exploitative development in some of our most vulnerable communities,” said **Council Member Carlina Rivera**. “I look forward to working over the next year with my colleagues in the Council, advocates, and City Hall to ensure that any permanent municipal debt collection system is focused on the development of affordable housing, community land trusts, and the strengthening of our black and brown communities.”

“Intro 2166 takes critical steps to address the profoundly disproportionate impact of the City’s tax lien sale program on low income and communities of color. Now more than ever, the City’s focus should be on helping New Yorkers retain ownership of their homes,” said **Council Member Helen Rosenthal**. “I am especially encouraged by the fact that the bill requires study of how ownership of delinquent properties can be transferred to community land trusts, mutual housing associations, and other community-based entities. This important bill could not have been passed without the steadfast leadership of Council Member Adams, and the hard work of a wide range of community partners.”

Prior to the first bulk lien sale in 1996, the City collected its own debts and used its power to foreclose when collection efforts failed, to facilitate tenant ownership and to transfer properties to private non-profit and for-profit owners. While many of those properties remain affordable housing today, a significant portion have become market-rate rentals and coops because no long-term structures were put in place to protect affordability. Municipal debt collection and the potential of City foreclosure as a step on a path to the creation of regulated housing remains part of the system today for multifamily buildings with signs of physical deterioration and delinquent landlords.

These reforms come on the heels of [Local Law 42 of 2020](#), enacted last March, which removed properties owned by charity organizations from the lien sale, created a Non Profit Ombudsman position in the DOF, and requires that DOF notify potential charity owners of how to apply for exemptions and how to request their properties be removed from the lien sale.

“The tax lien bill approved in the City Council is progress towards the goal of turning the lien sale process into one that strengthens our communities,” said **Attorney General Letitia James**. “I have long held the belief that it is unjust to sell the debt that struggling homeowners owe to the city for water or taxes to private, profit-seeking enterprises. I have also believed that the lien sale program subjects low-income homeowners to interest rates that compound daily, jeopardizing their homeownership and shifting wealth to private banks and real estate entities in the process. My sentiments remain unchanged. I look forward to continuing the work with stakeholders and lawmakers throughout this next year as we build a system that prioritizes homeownership, neighborhood preservation, and affordable housing, and does not maximize profits for private enterprises.”

“As long as the predatory tax lien sale continues to exist in New York City, tenants and homeowners in working class BIPOC communities like ours will suffer,” said Boris Santos of the **East New York Community Land Trust**. “That being said, we have worked to mitigate the harmful impact of the sale in our neighborhoods through this one year extension and have paved a clear path to abolition for the next Council and Mayor.”

“It is long past time to abolish the tax lien sale and municipalize debt collection,” said Paula Segal, Senior Staff Attorney at **TakeRoot Justice**. “The City must utilize its leverage over tax payers in arrears to both provide flexibility to homeowners who need it, and to transfer properties with speculative owners to community control.”

“Knowing that working class communities of color have experienced decades of damage from the exploitative tax lien sale, plus the ongoing devastation of the pandemic, it can’t be denied that the costs of insecure housing have always been and continue to be too high,” said Athena Bernkopf, Project Coordinator of the **East Harlem El Barrio Community Land Trust**. “In moving toward abolishing the tax lien sale, the city is creating opportunities for building out a debt management system that stabilizes communities instead of disrupting them.”

“When Rudolph Giuliani instituted the tax lien sale nearly a quarter-century ago, it was bad policy that many advocates anticipated would harm low-income communities of color,” said John Krinsky, board member of the **New York City Community Land Initiative**. “The current focus on replacing the lien sale with a fairer system of dealing with debt, preserving public leverage and accountability, and moving housing into community ownership is both welcome and overdue.”

“In the wake of COVID-19, NYC must take bold action to combat speculation and preserve land and housing for community benefit,” said Deyanira Del Rio, co-director of **New Economy Project**. “Ending the lien sale is a critical step. The City must also work with community land trusts and others to create new frameworks that advance neighborhood and racial equity.”

“For 25 years, the city has relied on a privatized system of tax collection that has been deeply destabilizing for homeowners, tenants, and businesses, often resulting in years of financial disruption, growing debt, and eventual foreclosure,” said David R. Jones, President of the **Community Service Society of New York**. “We applaud these steps to immediately limit this

Giuliani-era program, and to move toward thoughtfully replacing it with a more just system that protects homeowners while creating pathways for social housing conversions.”

“If the City Council is serious about rebuilding local Black economies coming out of a pandemic, ending the tax lien sale is a no-brainer,” said Mark Winston Griffith, Executive Director of **Brooklyn Movement Center**. “Central Brooklyn has been ground zero for subprime mortgages and deed theft, and the lien sale only serves to further destabilize Black homeowners’ fragile foothold. We demand the city end the lien sale, dedicate resources for homeowners, and cooperate with organized efforts to transition vacant properties into deeply affordable housing.”

“The tax lien sale must be abolished” said Monxo López, board member of the **Mott Haven-Port Morris Community Land Stewards**, “because in communities like Mott Haven and Port Morris it was the local government that traditionally colluded with private developers to dispossess and create the conditions that led so many families into displacement. Seeing the New York City Council address one of the most blatant mechanisms of legal dispossession of property owned by our black and brown communities is encouraging. But we must not rest here, as our aim is total and absolute abolition of the tax lien sale, a relic of the fascist Giuliani era.”

“New York City's tax lien sale disproportionately impacts communities of color, and Mayors and City Councils renewed this predatory practice for decades with no questions asked,” said Katrell Lewis, Director of Advocacy at **Habitat for Humanity New York City**. “This tax lien sale legislation is a movement toward a more equitable and fair taxation collection system for our city. In partnership with our coalition partners, Habitat NYC will continue to advocate for homeowners across our city and ensure the intent of the legislation is met.”

Governor Andrew Cuomo had cancelled the 2020 lien sale by executive order that expired on January 29, 2021. Lien sales will be allowed to begin forward in New York City when the Mayor signs this bill into law or on February 28, 2021, whichever is soonest.