



Tax Lien Sale Outreach Final Report

March 2022

I. Introduction and Overview

This report is provided per the requirements of Local Law 14 of 2015 as amended by Local Law 4 of 2017. Its purpose is to describe the New York City Department of Finance's (DOF) outreach activities associated with the annual tax lien sale.

For the FY 2022 tax lien sale, held on December 16, 2021, DOF conducted virtual outreach sessions throughout the city to provide property owners with information and options regarding their tax liens, including:

- Entering into payment agreements
- Signing up for qualifying exemptions
- Applying for a Hurricane Ida exclusion
- Applying for a COVID-19 hardship exemption
- Applying for the Property Tax and Interest Deferral (PT AID) Program

DOF, working with its Office of the Taxpayer Advocate (OTA) and the Center for NYC Neighborhoods, conducted outreach sessions attended by 567 individuals. There were a total of 32 lien sale events, three of which were hosted at DOF business centers and five of which were hosted in partnership with elected officials. Additionally, DOF hosted outreach staff at all five business centers during extended hours the week before the lien sale.

Virtual lien sale outreach sessions were a useful new tool for reaching customers. Property owners were able to join a lien sale session regardless of where they lived, with no need to travel to or attend in-person lien sale events, which may have proved burdensome in the past. Most virtual sessions included presentations by the Center for NYC Neighborhoods on how to receive free financial counseling. A total of 96 individuals reported consulting with the financial counselors during these sessions.

DOF included a list of outreach sessions with each lien sale notification mailed to owners. Flyers promoting the sessions were disseminated city-wide at outreach events, and information was shared on social media and posted on the DOF website.

Please note that certain reporting elements required by LL 2015/014 and LL 2017/004, which were enacted prior to the COVID-19 pandemic and assumed that outreach events would be conducted in-person, were infeasible in 2021 due to the pandemic. We hope to resume robust in-person outreach in cooperation with our City agency, City Council, and non-profit partners in the next lien sale.

II. Lien Sale Data and Statistics

A notice of intention to sell liens was mailed on September 13, 2021—90 days before the lien sale—to 11,194 eligible properties. Ultimately, as customers took action in response to DOF's ongoing outreach efforts, 8,353 properties were pulled from the lien sale list, a reduction of 74.6%.

As a result of the lien sale 5,513 of the parcels in the at-risk pool made payments and were removed from the at-risk pool.

Between September and December, 1,120 properties were removed from the lien sale because their owners enrolled in (820) or applied for (300) payment plans.

A total of 922 properties filed declarations of hardship resulting from the COVID-19 pandemic, and 42 were removed as a result of damaged sustained during Hurricane Ida. Forty-one property owners applied for an exemption that excluded them from the sale.

III. Outreach Efforts

As noted in the introduction, the Department of Finance and its partners conducted extensive outreach in order to remove at-risk properties from the lien sale.

Outreach sessions were conducted from October through December. In-person outreach was provided at each DOF business center. In total, 23 extended-hours outreach sessions were provided. One elected official sponsored an event in their own community. Four additional elected officials and one community board sponsored events for their districts by creating events themselves or promoting one of our scheduled virtual lien sale information sessions.

Robocalls

DOF hired a vendor to conduct robocalls to lien-eligible properties. Four robocalls were completed from November 30 to December 14, the two weeks prior to the lien sale. In addition to the phone numbers that were already affiliated with property records, DOF partnered with the Department of Environmental Protection to obtain phone numbers of the DEP account holders affiliated with properties on the lien sale list.

In total, DOF placed 13,200 robocalls over two weeks. Although it is difficult to determine the precise impact of the robocalls, as there are numerous other behavioral factors that are likely to determine whether an owner acts to remove their parcel from the lien sale, 2,025 parcels that were removed from the sale had one or more connected calls (calls that reached a person or voicemail box/answering machine); 1,068 had four connected calls; and 726 had three connected calls. Among those with sold liens, 71% had zero connected calls (meaning that a robocall was placed and received no answer, or the property did not have a phone number associated with it in DOF or DEP records), while 24% had four connected calls. Thirty-six percent of class one properties removed from the lien sale had one or more connected calls.

In summary, robocalls are a useful tool in informing customers about the lien sale and urging them to take action.

Door Knocking

The Office of the Taxpayer Advocate conducted in-person outreach to class one and class two lien sale candidates in areas with high concentrations of at-risk properties. Below is a summary of the field visits made over three days to property owners on the 30-day lien sale candidates list.

- OTA case advocates performed field visits (canvassing) of lien sale candidates in Staten Island (11/8) and Queens (11/10 & 11/15). Information was distributed about the lien sale and the opportunity to get help at an outreach event.
- Out of 191 properties visited, a total of 153 interactions (90.1%) involving targeted lien sale advertising were accomplished. The case advocates were able to meet 17 owners and tenants (8.9%) and left lien sale information materials at 136 properties (71.2%).
- Overall, a total of 5,969 properties were removed after DOF's mailing of the 30-day lien sale warning notice, a 67.9% decrease in the number of properties eligible for the sale. During the same period, the properties canvassed by OTA saw a 74.3% removal rate.
- The sites in which information was successfully exchanged—either by talking to an owner in-person or sliding the lien sale information into a mailbox or under the door—the decrease rate was 73.9%.
- Approximately 20% of the properties that were targeted for in-person outreach were determined to be abandoned, vacant, under construction, or otherwise unoccupied.

Digital Outreach

- DOF sent a total of 1,417 emails to homeowners and elected officials informing them of the virtual and in-person events.
- A total of 633 individuals registered to attend DOF's tax lien sale outreach events. Of those, 247 attended the events.
- An email blast was sent to 250 lien-sale eligible property owners who submitted a tax lien hardship declaration and, in the application, indicated that they would like more information on property tax payment plans.

Social Media

A total of 22 social media ads advertising the virtual and in-person lien sale events were posted to DOF's social media channels.

Elected Officials

DOF sent emails by borough to council members to advertise the in-person lien sale events and request assistance promoting them. Several council members made social media posts to help increase the reach for these events.

Not-for-Profit Lien Sale Removals

Each year, the Department of Finance reviews a subset of the lien sale list to identify any properties that previously received not-for-profit property tax exemptions. Staff also look for properties that were denied exemptions and subsequently submitted a new application or filed a protest with the New York City Tax Commission. One hundred and eighty-eight properties were pulled from the list.

IV. Expanded Payment Options

Expanded Business Center Hours

All Department of Finance business centers remained open until 7:00 p.m. during the week of the lien sale. DOF outreach staff and the Office of the Taxpayer Advocate were available to assist owners in person at the business centers during the extended hours. A total of 82 customers were served in this manner.

Pay-by-Phone

The option to pay property taxes by phone was instituted during the pandemic. With the cancellation of the 2020 lien sale, the 2021 sale was the first in which customers were able to pay their outstanding taxes and charges by phone. In the 90 days leading up to the sale, there were a total of 1,091 payments, representing \$3,620,866 in taxes paid. During the week of the lien sale, pay-by-phone was available until 7:00 p.m. to assist customers. DOF plans to continue offering the pay-by-phone option.

V. Conclusion

The Department of Finance and its partners continue to conduct extensive outreach in order to remove at-risk properties from the annual tax lien sale. We are grateful for the support of our partners inside and outside of city government to encourage compliance with city tax laws while protecting homeowners who are at-risk of being included in the sale.