



For Immediate Release
Thursday, June 24, 2021

LDF Media
212-965-2200 / media@naacpldf.org

Court Rules in Favor of Black and Other Communities of Color Impacted by New York City's Third Party Transfer Program

Yesterday, the U.S. Court of Appeals for the Second Circuit ruled in favor of Black and other communities of color in *Dorce v. City of New York*, a lawsuit challenging New York City's Third Party Transfer (TPT) Program. The case has been remanded back to the district court for further proceedings.

In September 2020, the [NAACP Legal Defense and Educational Fund, Inc. \(LDF\)](#) filed an amicus brief supporting the families that focused on the racially discriminatory nature of the program and its impact on rapidly gentrifying neighborhoods, leading to the loss of homes and wealth in communities of color.

Since 1996, the TPT Program has transferred properties with outstanding municipal debt to third-party owners, often nonprofit caretakers or for-profit developers, without adequate notice and without compensating the original owners. Yesterday's ruling reverses important aspects of a district court decision that dismissed the plaintiffs' claims, allowing plaintiffs the opportunity to seek damages.

"The TPT Program is just one example of unjust, discriminatory government programs that lead to Black people and other people of color disproportionately losing their homes, furthering exacerbating the racial wealth gap," said LDF Special Economic Justice Counsel Jason Bailey. "We applaud the court's decision, which allows the plaintiffs and other impacted residents to vindicate their rights in court."

TPT is among many government programs across the country that put the homes of Black and Latinx families in jeopardy and hinder wealth acquisition in communities of color. It, like many others, results in people losing their homes in part because they cannot afford basic utilities, like water and sewage services.

In 2019, LDF released a [report](#) that explored the water affordability crisis and its devastating impact on Black communities. *Water/Color: A Study of Race and the Water Affordability Crisis in America's Cities* uses the cities of Baltimore and Cleveland as case studies to detail the spike in metropolitan water prices, as well as to highlight the link between the failure to pay a water bill and the loss of Black homeownership.

LDF has also recently filed litigation in [Cleveland](#) and [Detroit](#) addressing discriminatory water practices by these municipalities that impact Black communities.

Read the court's June 23, 2021, opinion [here](#).

Read LDF's brief from September 2020 challenging the TPT Program [here](#).

###

Founded in 1940, the NAACP Legal Defense and Educational Fund, Inc. (LDF) is the nation's first civil and human rights law organization. LDF has been completely separate from the National Association for the Advancement of Colored People (NAACP) since 1957—although LDF was originally founded by the NAACP and shares its commitment to equal rights. LDF's Thurgood Marshall Institute is a multi-disciplinary and collaborative hub within LDF that launches targeted campaigns and undertakes innovative research to shape the civil rights narrative. In media attributions, please refer to us as the NAACP Legal Defense Fund or LDF. Follow LDF on [Twitter](#), [Instagram](#) and [Facebook](#).