

Warehousing the Homeless

The Rising Use of Illegal Boarding Houses to Shelter Homeless New Yorkers



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Note: Cover photo of 1107 Putnam Avenue, Brooklyn, an illegal boarding house used by the City to shelter homeless adults, and ordered vacated in September 2007.

EXECUTIVE SUMMARY

Key Findings

Over the past two years the Bloomberg administration has placed hundreds of homeless individuals – many of them living with mental illness and other disabilities – into dozens of illegal boarding houses with hazardous conditions already documented by City inspectors. As of January 2008, at least 10 of the illegal boarding houses used by the City to shelter homeless New Yorkers have been condemned or ordered vacated. Top Bloomberg administration officials were alerted of the dangerous and illegal conditions in these buildings – documented by City inspectors, advocates and the residents themselves – and yet still approved their use by the Department of Homeless Services.

This report documents a new cottage industry in New York City: Illegal boarding homes used by the City to shelter homeless adults. As this report shows, Bloomberg administration policies are fueling an expanding market for these illegal, dangerous dwellings, most of which are located in low-income, African-American and Latino neighborhoods.

The report also details the hazardous conditions in these illegal boarding houses, and describes the harmful impact on some of the most vulnerable individuals in New York City. Coalition for the Homeless, with the help of numerous homeless and formerly-homeless individuals, has learned of 62 illegal boarding houses to which the City has referred and effectively mandated homeless adults over the past two years.

Following are the key findings of the report:

In the past year and a half alone, 10 illegal boarding houses used by the City to shelter homeless adults have been ordered vacated by City agencies due to hazardous conditions. These dangers include fire safety hazards, collapsing walls, holes in floors and ceilings, severe overcrowding, and illegal conversion of one- and two-family homes.

Top Bloomberg administration officials ignored warnings about documented, hazardous conditions in illegal boarding houses. Top City officials, including Deputy Mayor Linda Gibbs, signed off on the use of many illegal boarding houses which were later ordered vacated, including 299 Sumpter Street, 592 Marcy Avenue, and 199 Halsey Street in Brooklyn and 806 East 169th Street in the Bronx. Gibbs and other top Bloomberg administration officials refused to block referrals to these and other dangerous buildings despite knowledge of hazardous conditions documented by City inspectors and despite warnings from advocates. These and other buildings were later ordered vacated by the Fire Department, the Department of Buildings, or the Department of Housing Preservation and Development.

City housing inspectors issued 654 “hazardous” code violations against the 62 illegal boarding houses included in this report, and the Department of Buildings issued 226 violations against 47 of these houses. Housing code violations include collapsing floors and ceilings, illegal conversion, fire safety hazards, leaks, holes in walls, broken windows, infestations of vermin, and lack of heat. Building code violations include illegal use as a “homeless shelter,” “single room occupancy,” or “rooming house,” and citations for serious maintenance-related deficiencies including collapsed or sagging walls, cracked and bulging ceilings, and serious fire safety hazards.

Bloomberg administration policies have resulted in rising numbers of illegal boarding houses, the vast majority located in low-income, African-American and Latino neighborhoods. When Coalition for the Homeless approached City officials a year ago about the problem of illegal boarding houses, we were aware of fewer than a dozen such buildings used by the City. The Coalition has now documented 62 illegal boarding houses used by the City to shelter homeless adults, and most have opened in the past year in response to the rising number of City referrals of homeless adults. The vast majority of illegal boarding houses used by the City are located in low-income, African-American and Latino neighborhoods, primarily in Brooklyn.

The City has negligently placed many homeless adults living with disabilities in illegal boarding houses, including individuals diagnosed with multiple sclerosis, schizophrenia, bi-polar disorder, and severe depression. The illegal boarding houses used by the City do not offer any therapeutic or supportive services for people living with mental illness or other disabilities. In many cases, the homeless adults sent by the City to illegal boarding houses had been approved for “New York/New York” or other supportive housing, but the City failed to refer them to such appropriate housing.

The City currently has no policy to ensure that homeless adults living with mental illness or other disabilities are sent to safe, appropriate housing. Top Bloomberg officials, including Deputy Mayor Linda Gibbs and Department of Homeless Services Commissioner Robert Hess, have refused to enact a policy requiring the City and contracted shelter providers to assess proposed housing placements to ensure that they are safe, legal, and appropriate to the needs of the individual.

City employees and shelter staff routinely threaten homeless individuals with ejection to the streets if they do not accept referrals to illegal boarding houses, in many cases even when the homeless individual has never seen the building. In many instances homeless adults have been taken in vans to illegal boarding houses and left there, despite fears about safety and the condition of the buildings.

City and State taxpayer dollars subsidize these dangerous boarding houses, despite illegal and hazardous conditions documented by inspectors. Welfare housing allowances and disability benefits are paid by the City and State to the operators of illegal boarding houses, many of whom have converted their buildings in violation of building and housing codes. These payments of taxpayer funds can amount to more than \$100,000 per year per house.

Summary Recommendations

Mayor Bloomberg and City officials should immediately reform their policies for the referral and placement of homeless New Yorkers into housing. The Mayor and his administration must ensure that homeless New Yorkers are referred to housing that is (1) safe and legal, and (2) appropriate to the needs of the individual. Coalition for the Homeless calls on the Mayor and City officials to take the following steps to prevent further harm to homeless individuals:

Ensure homeless New Yorkers are referred to safe, legal, and appropriate housing. The Bloomberg administration should immediately implement a policy ensuring that homeless New Yorkers are referred to housing that is (1) safe and legal, and (2) appropriate to the needs of the individual. The City and contracted service providers should assess proposed housing placements to ensure that they meet those standards. The City and service providers must also evaluate homeless adults to assess their needs for mental health, medical, or other support services.

Enforce housing and buildings code requirements and relocate individuals already living in hazardous homes to safe, appropriate housing. For illegal boarding houses that are already in existence, the City and State should enforce the housing maintenance code, building code, and other legal requirements. All formerly homeless individuals currently living in illegal boarding houses with dangerous conditions should be immediately relocated to safe, appropriate permanent housing.

Expand investments in supportive housing and affordable housing. In order to achieve a genuine and lasting reduction of the numbers of homeless New Yorkers, as well as protect homeless individuals living with mental illness and other special needs, the City and State should expand investments in supportive housing and other low-income housing.

Investigate the illegal and fraudulent use of residents' benefits by illegal boarding house operators. The City and State should aggressively investigate the illegal and fraudulent use of Food Stamps, public assistance, Social Security disability benefits, and other benefits by the operators of illegal boarding houses.

While the number of homeless families in New York City reached all-time record levels in 2007, Bloomberg administration officials have repeatedly touted recent reductions in the number of homeless single adults in municipal shelters. However, these reductions result in large part from the growing use of illegal boarding houses to shelter homeless adults. And they've been achieved only because City officials have refused to protect hundreds of homeless individuals from harmful, dangerous conditions. Mayor Bloomberg and City officials must act immediately to curb the proliferation of illegal boarding houses and to ensure the safety of homeless New Yorkers.

1. THE RISING USE OF ILLEGAL BOARDING HOUSES IN NEW YORK CITY

This report documents the increasing use by the City of New York of illegal boarding houses to shelter homeless adults, many of them living with mental illness and other disabilities. The information detailed herein is derived from numerous sources, including Department of Homeless Services data; first-hand observations by Coalition for the Homeless during visits to municipal shelters; the Coalition's field investigations of several illegal boarding houses; case records for homeless adults referred to illegal boarding houses; and interviews with dozens of homeless and formerly-homeless individuals. In addition, the Coalition analyzed violations recorded on databases maintained by the New York City Department of Buildings and the Department of Housing Preservation and Development.

Coalition for the Homeless has compiled a list of 62 illegal boarding houses used by the City to shelter homeless New Yorkers. (Please see the appendix for the list.) But this is by no means a complete catalogue of all illegal boarding houses used by the City. To date, Department of Homeless Services officials have refused to make public a complete list of boarding houses to which the City refers homeless New Yorkers, so it is likely that the City shelters homeless adults in many additional illegal dwellings which are not included in this report.

What Are “Three Quarter Houses”?

In New York City a growing number of small residential buildings – primarily one- and two-family homes – are being operated as illegal boarding houses for homeless and low-income adults. Commonly called “three quarter houses” (a name borrowed from the old term “halfway house”), these residences are overwhelmingly concentrated in low-income, African-American and Latino neighborhoods of central Brooklyn, in particular East New York, Bedford Stuyvesant, Bushwick, and Crown Heights. Some illegal boarding houses are also scattered in low-income areas of the Bronx, Staten Island, and Queens. (Please see the maps included in the appendix to this report.)

Illegal boarding houses are, by and large, operated in small buildings designated in their certificates of occupancy as one- or two-family homes. However, their operators illegally subdivide rooms and crowd as many as 30 or 40 adults, mostly men, into one house, often packing four to 12 men in bunk beds in sleeping rooms. Illegal boarding houses operate in violation of City building codes and housing maintenance codes, which prohibit illegal conversions.

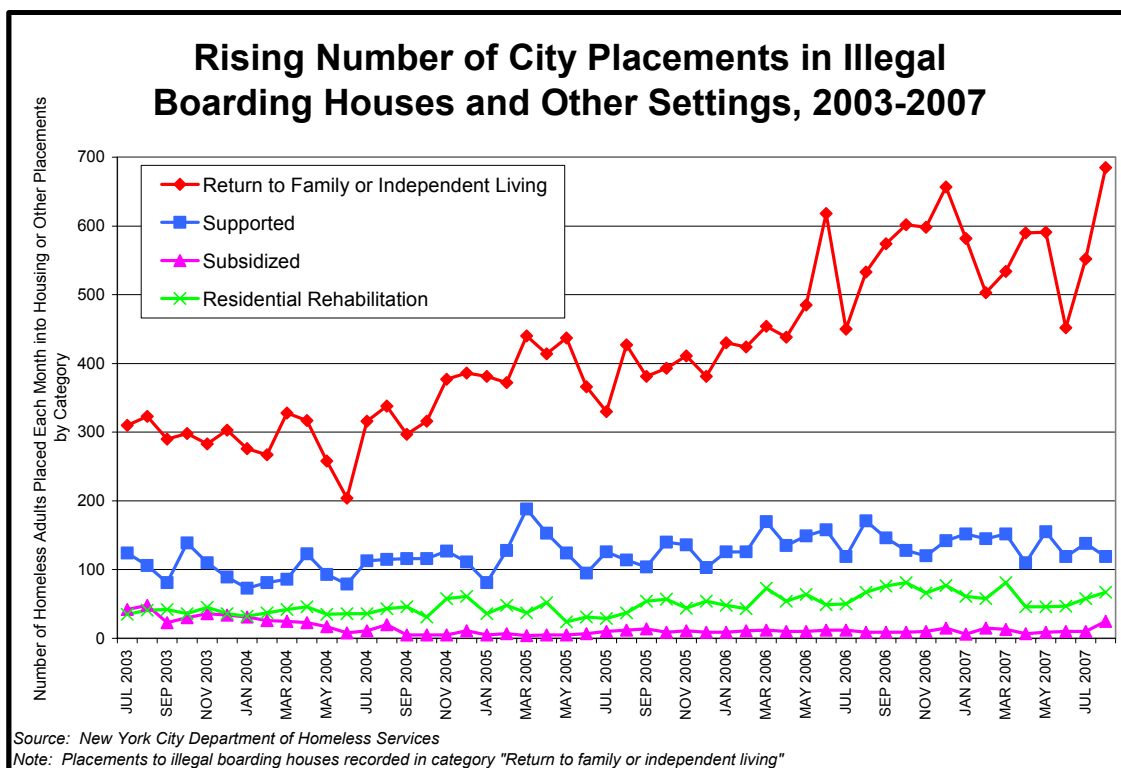
The operators typically charge residents \$250 per month in rent, the majority of which is directly paid to the operators by the City's welfare agency as part of resident's monthly housing allowance. Residents with Social Security or other disability benefits are frequently charged higher monthly rents. Operators routinely refuse to provide leases and instead offer informal “resident agreements” outlining house rules, many of which violate basic tenancy rights established under New York State law. Although the operators of illegal boarding houses often describe their buildings as “recovery

residences,” they offer no support services or treatment programs, despite the fact that many residents are living with mental illness or other disabilities.

Dramatic Increase in the City’s Use of Illegal Boarding Houses to Shelter Homeless Adults

In the wake of Mayor Bloomberg’s June 2004 pledge to reduce New York City’s homeless population by two-thirds by 2009, City officials are under enormous pressure to reduce the numbers of homeless people in municipal shelters. While the number of homeless families in New York City has actually soared to all-time record levels in 2007, Bloomberg administration officials have repeatedly touted recent reductions in the number of homeless single adults in shelters.

However, these reductions result in large part from the growing use of illegal boarding houses to shelter homeless adults. In effect, Bloomberg administration officials have forced larger and larger numbers of homeless adults – including those living with mental illness and other disabilities – from the municipal shelter system into illegal dwellings. And the reductions have been achieved only because City officials have refused to enact policies to protect hundreds of homeless individuals from harmful, dangerous conditions in the illegal boarding houses.



According to Department of Homeless Services data, the number of homeless individuals referred to so-called “independent living” – a catch-all category which is dominated by placements to illegal boarding houses – increased 29 percent between FY 2006 and FY 2007. In FY 2007, 72 percent of all placements of homeless adults

were made to illegal boarding houses and other so-called “independent living” arrangements.

TOTAL PLACEMENTS OF HOMELESS ADULTS FROM CITY SHELTERS TO HOUSING AND OTHER SETTINGS, FY 2004-FY 2007

	Supportive Housing	Subsidized Housing	Residential Rehabilitation	Return to Family or "Independent Living"	Total Placements of Homeless Adults
FY 2004	1,184	343	463	3,457	5,447
FY 2005	1,467	90	503	4,440	6,500
FY 2006	1,587	129	606	5,172	7,494
FY 2007	1,659	124	756	6,666	9,205

Source: New York City Department of Homeless Services

Even more troubling, while City referrals to illegal boarding houses have soared in recent years, the number of placements to subsidized and supportive housing has stagnated. Between FY 2004 and FY 2007, the number of homeless adults placed in supportive housing annually increased by only 475 people, while over the same period the number of homeless adults placed annually in subsidized housing actually decreased by 219 people. However, over that same period the number of homeless adults placed each year in illegal boarding houses and other so-called “independent living” rose by 3,209 people, or a dramatic 93 percent.

Bloomberg Administration Policies Expand the Number of Illegal Boarding Houses Citywide

Because the Bloomberg administration has so dramatically increased the number of homeless adults moved from shelters to illegal boarding houses, the supply of such illegal dwellings has expanded citywide. In a very real sense, the actions of City officials and the policies of the Department of Homeless Services are fueling an ever growing market for illegal boarding houses by creating more and more “business” for the operators of these illegal dwellings – that, is, by forcing more and more homeless adults into the boarding houses.

In the autumn of 2006, when Coalition for the Homeless first began tracking this phenomenon in a systematic way, we learned of only 12 illegal boarding houses actively used by the Department of Homeless Services. By April 2007 the Coalition had developed a list of 19 illegal boarding houses used by the City to shelter homeless adults. (Please see the maps of illegal boarding houses included in the appendix to this report.)

But by mid-January 2008, when this report was completed, the Coalition had compiled a list of 62 illegal boarding houses used by the Department of Homeless Services,

including 10 houses that had been ordered vacated by other City agencies due to health and safety hazards. Most of the new boarding houses had opened during the past year, in response to the growing number of homeless adults referred by the Department of Homeless Services and by City-contracted shelter providers. And many of the new illegal boarding houses were opened by existing operators with a long record of violations and illegal conversions in their other boarding houses.

Overcrowding, Illegal Conversions, and Hazardous Conditions

The illegal boarding houses used by the City to shelter homeless adults are characterized by severe overcrowding, illegal conversions, and other hazardous conditions. Coalition for the Homeless analyzed City data on housing and building code violations for 62 illegal boarding houses by the City used to shelter homeless adults. (Note that City data was not available for all 62 illegal boarding houses included in this report.)

The Department of Buildings cited 47 of the boarding houses with 226 violations, primarily for illegal conversion and dangerous conditions. Building code violations include illegal use as a “homeless shelter,” “single room occupancy,” or “rooming house,” or citations for serious maintenance-related deficiencies including collapsed or sagging walls, cracked and bulging ceilings, and serious fire safety hazards.

The Department of Housing Preservation and Development has issued 654 “immediately hazardous” or “hazardous” (“C” and “B” class) violations against the 62 illegal boarding houses, an average of 14 hazardous violations per house. These violations include collapsing floors and ceilings, illegal conversion, fire safety hazards, leaks, holes in the walls, broken windows, infestations of roaches, mice and bedbugs, as well as a lack of heat and essential services. (Copies of several inspection reports are included in the appendix to this report.)

The illegal boarding houses typically crowd four and even as many as 12 individuals into each sleeping room, usually with several bunk beds. Sleeping areas are often illegally subdivided by landlords to maximize the number of beds per house, and kitchens, attics, garages, and cellars are often illegally converted to sleeping areas. Residents typically sleep in bunk beds or, in some cases, on mattresses on the floor, and often have no place to store their belongings. Residents are forced to share bathrooms and group kitchens with dozens of other people. Some illegal boarding houses have more than 40 residents crowded into homes designed for one or two families.

City Agencies Ordered Some Illegal Boarding Houses Vacated Due to Illegal Conversions and Other Hazards

As of January 2008, at least 10 illegal boarding houses used by the City to shelter homeless adults had been ordered vacated by the Department of Buildings, the Department of Housing Preservation and Development, and/or the Fire Department. Conditions in these homes were described in some cases as “imminently hazardous to

life, safety, and property” and included the partial collapse of walls, fire safety hazards, and illegal occupancy.

There are detailed descriptions of several of these vacated houses in the third section of this report. In every instance, however, Department of Homeless Services officials had prior warning of hazardous and illegal conditions in these dwellings – including numerous code violations documented by City inspectors – and refused to halt referrals to the buildings. Many of the homeless individuals residing in these illegal boarding houses were forced to return to the municipal shelter system, although the whereabouts of others are unknown and they may now be sleeping on the streets.

Illegal Boarding Houses Used by the City to Shelter Homeless Adults and Ordered Vacated by City Agencies, 2006-Present

Address	Borough	Zip
1107 Putnam Avenue	Brooklyn	11221
156 Bement Avenue	Staten Island	10310
199 Halsey Street	Brooklyn	11216
299 Sumpter Street	Brooklyn	11233
592 Marcy Place	Brooklyn	11206
630 Faile Street	Bronx	10474
806 East 169th Street	Bronx	10459
361 Vernon Avenue	Brooklyn	11206
357 Monroe Street	Brooklyn	11221
3323 Seymour Avenue	Bronx	10469

Top City Officials Ignored Numerous Warnings about Hazardous Conditions in Illegal Boarding Houses

For at least the past year and a half, top Bloomberg administration officials were warned repeatedly about the dangers in illegal boarding houses, but have refused to change City policies or to halt referrals of homeless adults to these illegal dwellings.

Coalition for the Homeless met on numerous occasions with Department of Homeless Services officials from the summer of 2006 and throughout 2007 in an attempt to urge City officials to prohibit the referrals of homeless adults to unsafe, inappropriate boarding houses. Department of Homeless Services Commissioner Robert Hess and other officials refused to halt such referrals or even to develop a housing referral policy that would require that proposed housing placements be assessed for safety and suitability. But, in a very limited step, in November 2006 the agency did agree to stop referrals to nine buildings identified by the New York State Department of Health and to an additional 15 illegal boarding houses.

Coalition for the Homeless noted that this extremely limited measure failed to safeguard against referrals to other illegal, unsafe dwellings, and that it still failed to ensure that homeless adults living with mental illness or other disabilities would not be sent to inappropriate placements. However, Commissioner Hess and other Department of Homeless Services officials refused to halt referrals to additional illegal boarding

houses, even when the City had documentation from City inspectors and other sources of hazardous conditions and illegal conversions in those dwellings. In addition, New York State Department of Health officials informed the Coalition that their agency would not act to expand its “no-refer” list of nine buildings, making that list even more limited as a safeguard. And, in the months after November 2006, the Coalition documented ongoing referrals even to the illegal boarding houses that the City had promised to stop using.

In a May 2007 letter to the Coalition, Deputy Mayor Linda Gibbs outlined a new, even more limited City policy on referrals of homeless adults. Gibbs’ new directive eliminated the Department of Homeless Services’ own “no-refer” list of 15 illegal boarding houses, effectively permitting the use of those illegal dwellings going forward. In fact, Gibbs’ policy identified only two types of illegal boarding houses whose use the City would prohibit: (1) those on the New York State Department of Health “no-refer” list (a total of nine buildings), and (2) any building with a current vacate order. (Gibbs’ policy directive was issued as a Department of Homeless Services memorandum entitled “Housing Placement Guidance” on December 18, 2007. Please see copies in this report’s appendix of Gibbs’ May 2007 letter and of some Coalition for the Homeless correspondence with City officials.)

In effect, Gibbs and the Bloomberg administration approved the use of almost any illegal boarding house – whether or not City inspectors had cited the building with serious health and safety violations, whether or not it had been illegally converted, and whether or not the dwelling was appropriate to the needs of the homeless individual.

Furthermore, in her May 2007 letter to Coalition for the Homeless, Deputy Mayor Gibbs specifically refused to halt referrals to several illegal boarding houses identified by the Coalition, houses which were later ordered vacated by City agencies due to health and safety hazards. These dangerous dwellings include 199 Halsey Street, 299 Sumpter Street, and 592 Marcy Avenue, located in Brooklyn, and 806 East 169th Street in the Bronx. (Gibbs admitted in her May 2007 letter that City inspectors had in fact issued a vacate order against an additional boarding house used by the City to shelter homeless adults, a building located at 630 Faile Street in the Bronx.)

In subsequent correspondence and meetings, Coalition for the Homeless had also warned City officials about four additional illegal boarding houses which were later ordered vacated by City agencies: 1107 Putnam Avenue, 361 Vernon Avenue, and 357 Monroe Street in Brooklyn, and 3323 Seymour Avenue in the Bronx. However, neither Gibbs, Department of Homeless Services Commissioner Hess, nor any other City officials stopped referrals of homeless adults to these buildings before the vacate orders were issued.

City Threats of Ejection from Shelter

The most important tool the City has used in its efforts to move homeless adults from municipal shelters to illegal boarding houses is the threat of ejection from shelter to the streets. Department of Homeless Services employees and shelter staff routinely

threaten to issue a “sanction” for ejection to the streets for 30 days or more if a homeless individual does not accept referral to an illegal boarding house, even if the house is unsafe or inappropriate to the person’s service needs.

In 2003 the Bloomberg administration issued so-called “Client Responsibility” rules outlining consequences for homeless adults for alleged “non-compliance” with social service plans and other requirements. The Department of Homeless Services rules state, “A client may not reasonably refuse any housing that is suitable...as long as the housing is suitable to the client’s recognized needs consistent with any domestic violence status as defined by local law, and [is] compliant with applicable local codes and regulation.” The rules also require City-contracted shelter providers to “[secure] a medical or psychiatric evaluation for the client, when appropriate, to determine whether there is a physical or mental condition that may affect the suitability of particular housing.” Pursuant to State regulations, one punishment for “non-compliance” with the 2003 rules is that the City may ejected a homeless adult from the municipal shelter system to the streets for a minimum of 30 days.

The illegal boarding houses used by the City clearly fail to meet the standard outlined in the Department of Homeless Services rules and in State regulations. Furthermore, the City and City-contracted shelter providers routinely fail to secure psychiatric and medical evaluations to determine if placements are appropriate to the needs of the homeless individual. However, City employees and shelter staff routinely threaten homeless adults with ejection from shelter if they refuse to accept referrals to illegal boarding houses. Indeed, Department of Homeless Services employees and shelter staff have even made such threats in the presence of Coalition for the Homeless staff.

Not only are shelter residents routinely threatened with “sanction” and loss of shelter, but many homeless adults have also been illegally “transferred” or otherwise forced into illegal boarding houses. Many homeless individuals report being mandated by shelter staff to pack their belongings and board a van, in which they were driven to a “three quarter house” against their will and left there after being warned against any attempts to return to the shelter system. Indeed, In October 2007 Coalition staff witnessed a van from the Wards Island shelter depositing several homeless men in front of an illegal boarding house located at 23 Pine Street in Staten Island. When the van driver noticed the Coalition staff member, he ordered the six homeless men back inside the van and drove away.

Lack of Appropriate Services and Fraudulent Use of Benefits

Although some illegal boarding houses describe themselves as “recovery residences” or “programs,” none of the houses used by the City to shelter homeless adults offers any support services. Moreover, none of the illegal boarding houses offers services to assist homeless individuals in securing permanent housing; supportive housing; mental health treatment for individuals living with psychiatric disabilities; addiction treatment services; or employment services. Nevertheless, the City has referred many homeless adults living with mental illness or other special needs to illegal boarding houses,

including individuals who had been approved for “New York/New York” supportive housing.

For example, nine residents Fort Washington shelter, which is designated for individuals diagnosed with mental illness, were sent to an illegal boarding house located at 299 Sumpter Street in Brooklyn. The home provided no mental health services or support services of any kind. As noted elsewhere in this report, this building was ordered vacated in July 2007 following the partial collapse of an exterior wall, forcing the nine men from the Fort Washington shelter back into homelessness. (The second section of this report details the stories of several other homeless individuals living with mental illness or serious medical problems who were forced by the City into illegal boarding houses.)

In addition, some illegal boarding house operators fraudulently use residents’ public benefits to cover operating costs. Residents of illegal boarding houses report many fraudulent activities including: depositing residents’ Social Security disability checks into the operators’ own accounts; forcing residents to pool Food Stamps to create communal meals; seeking furniture allowances and other cash benefits from the City’s welfare agency on behalf of residents; as well as providing false documentation to secure brokers fees from the welfare agency.

Daryl Evans, the proprietor of the notorious “Alberta’s House” as well as “Phil’s Recovery Residence” (both described elsewhere in this report), was arrested in June 2007 and charged with stealing nearly \$1,000 from a dependent resident by using his ATM card and PIN information after being entrusted with his personal effects. The New York State Attorney General is prosecuting his case and both buildings have been placed on the State’s short “no-refer” list.

Denial of Basic Tenancy Rights

The operators of illegal boarding houses routinely engage in illegal lockouts and summary evictions of their residents, and otherwise deny them basic tenancy rights which are established in New York State law. Indeed, the operators of nearly every illegal boarding house included in this report claim that they can evict residents at will, and routinely give residents written documents claiming that they can be “kicked out” at the operators’ discretion.

For example, in December 2007 the operator of the illegal boarding house located at 637 Decatur Street in Brooklyn informed the residents – 10 women who formerly resided in homeless shelters and addiction treatment programs, and who had each paid rent and resided in the house for more than a month – that they would be forced to leave the building by the end of that month. The operator did not seek a formal eviction in court or under New York State law, but merely issued written notices telling the women to be out of the building by the end of the month. Coalition for the Homeless helped arrange for legal assistance for the residents to prevent the illegal lockout. Nevertheless, in January 2008 the operator issued another threatening notice stating

that the women needed to leave the building by January 21st and that “[f]ailure to do so will result in consequences beyond management control.”

The operator of the illegal boarding house located at 827 Gates Avenue in Brooklyn – a group calling itself “Miracle House,” which also operates at least three other boarding houses – claims that residents may be evicted at any time. It forces residents to sign an agreement stating that “violation of ...rules and regulations are ground [sic] for immediate termination from Miracle House.”

Many illegal boarding houses restrict their residents’ access to the buildings or impose conditions for staying in the houses, even though the residents are rent-paying tenants. For example, the operator of the illegal boarding house located at 434 Montauk Avenue in Brooklyn locks residents out of the building between 9:00 am and 4:00 pm each weekday, assigns residents chores, and does not allow visitors. The operator of the illegal boarding house located at 109 Sheffield Avenue in Brooklyn requires residents to turn over their Food Stamps benefits to the house and perform “odd jobs.” The operator of the illegal boarding house located at 1263 Herkimer Street in Brooklyn further asks individuals to sign a form titled “Waiver of Tenancy Rights” which instructs police that the tenant has knowingly signed away any right they may have to enter the home.

Unfortunately, many homeless individuals referred by the City to illegal boarding houses have been homeless for significant periods of time and are not be aware of their rights as tenants, or cannot obtain legal assistance to challenge the illegal actions of the buildings’ operators.

Illegal Boarding Houses and Taxpayer Dollars

The illegal boarding houses used by the City typically charge residents who receive welfare benefits \$250 per month in rent. The majority of this amount paid directly to the operators by the Human Resources Administration, the City’s welfare agency, from the individuals’ welfare housing allowances (currently \$215 per month for an individual). Residents with Social Security or other disability benefits are frequently charged higher monthly rents.

Given that many illegal boarding houses have more than 40 residents, payments of taxpayer funds can amount to more than \$8,500 per month, or more than \$100,000 per year per house. And many operators of illegal boarding houses lease their buildings for as little as \$2,000 per month.

Thus, the business of operating illegal boarding houses is not only very profitable, it relies almost entirely on taxpayer dollars. And the City and State continue to subsidize these dwellings while effectively turning a blind eye to their numerous illegal, hazardous conditions. Although City inspectors have cited the illegal boarding houses included in this report with 654 hazardous violations of the housing maintenance code and 226 violations of the building code, the large majority of them remain in operation and continue to be subsidized by City and State taxpayer dollars.

2. HOMELESS NEW YORKERS AT RISK

Ultimately the stories of homeless New Yorkers who have been placed by the City in illegal boarding houses are far more compelling than violations data or the minutiae of policy. These individuals, many living with mental and physical illnesses, have needlessly suffered due to the refusal of City officials to halt referrals to dangerous dwellings and instead to enact safeguards.

Pascual V.

Pascual was placed at “Phil’s Recovery Residence,” an illegal boarding house located at 69 Kingston Avenue in Brooklyn. Pascual, who had become homeless after his serious health problems caused him to lose his job, was referred to this illegal dwelling in 2005 by the Camp LaGuardia shelter and Praxis Housing, a subcontractor of Volunteers of America, the City-contracted operator of the shelter.

Pascual suffers from multiple sclerosis and is in need of regular injections of medication. Nevertheless, the owner of 69 Kingston Avenue refused to allow a visiting nurse, who administered Mr. V’s injections, to see him at the house. In addition, Pascual suffered serious bed bug bites over much of his body while residing at the residence.

The illegal boarding house at 69 Kingston Avenue is operated by Daryl Evans, the operator of the notorious “Alberta’s House,” who (as noted elsewhere in this report) is currently being prosecuted by the New York State Attorney General for stealing from residents. The building at 69 Kingston Avenue has also been investigated by the New York State Department of Health and is now on its short “no-refer” list.

Mohammed K.

In early February 2007, Mohammed was referred by the Fort Washington shelter – a facility designated for homeless men living with mental illness – to an illegal boarding house located at 299 Sumpter Street in Brooklyn. Mohammed, who had been diagnosed with mental illness, had been approved for “New York/New York” supportive housing prior to being sent to the illegal boarding house. His supportive housing approval documents recommended that he be placed in a “Supported Single Room Occupancy Residence” or “Community Care Residence,” and that he receive “ongoing psychiatric treatment” and other support services. Nevertheless, Mohammed reports that shelter staffer told him that, because Mayor Bloomberg had a plan to reduce the homeless population, the shelter “could not wait” for him to obtain supportive housing and he would have to go to the illegal dwelling at 299 Sumpter Street.

Department of Homeless Services officials confirmed that Mohammed was one of at least nine homeless men living with mental illness who were referred to this illegal boarding house from the Fort Washington shelter. These referrals occurred despite the fact that the illegal boarding house was extremely overcrowded, had no services for individuals living with mental illness, and had been cited by City inspectors with numerous violations of health and safety codes. Coalition for the Homeless had also

alerted Department of Homeless Services officials to the dangers in this illegal dwelling before the City referred Mohammed and other homeless men there.

On July 29, 2007, an exterior wall at 299 Sumpter Street partially collapsed and the Department of Buildings ordered the building vacated, leaving Mohammed and the nearly 40 other residents of the house homeless once again. Mohammed attempted to return to the Fort Washington shelter but was initially turned away by shelter staff. Only after intervention by the Coalition for the Homeless did he obtain a shelter bed, and he still resides in the shelter system awaiting appropriate permanent housing.

Elliot T.

Elliot, a homeless man living with mental illness and a former resident of the Camp LaGuardia shelter, reports that he was told by shelter staff that there was no other housing available to anyone at the shelter except “three quarter houses.” As a result, in September of 2005 he and 12 other homeless men were told that they would be placed at 309 Arlington Avenue in Brooklyn after having only been allowed to see pictures of the front of the building. While being driven to the home, the housing specialist for the Camp LaGuardia shelter informed the men that they would not be going to 309 Arlington but instead to another illegal boarding house located at 790 Quincy Street in Brooklyn.

Elliot reports that the building has a leaking roof, holes in the ceiling, broken kitchen windows, and the stove has caught fire multiple times. He slept in the basement with four other men. In addition, the operator of the house, Guy Bailey has repeatedly threatened residents that he knows the “attorney general, police, Councilmembers, and members of the ‘Bloods’ gang,” and has ordered them not to let anyone inside the house.

As a result of the strain of living in such conditions, as well as physical health problems, Elliot attempted suicide twice during the past year. In late 2007, Elliot finally left the illegal boarding house and returned to the homeless shelter system where he currently resides. Elliot has been approved for “New York/New York” supportive housing and is working with Coalition for the Homeless to secure permanent housing.

Raymond and Louis B.

On August 8, 2006, Coalition for the Homeless staff witnessed staff at the Camp LaGuardia shelter threaten to eject Raymond and Louis, who are brothers, to the street for a period of 30 days if they did not agree to placement in an illegal boarding house, located at 806 East 169th Street in the Bronx, despite numerous health and safety hazards in the building. Shelter staff made these threats after City inspectors, as well as Coalition staff, had documented hazardous conditions in the illegal dwelling.

In August 2006 and over the following months, the Coalition provided information about hazards at the building to Department of Homeless Services officials, and an Assistant Commissioner told Coalition staff that the agency would cease referrals to the building. Nevertheless, the City continued to refer homeless adults to this illegal boarding house

despite the Coalition's repeated warnings about dangerous conditions there. In July 2007 the City finally ordered the building at 806 East 169th Street vacated.

Phillip B.

Phillip, a 61 year-old homeless man diagnosed with schizophrenia, psychosis, and depression, twice sought treatment in State psychiatric hospitals over the course of four years. He entered the shelter system in 2005 and was referred to the Camp LaGuardia shelter. Caseworkers and staff there noted his diagnoses and documented in his case file that Phillip was "in need of supportive housing to become an independent citizen." However, shelter staff apparently never completed a supportive housing application for Phillip. Subsequent notes in his file state that he was being referred to "transitional housing," and in January 2007 Phillip was sent to the illegal boarding house located at 806 East 169th Street in the Bronx. Phillip was referred there despite the fact that, months earlier (as noted elsewhere in this report), Department of Homeless Services officials had agreed to suspend referrals to this home.

The building at 806 East 169th Street was cited by City inspectors with 126 "hazardous" housing code violations, according to records maintained by the Department of Housing Preservation and Development, and 10 building code violations, according to the Department of Buildings, including violations for illegal conversion. In July 2007 the City finally ordered the building at 806 East 169th Street vacated. Phillip's whereabouts are currently unknown.

3. A CLOSER LOOK AT ILLEGAL BOARDING HOUSES

Although data on code violations provides a global picture of the hazardous, illegal conditions in boarding houses used by the City to shelter homeless adults, it is necessary to examine more closely individual houses in order to get a better picture of the abysmal conditions in many so-called “three quarter houses.” Following are descriptions of several illegal boarding houses where the City placed homeless New Yorkers at risk, including buildings that were later ordered vacated by City agencies.

1067 Lafayette Street, Brooklyn “Alberta’s House”

As reported by the *New York Times* in September 2006, New York State Department of Health officials inspected the residence known as “Alberta’s House” and reported finding 67 men in bedrooms that were “very overcrowded, dirty and having foul odor, sleeping on mattresses infested with bedbugs the size of roaches, and using bathrooms that were filthy without toilet paper, no soap, no towels and no washcloths.” The Department of Health report further indicated that food and medical care were inadequate. The residents of “Alberta’s House” – the majority of whom suffer from serious and persistent mental illness and other disabilities – had been sent there by City shelters, as well as hospitals and other institutions.

“Alberta’s House,” located at 1067 Lafayette in Brooklyn, advertises itself as “the best possible care and services for hard to place clients” and its materials state that only the most disabled individuals will be accepted. Two homeless men, one of which exhibited symptoms of a psychiatric disorder, were referred by City shelters to “Alberta’s House” despite numerous violations recorded by City housing and building inspectors.

Coalition for the Homeless visited the residence in June 2007, nearly one year after the New York State Department of Health’s investigation. Coalition staff found filthy rooms in which two or more men with serious medical and psychiatric disorders were crowded. Two older men slept on urine-soaked mattresses on the floor of one sleeping room.

Daryl Evans, the proprietor of “Alberta’s House” (as well as “Phil’s Recovery Residence,” located at 69 Kingston Avenue in Brooklyn, and described elsewhere in this report), was arrested in June 2007 and charged with stealing nearly \$1,000 from a dependent resident by using his ATM card and PIN information after being entrusted with his personal effects. The New York State Attorney General is prosecuting his case and both buildings have been placed on the State’s “no-refer” list.

299 Sumpter Street, Brooklyn

Prior to its closing in June 2007, the Camp LaGuardia shelter referred several homeless men to the illegal boarding house located at 299 Sumpter Street in Brooklyn, despite a long list of violations recorded by City inspectors. In addition, the Fort Washington shelter referred at least nine homeless men living with mental illness to 299 Sumpter Street, despite the fact that the house offered no support services or mental health services.

On July 29, 2007, the building was ordered vacated by the Department of Buildings after the partial collapse of an exterior wall which had been cited by City inspectors on numerous occasions before the vacate order.

City inspectors had cited the building at 299 Sumpter Street with 83 violations of the housing maintenance code, including 62 “hazardous” violations including exposed electrical wiring, broken floor boards, holes in the walls, mice, and lack of heat. The Department of Buildings had cited violations for use contrary to the certificate of occupancy, and noted the creation of at least 12 illegal single room occupancy units in a building approved for only two families. In addition there were three building code violations for failure to maintain a building, including a 20-inch crack and bulging in the east wall (cited in April 2007) and ultimately, in late July 2007, documentation of that same walls’ collapse. The building’s owner, Shaun MacDonald, was reportedly assessed \$43,000 in fines.

**806 East 169th Street, Bronx
“Keave’s Residence”**

Numerous residents from the Camp LaGuardia shelter were referred to the illegal boarding house located at 806 East 169th Street in the Bronx beginning as early as the spring of 2006. Residents state that at least eight men were forced to share a single room along with a one bathroom and kitchen, and were charged \$215 per month. No serves of any kind were provided and residents are not given any space in which to store their belongings.

Coalition for the Homeless visited the home and found no locks on the doors to the building or rooms, dirty hallways filled with garbage, no mailboxes for residents, and walls mottled with holes. Keave Davis, the owner, told Coalition staff that he had an arrangement with the Camp LaGuardia shelter for the referral of shelter residents to his home. Paperwork provided to residents by the shelter further states that Davis not only secured welfare housing allowances from the City for the building’s residents, but also “furniture allowance” funds, although he never provided furniture to the residents themselves.

City inspectors cited the building at 806 E. 169th Street with 174 housing code violations, 126 of which are considered hazardous, as well as six vacate orders for the three-unit building. There were also 10 violations issued by the Department of Buildings, including violations for illegal occupancy as an “SRO” and “homeless shelter,” work without a permit to install sheetrock divisions between rooms, and failure to provide adequate means of egress resulting from the illegal subdivision of rooms. Furthermore, the building has been included in the City’s new “Alternative Enforcement Program,” administered by the Department of Housing Preservation and Development. This indicates that it is one of some 200 residential buildings in New York City with a combination of the most serious maintenance-related deficiencies and emergency repairs completed by the City.

Although the illegal boarding house at 806 East 169th Street was brought to the attention of Department of Homeless Services officials on several occasions for more than a year, referrals of homeless New Yorkers to the building did not end. Indeed, in a letter dated May 21, 2007, Deputy Mayor Linda Gibbs refused to prohibit referrals of homeless adults to the illegal boarding house at 806 East 169th Street and effectively approved its ongoing use by the City to shelter homeless adults. The building was finally ordered vacated on July 12, 2007, due to fire safety hazards and illegal conversion.

592 Marcy Avenue, Brooklyn

As reported in an April 2007 *New York Daily News* article, the illegal boarding house located at 592 Marcy Avenue in the Bedford Stuyvesant neighborhood in Brooklyn, was ordered vacated by the Department of Buildings on March 7, 2007, due to “imminent danger to the life and safety of the occupants.” The boarding house, which was an illegally converted single family house, had been crowded with at least 26 formerly-homeless men referred there by City shelters.

The vacate order noted, “The entire building, from basement to attic, is illegally converted into [single-room occupancy apartments] with a large number of bunk beds, without secondary means of egress.” According to the *Daily News*, the building had been cited by City inspectors with more than 20 housing code violations, most of them characterized as “hazardous.” Department of Buildings records state that the building was approved to operate as a church or synagogue, not a residence. City building inspectors also cited a lack of heating as well as fire safety hazards. At least half of the formerly homeless men vacated from the building returned to the municipal shelters system, while the whereabouts of the others are unknown.

1107 Putnam Avenue, Brooklyn

The Camp LaGuardia shelter referred a 65 year-old man who suffers from bi-polar disorder to this illegal boarding house located in the Bushwick neighborhood of Brooklyn. He detailed numerous unsafe conditions including sleeping rooms with as many as eight men, holes in the walls, and no fire escape. The Department of Buildings cited the building with eight violations, including exits blocked with mattresses, shopping carts, bicycles and other objects, as well as failure to maintain the building. The boarding house at 1107 Putnam Avenue was reportedly ordered vacated by the City in September 2007.

630 Faile Street, Bronx

“Carl’s Place”

This house, located in the Hunts Point section of the South Bronx, is designated for occupancy by no more than three families. Nevertheless, the operator of the illegal boarding house at 630 Faile Street crowded as many as six homeless men (most from the Camp LaGuardia shelter) each into sleeping rooms lined with bunk beds. City inspectors later found that the home was crowded and a fire risk, and violation records indicate that the first floor apartment had been converted to a “homeless shelter” with three illegal SRO units and a bathroom constructed in the basement.

In April 2007 the Fire Department ordered portions of the home vacated because of a lack of exits, and the residents found themselves homeless once again.

**790 Quincy Street, Brooklyn
“ESIP Residences”**

At least 15 residents of the Camp LaGuardia shelter were referred to this house, located in the Bushwick section of Brooklyn, in 2005 and 2006. They were told by shelter staff that illegal boarding houses were the “only housing available” to homeless individuals. Many homeless men were denied a chance to see the building and were only allowed to see photos of the outside of the home prior to moving in. Others report that the paperwork they received was for another illegal boarding house, but they were taken to 790 Quincy Street instead.

Residents report that there are approximately 25 men living in the home with two to four men per sleeping room, and that they are given plastic tubs in which to store their belongings. They further describe the building as looking “abandoned” as a result of hazardous conditions, including a leaking roof, holes in ceilings throughout, broken kitchen windows, and a stove that has caught on fire repeatedly.

The home has been cited by City inspectors with 21 violations of the housing maintenance code and five Department of Buildings violations for failure to maintain the exterior building wall, broken ceilings, and problems with the boiler. Despite these documented conditions, the home remains open and the operator, Guy Bailey, continues to receive thousands of taxpayer dollars from the City and State each month.

4. RECOMMENDATIONS

Mayor Bloomberg and City officials should immediately reform their policies for the referral and placement of homeless New Yorkers into housing. The Mayor and his administration must ensure that homeless New Yorkers are referred to housing that is (1) safe and legal, and (2) appropriate to the needs of the individual.

Coalition for the Homeless calls on the Mayor and City officials to take the following steps to prevent further harm to homeless individuals:

Ensure homeless New Yorkers are referred to safe, legal, and appropriate housing. The Bloomberg administration should immediately implement a policy ensuring that homeless New Yorkers are referred to housing that is (1) safe and legal, and (2) appropriate to the needs of the individual. The City and contracted service providers should assess proposed housing placements to ensure that they meet those standards. The City and service providers must also evaluate homeless adults to assess their needs for mental health, medical, or other support services.

Enforce housing and buildings code requirements and relocate individuals already living in hazardous homes to safe, appropriate housing. For illegal boarding houses that are already in existence, the City and State should enforce the housing maintenance code, building code, and other legal requirements. All formerly homeless individuals currently living in illegal boarding houses with dangerous conditions should be immediately relocated to safe, appropriate permanent housing.

Expand investments in supportive housing and affordable housing. In order to achieve a genuine and lasting reduction of the numbers of homeless New Yorkers, as well as protect homeless individuals living with mental illness and other special needs, the City and State should expand investments in supportive housing and other low-income housing.

Investigate the illegal and fraudulent use of residents' benefits by illegal boarding house operators. The City and State should aggressively investigate the illegal and fraudulent use of Food Stamps, public assistance, Social Security disability benefits, and other benefits by the operators of illegal boarding houses.