Testimony of

Coalition for the Homeless

and

The Legal Aid Society

on

Oversight – Rental Assistance and Source-of-Income Discrimination

presented before

The New York City Council’s Committees on General Welfare and Civil and Human Rights

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The Coalition for the Homeless and The Legal Aid Society welcome this opportunity to testify before the New York City Council’s Committees on General Welfare and Civil and Human Rights regarding rent assistance and source-of-income discrimination.

**Homelessness in NYC**
The coronavirus pandemic has clearly highlighted the indisputable fact that housing is health care. New York City was grappling with record homelessness prior to the pandemic, and we have already witnessed troubling increases in housing instability and homelessness in advance of the looming expiration of emergency protections such as the eviction moratorium – a harbinger of the dire housing crisis we will face in the coming months and years. Over the course of this pandemic, we have seen diverging trends in homelessness among families and single adults. Disturbingly, the number of single adults in shelters has reached all-time record highs many nights during 2020. In the latest comprehensive data from July 2020, there were more than 19,500 single adults each night in Department of Homeless Services (DHS) shelters, safe havens, stabilization beds, and veterans beds, representing a 9-percent increase from the previous year and a 122-percent increase from 2010. At the same time, the number of families applying for shelter reached record lows in May, June, and July, and the number of families in shelters has decreased by 11 percent over the past year. These diverging trends reflect the instability that so many single adults face in attempting to find and keep housing. Many newly homeless single adults were not afforded or aware of the protections of the current eviction moratorium. However, the decrease in the number of families in DHS shelters should not yet be considered a permanent trend. If and when the eviction moratorium is lifted, we are likely to see a huge surge in newly homeless families who have been unable to pay their rent due to the dire economic fallout of this pandemic.

All homeless adults and families, regardless of whether they were homeless prior to the pandemic or as a result of the pandemic, urgently need an effective way to leave homelessness and return to stable housing as quickly as possible. Although the City launched rent assistance programs such as CityFHEPS, people in shelters have often encountered roadblocks to securing housing due to the program’s low maximum rent thresholds and landlords’ persistent discrimination based on applicants’ sources of income, criminal justice involvement, credit scores, or other reasons. As a result, the latest data from July 2020 show that single adults spent on average 456 days in shelters before moving out, families with children spent 485 days in shelters, and adult families spent 705 days in shelters. With the average annual cost of shelters exceeding $71,000 per family, helping people move out of shelters and into permanent housing is the smart choice from both a fiscal and moral standpoint.

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1 See https://data.cityofnewyork.us/browse?q=Local%20Law%2037&sortBy=relevance&utf8=%E2%9C%93
Source-of-Income Discrimination and Homelessness

In 2008, the Committee on General Welfare took an important step toward housing justice and addressing homelessness in New York City by amending the Human Rights Law to prohibit landlords from discriminating against prospective tenants based on their lawful source of income. As a result of the committee’s work, it is illegal for landlords to disqualify tenants just because they are using a CityFHEPS, Section 8, or other rental assistance voucher to help cover the high cost of rent in New York City. The importance of these protections cannot be overstated: Since the Council amended the law in 2008, thousands of our poorest neighbors who use locally- and Federally-funded housing vouchers to help cover the high cost of rent in New York City have secured apartments and avoided homelessness.

The Legal Aid Society was an early leader in supporting this amendment to the Human Rights Law to prohibit source-of-income discrimination, and the Society has been representing homeless families with housing vouchers in litigation against discriminating landlords since the amendment was first passed. The Coalition for the Homeless regularly helps individuals who qualify for housing vouchers secure

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3 New York City, N.Y., Code § 8-107(5)(1)(a) (“It shall be an unlawful discriminatory practice … because of any lawful source of income … to refuse to sell, rent, lease, approve the sale, rental or lease or otherwise deny to or withhold from any such person or group of persons [a] housing accommodation or an interest therein.”).
housing. Both our organizations are acutely familiar with the Human Rights Law’s benefits and its shortcomings.

Today, source-of-income discrimination protections fall far short of what the Council intended. Because of loopholes in the Human Rights Law, and inadequate funding for rental assistance programs, New Yorkers with vouchers are far too frequently unable to find housing. Indeed, discrimination against New Yorkers with housing vouchers remains rampant. By one estimate, 11,000 New Yorkers are living in shelters despite having housing vouchers because they are unable to secure an apartment.4 This exacerbates the city’s housing crisis and prevents the integration of low-income voucher-holders into affordable units in diverse and mixed-income neighborhoods, and it undermines the purpose of these rental assistance programs.

Our organizations are encouraged that the Council is considering building upon source-of-income discrimination prohibitions and expanding rental assistance. But we urge the Council to do more, particularly as the City prepares for a wave of evictions as a result of the COVID-19 pandemic.

T2019-4051 – Prohibition against discrimination in housing accommodations based on lawful source of income

The Coalition for the Homeless and The Legal Aid Society support the Council’s proposal to expand prohibitions on source-of-income discrimination to buildings with three or more units. Critically, however, T2019-4051 does not contain prohibitions on minimum income requirements or minimum credit requirements, described in further detail below. It also falls short of New York State’s anti-discrimination law, which prohibits source-of-income discrimination in one- and two-unit buildings that are not owner-occupied.5 For the reasons described below, we urge the Council to take further steps to end source-of-income discrimination.

New Yorkers with rental assistance vouchers face continuing discrimination when seeking housing. This is in large part due to two well-documented policies that landlords use to bar applicants with vouchers: minimum income requirements and minimum credit score requirements. The Council should pass legislation to amend the Human Rights Law and close these loopholes.

Minimum income requirements are commonplace in the New York rental market, and most landlords have policies requiring tenants to earn an annual income that is some multiple of the rent. These requirements can be particularly inflexible when employed by large, institutional landlords. The result is that homeless New Yorkers with rental assistance vouchers, who can otherwise afford the rent because of their vouchers, are systematically denied because their non-voucher income is too low.

As advocates for homeless New Yorkers, we see in real time how these minimum income requirements hurt our clients. For example, a family of four must earn $56,850 or less to be eligible for a Section 8

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5 N.Y. Exec. Law § 296(5)(a), noting that the housing discrimination law “shall not apply … to the rental of a housing accommodation in a building which contains housing accommodations for not more than two families living independently of each other, if the owner resides in one of such housing accommodations”
voucher, and $52,400 or less to be eligible for CityFHEPS. For smaller families, or single adults, the income limits are even lower. In reality, many New Yorkers with vouchers have little to no income at all. A landlord that requires all applicants to earn a minimum income of $60,000, a common income requirement used by some of the larger city property managers of affordable apartments, by definition excludes almost any applicant with a voucher — even though an applicant’s voucher would cover the cost of housing in that rent range. The result is that landlords’ minimum income requirements have the discriminatory effect of barring almost all eligible families with a housing voucher from securing housing, even when — thanks to their voucher — a family can afford the rent. Landlord policies that require a tenant’s annual income to be 40 times the monthly rent have a similar effect. Even for New York households earning the city’s median income of $60,762, a standard minimum income requirement of 40 times the monthly rent places most apartments out of reach for most New Yorkers. But for individuals with vouchers, who make far less than the city’s median income, these barriers are even more acute.

For the populations that we serve, this problem is not new. New Yorkers with housing vouchers whose annual income falls well below landlord minimum income requirements have repeatedly been forced to bring landlords to court for discrimination in order to use vouchers to which they are legally entitled. Our organizations have represented many of them. This problem is not new to City enforcers of the anti-discrimination law, either. The New York City Commission on Human Rights has released guidance condemning minimum income requirements as a major barrier for prospective tenants. Still, the City Council has not yet passed legislation providing that discrimination in the form of minimum income requirements is prohibited in the Human Rights Law. This makes the legal protections of prospective tenants uncertain, and any litigation time-consuming and usually prohibitive for families seeking to enforce their rights. Going to court when faced with a discriminatory minimum income requirement is simply not a viable option for the tens of thousands of New Yorkers whom we are unable to serve.

Minimum credit requirements, which landlords frequently employ, also prevent otherwise qualified families from securing housing. Our clients with CityFHEPS and Section 8 vouchers frequently do not have credit scores that meet those demanding requirements. The result is that they are excluded from finding housing across much of the city, despite their ability to pay.

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7 U.S. Department of Health & Human Services, Office of the Assistant Secretary for Planning and Evaluation, U.S. Federal Poverty Guidelines, (Sept. 10, 2020), https://aspe.hhs.gov/poverty-guidelines (providing federal poverty levels); New York City Department of Social Services, CityFHEPS Frequently Asked Questions (Sept. 10, 2015) https://www1.nyc.gov/assets/hra/downloads/pdf/cityfheps-documents/dss-7r-e.pdf (requirement that CityFHEPS holders have gross income at or below 200% of federal poverty limit)
8 See, for example, PARKCHESTER PRESERVATION MANAGEMENT LLC, https://www.parkchesternyc.com/about-us/ (Sept. 10, 2020) (requiring a $60,000 minimum income for one-bedroom apartment)
Other cities have begun to take steps to address these loopholes. For example, Vancouver, Washington, requires that landlords subtract a prospective tenant’s rent voucher from the total of the monthly rent before calculating whether the applicant has met the income criteria.12

We urge the Council to take similar measures and close the loopholes in the Human Rights Law. First, T2019-4051 should be amended to add language requiring landlords to take rental subsidies into account when applying minimum income requirements. Landlords should be required to subtract the applicant’s voucher income from the total of the monthly rent when calculating whether a minimum requirement has been met. Failure to do so constitutes source-of-income discrimination. Second, language should be added to the bill prohibiting landlords from barring applicants on the basis of their credit score when the applicant’s voucher covers 100 percent of the rent. Third, the bill should be amended to expand the prohibition on source-of-income discrimination to all buildings, and exempt only buildings with one or two units that are owner-occupied. This would align the City’s source-of-income discrimination coverage with New York State law.13 Finally, the Council should increase penalties against landlords that discriminate on the basis of source of income. Until the Human Rights Law explicitly prohibits the use of minimum income requirements and minimum credit requirements as applied to tenants with rental assistance vouchers, landlords will continue to exploit these loopholes in the law and upset the purpose of prohibitions on source-of-income discrimination.

**Intro 146 – Rental assistance vouchers**

The Coalition for the Homeless and The Legal Aid Society support raising CityFHEPS rent levels to the Fair Market Rent (FMR). A critically important result of this change is that it will significantly expand the number of studios and one-bedroom apartments available to homeless single adults by increasing the CityFHEPS rent level for a studio apartment from $1,265 to $1,760 – a nearly 40-percent increase – and the one-bedroom CityFHEPS rent level from $1,323 to $1,801 – a 36-percent increase. Maximum rent levels for larger apartments will increase upwards of 25 percent as well. This will greatly expand the pool of available apartments for homeless individuals and families.

In support of this goal, we have several important recommendations for amending the current bill language. First, the bill language must be amended to explicitly raise the CityFHEPS rent levels to the most recent FMRs. As the bill is written, it requires City vouchers only to be “indexed” to FMR, thereby leaving open the possibility that voucher increases will simply mirror FMR increases without matching their levels exactly. Second, we support adding requirements that apartments rented with CityFHEPS be subject to unit inspection standards similar or equal to the Section 8 Housing Quality Standards. Using the higher Federal standard for all City subsidies would promote housing quality; streamline the inspection process; reduce confusion among City and shelter staff, consumers, and landlords; reduce source-of-income discrimination; and maximize the availability of Federal dollars for New York City tenants. Third, the bill language should expand the definition of “rental assistance voucher” to include all City-initiated vouchers, rather than vouchers that are “fully City-funded.” In some cases, CityFHEPS

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12 Vancouver Municipal Code Ch. 8.45, available at https://vancouver.municipal.codes/VMC/8.45 (“If income screening criteria are elected to be used, any source of income in the form of a rent voucher or subsidy must be subtracted from the total of the monthly rent prior to calculating if the income criteria have been met”); Alison Bell et al., Prohibiting Discrimination Against Renters Using Housing Vouchers Improves Results, Center for Budget and Policy Priorities, Dec. 20, 2018, https://www.cbpp.org/research/housing/prohibiting-discrimination-against-renters-using-housing-vouchers-improves-results

13 N.Y. Exec. Law § 296(5)(a)
and its predecessor LINC had some portion of funding allocated from the State and Federal governments. This should not preclude CityFHEPS or any future programs from abiding by the requirement to meet FMR standards. The language should also specify that the City can and should use State and Federal money to fund the increase of City-initiated vouchers to FMR, thereby providing a sounder financial footing for the continuation of the program. For too long, the State and Federal governments have failed to contribute their fair share of funding for rent assistance programs, and this bill should not further enshrine their abdication of duty. All levels of government must more effectively coordinate on addressing homelessness, particularly given the devastating impact of the pandemic.

**Recommendation: Provide real access to rental assistance by requiring the Human Resources Administration (HRA) to address critical access problems**

As detailed above, the Coalition for the Homeless and The Legal Aid Society support raising CityFHEPS rent levels to FMR and note that these subsidies are critical tools in preventing homelessness. In addition, we also call on the City Council to exercise its oversight jurisdiction over the New York City Human Resources Administration (HRA) so that New Yorkers can actually apply for rental assistance. Currently, HRA is failing to provide fundamental access to its benefits including rental arrears grants because – among other things – it is failing to provide alternatives to its online system to apply for benefits and it lacks a functional telephone system.

Many in need of Cash Assistance, SNAP, and rental arrears grants cannot apply at HRA locations in person because they are at risk of COVID-19 due to underlying health issues. In addition, because of the pandemic, HRA has closed most of its Job Centers. There are only seven open Job Centers in the city: one each in Manhattan, Queens, and Staten Island, and two in Brooklyn and the Bronx. Instead of going in person to a Job Center, applicants are being told to use ACCESS HRA, which requires a computer or mobile phone and the ability to navigate this online system. However, many New Yorkers are unable to use ACCESS HRA because they lack computers or mobile phones, or because they do not know how. There are not viable alternatives to ACCESS HRA. The only way to get help is by calling HRA’s Infoline, which is overloaded and hangs up on callers because of system overload. Because of the pandemic, HRA has shifted the vast majority of its client-facing staff to remote work. Yet HRA has failed to provide these remote staffers with telephones that can be called back by applicants. This results in applicants being denied for missing phone interviews – and could lead to eviction for those who are denied rent arrears grants. In addition, HRA is failing to provide other methods of applying for benefits such as telephone applications. New Yorkers in need are having difficulty getting telephone appointments because either they cannot get through to Infoline or when they do reach an agent they are told to go to Centers despite the pandemic. We urge the City Council to require HRA to immediately address these critical access problems so that New Yorkers can access the subsistence-level benefits they need to survive – including rental arrears grants.

**Intro 2047 – Prohibiting housing discrimination on the basis of arrest or criminal record**

The Coalition for the Homeless and The Legal Aid Society support prohibiting housing discrimination on the basis of arrest or criminal record. Homelessness is a tragic outcome for too many New Yorkers who exit prisons and jails, even though stable housing is vital to a successful reentry. The disproportionate impact of over-policing and incarceration on communities of color is one driver of homelessness among Black and Latinx New Yorkers, and this bill would advance racial justice by reducing barriers to permanent housing for a large subset of people currently languishing in shelters and on the streets.
Discrimination on the basis of arrest or criminal record takes a disproportionate toll on New Yorkers of color. This is in part because of the gross disparities in New York’s criminal justice system: Of the 49,473 inmates under State custody on January 1, 2018, 48 percent were African-American and 24 percent were Latinx, yet the State’s general population is just 17.6 percent African-American and 19.3 percent Latinx. And of the 8,896 average daily inmates in City custody, 53 percent were African-American and 33 percent were Latinx, even though the city’s population is only 24 percent African-American and 29 percent Latinx. The result is that Black and Latinx New Yorkers are much more likely to be barred from housing because of landlord criminal background checks than White New Yorkers. Moreover, it is well-recognized that arrest records are hardly evidence of misconduct, and landlords’ bars against prospective tenants who have not even been convicted of crimes is unacceptable. When landlords use discriminatory arrest and criminal background checks, they are overwhelmingly denying the benefits of secure housing — safety, stability, and health benefits — to Black and Latinx New Yorkers.

The use of criminal records makes it more difficult for individuals leaving jail or prison to find housing and avoid long-term homelessness. Indeed, New Yorkers leaving incarceration are uniquely at risk of homelessness. Of the 9,300 people released from State prisons to New York City in 2014, 23 percent of them went directly into the City shelter system; in 2017, 54 percent of the people released to New York City, or 4,122 individuals, entered the shelter system. A 2006 study of 7,000 individuals in the City’s public shelter system found that nearly a quarter had been incarcerated in the previous two years. For many of them, the primary barrier to achieving stable housing was their criminal record. Moreover, people experiencing homelessness are at increased risk of recidivism and encounters with law enforcement: Those who have experienced homelessness make up more than 15 percent of the national jail population, and are about 10 times more likely to be in jail. Law enforcement that criminalizes homelessness, including subway patrols and other police encounters, further fuels a cycle of homelessness and involvement with the criminal justice system. When landlords are permitted to discriminate on the basis of arrest or criminal records, they exacerbate the city’s homelessness crisis at a time when we must make it easier for New Yorkers to find housing, not harder.

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We are encouraged that the Council recognizes the need for prohibiting criminal background checks, and we urge the Council to pass legislation outlawing landlord discrimination against applicants with criminal and arrest records.

**Intro 1339 – Providing information about lawful source-of-income discrimination to city rental assistance applicants**
The Coalition for the Homeless and The Legal Aid Society support providing recipients of rental assistance with more information about source-of-income discrimination and how to report it. We request that the bill language be updated to reflect the most stringent current protections against source-of-income discrimination, such as those passed by the State.

**T2020-6576 – Online access to rental assistance program status**
The Coalition for the Homeless and The Legal Aid Society support providing online access regarding rental assistance as provided in T202-6576. In addition to what is provided for in the bill, we recommend creating a “one-stop” portal for tenants to file a single application for rental assistance and be able to track such an application. Such a “one-stop” portal where tenants can file a single application for rental assistance should contain pertinent information for the full range of available assistance instead of the current process, which involves multiple applications and multiple points of contact. We recognize that such a portal may require the partnership of the State, but ultimately it will be more efficient for the government agencies, contracted community partners, and tenants, and such a system has fewer negative public health consequences. It could also have the added benefit of making it easier for landlords to directly upload documents needed to complete the process of obtaining assistance.

We thank the Council for your steadfast advocacy on behalf of homeless New Yorkers during this pandemic. We appreciate the opportunity to testify and look forward to opportunities to further address the needs of all homeless New Yorkers.
About The Legal Aid Society and Coalition for the Homeless

The Legal Aid Society: The Legal Aid Society, the nation’s oldest and largest not-for-profit legal services organization, is more than a law firm for clients who cannot afford to pay for counsel. It is an indispensable component of the legal, social, and economic fabric of New York City – passionately advocating for low-income individuals and families across a variety of civil, criminal, and juvenile rights matters, while also fighting for legal reform. This dedication to justice for all New Yorkers continues during the COVID-19 pandemic.

The Legal Aid Society has performed this role in City, State and federal courts since 1876. It does so by capitalizing on the diverse expertise, experience, and capabilities of more than 2,000 attorneys, social workers, paralegals, and support and administrative staff. Through a network of borough, neighborhood, and courthouse offices in 26 locations in New York City, the Society provides comprehensive legal services in all five boroughs of New York City for clients who cannot afford to pay for private counsel.

The Society’s legal program operates three major practices — Civil, Criminal, and Juvenile Rights — and receives volunteer help from law firms, corporate law departments and expert consultants that is coordinated by the Society’s Pro Bono program. With its annual caseload of more than 300,000 legal matters, The Legal Aid Society takes on more cases for more clients than any other legal services organization in the United States. And it brings a depth and breadth of perspective that is unmatched in the legal profession.

The Legal Aid Society's unique value is an ability to go beyond any one case to create more equitable outcomes for individuals and broader, more powerful systemic change for society as a whole. In addition to the annual caseload of 300,000 individual cases and legal matters, the Society’s law reform representation for clients benefits more than 1.7 million low-income families and individuals in New York City and the landmark rulings in many of these cases have a State-wide and national impact.

The Legal Aid Society is uniquely positioned to speak on issues of law and policy as they relate to homeless New Yorkers. The Legal Aid Society is counsel to the Coalition for the Homeless and for homeless women and men in the Callahan and Eldredge cases. The Legal Aid Society is also counsel in the McCain/Boston litigation in which a final judgment requires the provision of lawful shelter to homeless families. The Society, in collaboration with Patterson Belknap Webb & Tyler, LLC, filed C.W. v. The City of New York, a federal class action lawsuit on behalf of runaway and homeless youth in New York City. The Society, along with institutional plaintiffs Coalition for the Homeless and Center for Independence of the Disabled – NY, settled Butler v. City of New York on behalf of all disabled New Yorkers experiencing homelessness.

Coalition for the Homeless: Coalition for the Homeless, founded in 1981, is a not-for-profit advocacy and direct services organization that assists more than 3,500 homeless New Yorkers each day. The Coalition advocates for proven, cost-effective solutions to the crisis of modern homelessness, which is now in its fourth decade. The Coalition also protects the rights of homeless people through litigation involving the right to emergency shelter, the right to vote, the right to reasonable accommodations for those with disabilities, and life-saving housing and services for homeless people living with mental illness and HIV/AIDS.
The Coalition operates 11 direct-services programs that offer vital services to homeless, at-risk, and low-income New Yorkers. These programs also demonstrate effective, long-term solutions and include: Supportive housing for families and individuals living with AIDS; job-training for homeless and formerly homeless women; and permanent housing for formerly homeless families and individuals. Our summer sleep-away camp and after-school program help hundreds of homeless children each year. The Coalition’s mobile soup kitchen, which usually distributes about 900 nutritious hot meals each night to homeless and hungry New Yorkers on the streets of Manhattan and the Bronx, is now regularly serving more than 1,100 meals per night and distributing emergency supplies during the COVID-19 pandemic. Finally, our Crisis Intervention Department assists more than 1,000 homeless and at-risk households each month with eviction prevention, individual advocacy, referrals for shelter and emergency food programs, and assistance with public benefits as well as basic necessities such as diapers, formula, work uniforms, and money for medications and groceries. In response to the pandemic, we are operating a special Crisis Hotline (212-776-2177) for homeless individuals who need immediate help finding shelter or meeting other critical needs.

The Coalition was founded in concert with landmark right to shelter litigation filed on behalf of homeless men and women (Callahan v. Carey and Eldredge v. Koch) and remains a plaintiff in these now consolidated cases. In 1981, the City and State entered into a consent decree in Callahan through which they agreed: “The City defendants shall provide shelter and board to each homeless man who applies for it provided that (a) the man meets the need standard to qualify for the home relief program established in New York State; or (b) the man by reason of physical, mental or social dysfunction is in need of temporary shelter.” The Eldredge case extended this legal requirement to homeless single women. The Callahan consent decree and the Eldredge case also guarantee basic standards for shelters for homeless men and women. Pursuant to the decree, the Coalition serves as court-appointed monitor of municipal shelters for homeless adults, and the City has also authorized the Coalition to monitor other facilities serving homeless families. In 2017, the Coalition, fellow institutional plaintiff Center for Independence of the Disabled – New York, and homeless New Yorkers with disabilities were represented by The Legal Aid Society and pro-bono counsel White & Case in the settlement of Butler v. City of New York, which is designed to ensure that the right to shelter includes accessible accommodations for those with disabilities, consistent with Federal, State, and local laws.