



Testimony of  
Coalition for the Homeless  
and  
Legal Aid Society  
before the Finance and General Welfare Committees  
of the New York City Council

on the  
Executive Budget for Fiscal Year 2025 and the  
Executive Capital Plan for Fiscal Years 2024-2028

submitted by  
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The Coalition for the Homeless (“Coalition”) welcomes this opportunity to testify before the New York City Council’s Committee on General Welfare. As the court- and City-appointed independent monitor of the Department of Homeless Services (“DHS”) shelter system and counsel in the historic *Callahan*, *Eldredge*, and *Boston* cases that created the right to shelter in New York City (“NYC”), we are uniquely situated to provide insight into the impact of the Executive Budget for FY25 on the shelter system and related programs serving all unhoused New Yorkers.

## **An Insufficient Plan to Meet the Crisis**

NYC has one of the largest populations of unhoused people in the United States, yet the FY25 Executive Budget contains little to address the overwhelming need caused by the lack of affordable housing. Without substantial investments by the city, the number of people who are unsheltered or sleeping in the shelter system will continue to grow.

As of March 2024, there were 142,806 people sleeping in the city’s various shelters, including DHS and the network of crisis shelters set up by other City agencies to provide emergency shelter for asylum seekers and other new arrivals.<sup>1</sup> This staggeringly high figure does not include the many thousands of people sleeping unsheltered in public spaces, or the tens of thousands temporarily sleeping doubled- and tripled-up in the homes of others. As such, the number of people without homes in New York has never been higher.

These alarming statistics have been fueled by decades of underinvestment in permanent affordable housing for low-income communities and the failure of all levels of government to enact policies to meaningfully reverse this trend. The affordable housing shortage in NYC, particularly for extremely low-income (“ELI”) households, is underscored by stark data revealing the depth of the crisis. According to the National Low Income Housing Coalition’s 2023 report, “The Gap: A Shortage of Affordable Homes,” there is a glaring disparity in the availability of affordable housing: for every 100 ELI households in the New York-Newark-Jersey City, NY-NJ-PA metro area, there are merely 31 affordable and available rental units.<sup>2</sup> In a city where the cost of living far exceeds national averages, and ELI households are defined as those earning at or below the poverty line or 30 percent of the area median income (“AMI”), this gap leaves a vast number of residents in precarious housing situations.

The worsening housing precarity in NYC is evidenced by the growing rent burdens borne by its residents. Defined as those spending more than 30 percent of their incomes on rent, rent-

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<sup>1</sup> *NYC Shelter Count*, City Limits, (accessed May 1, 2024) <https://citylimits.org/nyc-shelter-count/>. The term “new arrivals” refers to people who are international migrants, including refugees and asylum seekers, who arrived in New York City after March 15, 2022.

<sup>2</sup> Nat’l Low-Income Housing Coalition, *The Gap: A Shortage of Affordable Homes*, at App. B (Mar. 2023), available at <https://nlihc.org/gap>.

burdened households increased from 53 percent in 2021 to an alarming 86 percent in 2023. Meanwhile, the number of ELI households who were severely rent-burdened (spending more than 50 percent of their income on housing) increased to 74 percent.<sup>3</sup> This financial strain severely limits the capacity of ELI households to afford other necessities, such as food, healthcare, and childcare. It forces many of them to live in overcrowded conditions – defined as having more than two people per bedroom or more than one person living in a studio apartment. In fact, nearly a quarter (23 percent) of NYC households with at least one child are overcrowded.<sup>4,5</sup> Given that living in overcrowded conditions is frequently a precursor to homelessness, such statistics portend greater levels of mass homelessness if this affordable housing crisis continues.

The dynamics of NYC’s real estate market have also exacerbated the affordable housing shortage. The city’s median rent has consistently outpaced inflation and income growth, creating an environment where affordable housing becomes increasingly scarce. Rent-stabilized units are particularly difficult to come by. Per the most recent Housing Vacancy Survey, the vacancy rate for rent stabilized units was less than 1 percent in 2023 – down from an already distressingly low 4.6 percent in 2021.<sup>6</sup> More to the point, the vacancy rate for affordable apartments – those renting for less than \$1,100 per month – was only 0.39 percent. Effectively, there are no affordable apartments left in New York for those who need them most.

Coupled with this is the fact that evictions in NYC have significantly increased in 2023, nearing pre-COVID levels, with city marshals completing approximately 12,000 residential evictions due to unpaid rent and a backlog of cases in the court system.<sup>7</sup> This surge represents nearly a tripling of evictions compared to 2022, following the end of statewide tenant protections early in the pandemic. The increase in evictions is particularly affecting low-income residents and communities of color and further straining the city's social safety net. In addition, this surge in evictions, in conjunction with a near-total lack of available affordable housing, has made a substantial increase in mass homelessness in the city a near-inevitability.

Adding to the pressures on the shelter, social services, and housing systems is the arrival of asylum seekers and other people coming to the United States seeking safety and economic opportunity. By March 10, 2024, there were approximately 64,600 new arrivals sleeping in the

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<sup>3</sup> *Id.*

<sup>4</sup> N.Y.C. DEP’T OF HOUSING PRESERVATION & DEVELOPMENT, *2023 New York City Housing and Vacancy Survey Selected Initial Findings* (2024), <https://www.nyc.gov/assets/hpd/downloads/pdfs/about/2023-nychvs-selected-initial-findings.pdf>.

<sup>5</sup> N.Y.C. DEP’T OF HOUSING PRESERVATION & DEVELOPMENT, *2021 New York City Housing and Vacancy Survey Selected Initial Findings* (2022), <https://www.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>.

<sup>6</sup> *Id.*

<sup>7</sup> David Brand, *NYC Evictions Surged in 2023, with Legal Lockouts Nearing Pre-COVID Levels*, GOTHAMIST (Jan. 11, 2024), <https://gothamist.com/news/nyc-evictions-surged-in-2023-with-legal-lockouts-nearing-pre-covid-levels>.

network of emergency shelters operated by DHS, NYC Health and Hospitals, NYC Emergency Management, HPD, and DYCD.<sup>8</sup> The disappointing failure of the Federal Government and New York State to provide the resources and leadership needed to properly manage the influx of new arrivals in a sane and humane way cannot be overstated. The continued reluctance of Governor Hochul to help provide more shelter facilities for new arrivals, to override the bigoted executive orders in upstate counties that hamper the City’s ability to resettle new arrivals, and to make the Migrant Relocation Assistance Program work in any meaningful way, have all put more pressure on the City’s shelter system.<sup>9</sup>

Nevertheless, the City must step up to ensure that these vulnerable people can recover from the trauma of their journey and start new lives in New York. Reported costs associated with temporary housing and services for new arrivals are ever-changing and opaque but should not be an excuse to cut funding to the programs and agencies that are necessary for NYC to meet its legal and moral obligations – especially to those in the greatest need.

Yet, the Mayor’s budget fails to address the lack of affordable housing for those who need it most, and insufficiently funds the agencies and programs that assist people who are unsheltered, that provide shelter, and that help people to move from shelter to affordable housing. The Mayoral Administration has no plan to address the dire affordability and homelessness crisis in New York City. The “City of Yes” plan may increase housing development, but not for the people who need it most. It contains only one proposed change that would require new developments to include some affordable units, allowing a 20% increase in building size if the additional space is for permanent affordable housing. But these affordable units are only for households with an average of 60 percent of the area median income (“AMI”), a level that will not help ELI families and those currently living in shelter. Further, this option is only available in a small portion of the city.

While the Mayor proclaimed success in getting City housing priorities included in the recently passed State budget, none of those items will result in housing for ELI families or currently homeless people, and it will take years for any housing to be built, while people are suffering now. There are no new housing subsidies from the state, as Governor Hochul rejected the Housing Access Voucher Program and the Mayoral Administration did not advocate for it as a priority. The 485x tax incentive deal and the extension of 421a – both priorities of the Mayoral Administration, simply give away billions of tax-payer dollars to real estate developers to build market-rate and luxury housing without requiring the creation of any units for formerly homeless or ELI families.

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<sup>8</sup> *Asylum Seeker Census*, NYC Comptroller, (accessed May 2, 2024) <https://comptroller.nyc.gov/services/for-the-public/accounting-for-asylum-seeker-services/asylum-seeker-census/>.

<sup>9</sup> Dana Rubinstein, Andy Newman, and Wesley Parnell, *Why a \$25 Million Plan to Relocate N.Y.C. Migrant Families Is Struggling*, N.Y. TIMES (Feb. 25, 2024), <https://www.nytimes.com/2024/02/25/nyregion/migrants-relocation-ny.html>

In short, the Executive Budget ignores the massive scope of the affordable housing crisis and continues to relegate hundreds of thousands of New Yorkers to sleep in shelters, on the streets, and in other makeshift arrangements.

## **Fund the CityFHEPS Program Expansion and Fix Bureaucratic Delays**

The CityFHEPS program is the most significant available tool for moving people from shelter to permanent housing. Despite increases to the rent levels for CityFHEPS vouchers, there have been only small increases in the number of people exiting shelter to subsidized housing, according to the Mayor's Preliminary Management Report. Subsidized exits increased by 4 percent for single adults in the first four months of Fiscal 2024 compared to the same period in the prior year. For families with children, subsidized exits increased by only 1 percent, but this increase was offset by fewer Supportive Housing and Emergency Housing Voucher program placements.<sup>10</sup>

While the length of time that people remain in shelter before finding a way back to permanent housing appears to have decreased slightly, that decrease most likely reflects the transfer of new arrivals from DHS shelters to shelters operated by other City agencies. And disturbingly, there remain roughly 11,000 households in DHS shelters who have CityFHEPS shopping letters, but have not been able to use them to obtain housing.<sup>11</sup> This shocking figure signals a profound failure on the part of the City to address the obstacles to utilizing these vouchers that the Coalition has long been urging the City to address.

The Executive Budget includes \$615 million for rental assistance programs, largely for CityFHEPS, which is an improvement from previous years of chronic underbudgeting and a reliance on mid-year budget adjustments.<sup>10</sup> However, in May 2023, the City Council took an important step toward ameliorating the City's homelessness crisis by expanding the CityFHEPS program eligibility. The Mayor has refused to implement the legislation, and the Executive Budget does not plan for increases in the program due to expanded eligibility.<sup>12</sup>

Further, the amounts allocated decrease in FY2026-2028 to \$540 million per year, when costs would be expected to increase as more people join the program each year. While the Executive Budget is a step in the right direction from the Preliminary Budget, the Mayor must implement all aspects of the CityFHEPS expansion and fund the program appropriately.

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<sup>10</sup> THE CITY OF NEW YORK, Preliminary Mayor's Management Report (Jan. 2024), at 217, [https://www.nyc.gov/assets/operations/downloads/pdf/pmmr2024/2024\\_pmmr.pdf](https://www.nyc.gov/assets/operations/downloads/pdf/pmmr2024/2024_pmmr.pdf).

<sup>11</sup> *Id.* at 218.

<sup>12</sup> Sahalie Donaldson, *Council authorizes lawsuit over CityFHEPS housing voucher expansion*, CITY & STATE NEW YORK (Feb. 8, 2024), <https://www.cityandstateny.com/politics/2024/02/council-authorizes-lawsuit-over-cityfheps-housing-voucher-expansion/394048>.

Successful expansion of the CityFHEPS program is also dependent on fixing the unnecessary delays and hurdles that plague every step of the process. Clients of the Coalition experience extended delays in processing their applications for CityFHEPS, approvals of apartments, and payments to landlords. Such extreme delays and processing issues are commonly experienced by people who are trying either to leave shelter and find permanent homes or to avoid eviction, like the seven tenants in a lawsuit filed by the Legal Aid Society (“Legal Aid”) who faced delays in the processing of their CityFHEPS voucher recertifications.<sup>13</sup> As such, more staff are needed at several critical points in the process: processing applications and issuing shopping letters, review of CityFHEPS packets and apartment clearance review, the rental assistance line, and processing renewals. Unfortunately, the Executive Budget does not increase the staffing headcount which means that the existing backlog will continue to grow, and delays will persist.

The city can address these persistent CityFHEPS issues, as was recently demonstrated by the Mayor’s celebratory announcement that his administration had cleared the backlog of 50,000 cash assistance and SNAP applications by hiring nearly 1,000 new staff since January 2023 and improving technology and processes.<sup>14</sup> Applying the same attention and resources to address CityFHEPS program delays would help more people move out of shelter and into the stability of a home.

## **Increase and Baseline Funding for the City Commission on Human Rights**

Years of vacancy reductions, budget cuts, and resignations have brought the City Human Rights Commission’s (“CCHR”) work nearly to a halt. CCHR is the sole agency tasked with protecting low-income New Yorkers from discrimination, playing a crucial role in addressing discrimination in employment, housing, and public accommodations. Beginning January 1, 2025, CCHR will also be tasked with enforcing the Fair Chance for Housing Act, an important new law that will address the barriers to housing experienced by 800,000 New York City residents with a conviction record.<sup>15</sup> Yet, the Commission’s funding is less per capita than for similar agencies in cities like Washington D.C., Seattle, and San Francisco.<sup>16</sup>

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<sup>13</sup> Mihir Zaveri, *Program That Fights Homelessness Is Mired in Dysfunction, Advocates Say*, THE NEW YORK TIMES (Apr. 5, 2023), <https://www.nytimes.com/2023/04/05/nyregion/ny-housing-voucher-program-problems.html>

<sup>14</sup> City of New York, *Mayor Adams Announces Cash Assistance and SNAP Application Backlogs Nearly Eliminated, Bolstering Access to Benefits for Low-Income New Yorkers* (March 4, 2024) <https://www.nyc.gov/office-of-the-mayor/news/161-24/mayor-adams-cash-assistance-snap-application-backlogs-nearly-eliminated-bolstering>.

<sup>15</sup> New York City [Local Law 24 of 2024](#)

<sup>16</sup> Amy Leipziger and Teddy Watler, “Opinion: New Yorkers Deserve a Strong Human Rights Commission,” City Limits (June 26, 2023), <https://citylimits.org/2023/06/26/opinion-new-yorkers-deserve-a-strong-human-rights-commission/>

Source of income discrimination is rampant across the city, preventing voucher holders from utilizing their vouchers and exiting shelter. CCHR needs sufficient funding to address these cases and fulfill its expanded duties and the attendant increase in caseloads for CCHR's Law Enforcement Bureau.

We are already witnessing how, without sufficient funding, CCHR's ability to carry out this critical mission has been severely compromised. Law Enforcement Bureau staff fielded a record 12,548 inquiries from members of the public in FY23.<sup>17</sup> Straining under this volume, the average time for CCHR to resolve complaints was 917 days.<sup>18</sup> CCHR's budget must be expanded to at least \$18 million to bring staffing levels back to pre-pandemic levels, and that funding must be baselined to ensure continued support for the important role that CCHR plays in defending New Yorkers' civil and human rights.

## **Helping Unsheltered New Yorkers**

The City must invest more in low threshold shelters, including Safe Havens and stabilization beds. Every NYC resident can see that the number of people suffering on the streets continues to increase. These low-barrier shelter settings offer fewer restrictions, more privacy and security, and better staffing and social services to meet the needs of our unsheltered neighbors.

While the Mayor has oft stated the need for creating more Safe Haven and stabilization beds, it has simply not resulted in a significant increase in these resources. Last year, the Coalition called for at least 3,000 additional Safe Haven and stabilization beds to meet the needs of unsheltered New Yorkers. While the City recently brought several hundred new beds online, it is simply not enough to meet the need, as evidenced by the consistently low vacancy rates. Rather than ensuring that we have a sufficient number of these critical beds, the City and State are doubling-down on law enforcement, despite decades of data and direct experience demonstrating that policing homelessness does not work and is counter-productive. The City must provide immediate relief by increasing the number of Safe Haven and stabilization beds available to serve unsheltered New Yorkers.

## **Creating Permanent, Affordable Housing and Homelessness Prevention**

Permanent affordable housing is the only solution to the decades-long homelessness crisis that shames our city. While the Coalition will continue to vigorously defend the Right to Shelter, our goal is to make shelters unnecessary. A critical tool in this effort is increasing access to rent vouchers like CityFHEPS, something the Mayor is obstructing. But because rent vouchers alone

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<sup>17</sup> NYC Commission on Human Rights, *Fiscal Year 2023 Annual Report*, at 26, <https://www.nyc.gov/assets/cchr/downloads/pdf/publications/AnnualReport2023.pdf>

<sup>18</sup> *Id.* at 37.

are not enough, there must also be significant investments in affordable housing. Yet, the City has no plan that acknowledges and addresses the housing need for homeless and ELI individuals and families. The Mayor's City of Yes for Housing Opportunity proposal simply does not set requirements for deep affordability, and nothing in Governor Hochul's FY25 budget addresses this deficiency. As such, there is not enough housing being developed for those who need it most, and no plan in place that fills this void.

The City must allocate at least \$2.5 billion in additional new construction financing each year for the next five years for apartments to specifically be built for homeless and ELI New Yorkers. Increased funding at this level would support:

- Doubling the set-aside in new affordable housing developments for homeless households to 30 percent in order to produce at least 6,000 new apartments per year;
- Building an additional 6,000 apartments per year for ELI households; and

Further, the City must get back on track with the goal to create 15,000 City-funded supportive housing units by 2030 – particularly for scattered-site units, for which only 16% of contracts have been awarded – by addressing the issues that are preventing providers from responding to RFPs for scattered-site units.

The only way to decrease the number of people living without shelter and the crisis in the shelter system is through permanent, affordable housing. The increasing need for emergency shelter over the past 43 years has been exacerbated by the depletion of housing that is affordable to those at the lowest income levels. Between 2017 and 2021 alone, NYC lost 96,000 housing units with rents under \$1,500, while gaining 107,000 units with rents of \$2,300 or more.<sup>19</sup> Such a dramatic loss in the supply of apartments affordable to low-income renters, including those relying on a public assistance rental allowance, shuts many New Yorkers out of the housing market entirely.

Thank you for the opportunity to submit testimony. We look forward to working with the Council on the budget and other legislation to address the needs of those who are unhoused or precariously housed throughout NYC.

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<sup>19</sup> (2022) *2021 New York City Housing and Vacancy Survey Selected Initial Findings*, available at <https://www.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>.



## **About Legal Aid and the Coalition**

**The Legal Aid Society:** Legal Aid, 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 NYC – passionately advocating for low-income individuals and families across a variety of civil, criminal, and juvenile rights matters, while also fighting for legal reform.

Legal Aid 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 NYC, Legal Aid provides comprehensive legal services in all five boroughs of NYC for clients who cannot afford to pay for private counsel.

Legal Aid’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 Legal Aid’s Pro Bono program. With its annual caseload of more than 300,000 legal matters, Legal Aid 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.

Legal Aid'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, Legal Aid’s law reform representation for clients benefits more than 1.7 million low-income families and individuals in NYC and the landmark rulings in many of these cases have a State-wide and national impact.

Legal Aid is uniquely positioned to speak on issues of law and policy as they relate to homeless New Yorkers. Legal Aid is counsel to the Coalition and for homeless women and men in the *Callahan* and *Eldredge* cases. Legal Aid is also counsel in the *McCain/Boston* litigation in which a final judgment requires the provision of lawful shelter to homeless families. Legal Aid, in collaboration with Patterson Belknap Webb & Tyler, LLC, filed *C.W. v. City of New York*, a federal class action lawsuit on behalf of runaway and homeless youth in NYC. Legal Aid, along with institutional plaintiffs the Coalition and the Center for Independence of the Disabled-NY (“CIDNY”), settled *Butler v. City of New York* on behalf of all disabled New Yorkers experiencing homelessness. Also, during the pandemic, Legal Aid along with the Coalition continued to support homeless New Yorkers through litigation, including *E.G. v. City of New York*, Federal class action litigation initiated to ensure Wi-Fi access for students in DHS and HRA shelters, as well as *Fisher v. City of New York*, a lawsuit filed in New York State Supreme

Court to ensure homeless single adults gain access to private hotel rooms instead of congregate shelters during the pandemic.

**Coalition for the Homeless:** The Coalition, founded in 1981, is a not-for-profit advocacy and direct services organization that assists more than 3,500 homeless and at-risk New Yorkers each day. The Coalition advocates for proven, cost-effective solutions to address the crisis of modern homelessness, which is now in its fifth 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 illnesses 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, scalable solutions and include: permanent housing for formerly homeless families and individuals living with HIV/AIDS; job-training for homeless and low-income 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 800 to 1,000 nutritious hot meals each night to homeless and hungry New Yorkers on the streets of Manhattan and the Bronx, had to increase our meal production and distribution by as much as 40 percent and has distributed PPE and emergency supplies during the COVID-19 pandemic. Finally, our Crisis Services 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. Since the pandemic, we have been operating a special Crisis Hotline (1-888-358-2384) 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 the court-appointed monitor of municipal shelters for homeless single 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 Legal Aid 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. During the pandemic, the Coalition worked with Legal Aid to support homeless New Yorkers, including through the *E.G. v. City of New York* Federal class action litigation initiated to ensure Wi-Fi access for students in DHS and HRA shelters, as well as *Fisher v. City of New York*, a lawsuit filed in New York State Supreme Court to ensure homeless single adults gain access to private hotel rooms instead of congregate shelters during the pandemic.