



**Testimony of Bruce Jordan, Chief Homelessness Prevention Officer
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**Before the New York City Council, Committees on General Welfare and Civil and Human Rights
Oversight – Rental Assistance and Source of Income Discrimination
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Good morning Chairs Levin and Eugene, and members of the General Welfare and Civil and Human Rights Committees. Thank you for the opportunity to testify today on the topic of rental assistance and source of income discrimination programs. My name is Bruce Jordan and I am the Chief Homelessness Prevention Officer at the Human Resources Administration (HRA) and I am joined by Erin Drinkwater, Deputy Commissioner for Intergovernmental and Legislative Affairs at the Department of Social Services (DSS). The Homelessness Prevention Administration’s mission is to keep New Yorkers stably housed and ensure they are connected to resources like rental assistance and legal services. Within the Homelessness Prevention Administration are the Housing and Homeless Services/Initiatives Division, the Rental Assistance Program, the Legal Services Initiatives unit, and the Early Intervention Outreach Team, all of which are vital partners in assisting New Yorkers in need and contributing to the first pillar of the Mayor’s Turning the Tide Plan, to prevent homelessness wherever possible.

A System Built Up Over Time Against a Backdrop of Affordable Housing Scarcity, Structural Inequality and Severely Rent Burdened New Yorkers

The reforms and initiatives we are implementing are taking hold, despite prior decades of underinvestment in affordable housing and rental assistance. DSS serves three million clients each year. Poverty and homelessness are often attributed to individual decision-making and individual circumstances, rather than underlying structural inequality. However, structural inequality is a reality for the families and individuals we serve every day. We are making progress, our census for 2017, 2018 and 2019 has remained flat year over year for the first time in more than a decade at approximately 60,000. Today, the New York City Department of Homeless Services census is fewer than 55,000, but we still have much more work to do to address the problems that built up over many years.

As I begin my testimony, it's important to briefly provide some historical context. From 1994 to 2014, the shelter population in NYC increased 115 percent. And between 2011 and 2014, following the abrupt end to the Advantage rental assistance program, the DHS shelter census increased by 38 percent. During this same time, New York City faced increasing economic inequality as a result of stagnant wages, a lack of affordable housing, and an increased cost of living – rents increased more than 18% while wages increased by less than 5% and 150,000 rent regulated apartments were lost. Combined, these and other trends meant that by 2015 the city had only half the housing it needed for about three million low-income New Yorkers. And while the city’s rental vacancy rate of 5 percent poses a problem for people across all

incomes, renters who are only able to afford an apartment costing \$800 or less must search in a market with a vacancy rate of a mere 1.15 percent in 2017, down from 1.8 percent in 2014. Today, roughly three out of every ten of New York City's renters are severely rent-burdened, spending more than 50 percent of their income on rent. Many of these individuals and families facing rent burden are also those who cycle in and out of poverty, living just one personal crisis away from homelessness, COVID19 has only exacerbated this crisis.

PREVENTING HOMELESSNESS WHENEVER WE CAN

A prevention first model has been key to our addressing the homeless crisis that has built up over four decades by stopping homelessness in the first place. Our prevention model includes three key initiatives—an expansion of the network of neighborhood-based Homebase offices in all five boroughs, and Universal Access to Counsel through the Office of Civil Justice and rental assistance.

HomeBase

Homebase is a community-based prevention program and serves as the first point of entry for those at risk of becoming homeless. Under this Administration, we expanded the number of Homebase locations from 14 in 2014 to 26 in 2020. This expansion increased access so that people can be served close to home. At these locations, our contracted providers work with families and individuals to determine the prevention and diversion tools for which they are eligible, including: onsite processing and triage for public assistance and rental assistance, landlord and family mediation, educational advancement and employment opportunities, and financial literacy services. The number of households served by Homebase served 28,700 in FY20, almost tripling the 11,900 households served in FY14. Through Homebase we also increased access to payment of emergency rent and utility arrears to assist New Yorkers at risk of eviction remain in their homes and to cover the increasing costs of rent. To date, this Administration has provided emergency rent arrears to approximately 50,000 households each fiscal year since FY15 and over a quarter million grants to households since 2014. The average payment per case between July 2019 to April 2020 was \$4,231. We also made the payment process more efficient and quicker by replacing the old system of generating checks at each individual HRA Job Center with a centralized rent arrears processing unit. Moreover, we have implemented an electronic benefits payment system for Housing Authority rent arrears payments and we are developing a similar payment system for private landlords. Using ACCESS HRA, clients can confirm that the rent was paid to their landlords, a reform we worked to codify in State law.

Under this Administration, we exponentially expanded free legal assistance for New Yorkers facing eviction and landlord harassment. Funding for legal services for tenants increased more than 20-fold since 2014, from roughly \$6 million to more than \$128 million currently, growing to \$166 million in the baseline budget when the right to counsel program is implemented fully. With this investment, residential evictions by marshals declined by 41% since 2013. In 2019 alone, evictions decreased 15 percent—the largest single-year decrease since the launch of the City's Universal Access to Counsel program. In FY19, OCJ funded legal organizations provided legal assistance to over 41,000 households across New York City facing housing challenges, comprising over 105,000 tenants and their household members. This reflected a 24% increase in households served compared to the prior year and a 74% increase compared to FY17, before the formal launch of Universal Access. As of December 2019, nearly 400,000 New Yorkers received free legal representation, advice, or assistance in eviction and other housing-related matters since 2014

through tenant legal services programs administered by the Human Resources Administration's Office of Civil Justice in the Homelessness Prevention Unit.

Rental Assistance: Streamlined Programs, Policy and Process Changes

HRA's rental assistance programs help individuals and families move out of shelter or avoid homelessness by providing monthly rent supplements which bridges the gap between rents and income. After the City and State cut the Advantage rental assistance program in 2011, homelessness grew by an additional 38%. Upon taking office in 2014, this Administration jumped in aggressively to fill the gap and rebuilt rental assistance and rehousing programs from scratch in order to provide families and individuals with the vital support needed to secure housing or remain housed. Today, HRA's rental assistance programs are a critical component of a multi-pronged social service strategy that responds to unmet affordable housing supply needs. In 2018, HRA streamlined City funded rental assistance programs for households in or at risk of going into shelter, collapsing 7 unique programs into one making it easier for landlords and clients alike. The CityFHEPS program design is consistent with settlement with the State in *Tejada* with respect to State FHEPS. We recognize rental assistance is a critical tool to move families and individuals out of shelter and to prevent entry into shelter, CityFHEPS is entirely funded through city tax levy.

To be eligible for CityFHEPS, households must have a gross income at or below 200% of the federal poverty level and meet one of the following five (5) criteria:

1. The household includes someone who served in the U.S. Armed Forces and is at risk of homelessness; OR
2. The household has an unexpired LINC, CITYFEPS, or SEPS letter at the time CityFHEPS eligibility is requested (not available after 2/28/2019); OR
3. The household gets LINC VI or Pathway Home benefits and would be eligible for CityFHEPS if they were in DHS or HRA shelter; OR
4. The household was referred by a CityFHEPS qualifying program, and DSS determined that CityFHEPS was needed to avoid shelter entry; OR
5. The household is facing eviction in court (or was evicted in the past year)

AND:

- Includes someone who has previously lived in a DHS shelter; OR
- Includes someone who has an active Adult Protective Services (APS) case or is in a designated community guardianship program; OR
- Lives in a rent-controlled apartment and will use CityFHEPS to stay in that apartment.

One of the goals of streamlining multiple rental assistance programs was to increase our ability to combat discrimination faced by prospective renters using subsidized vouchers in the housing market, referred to as source of income discrimination. The streamlining of rental assistance programs has resulted in more landlords and brokers opening doors for our neighbors in need, while also enabling HRA to better track and attack SOI discrimination.

Fair Housing Litigation Unit (FHLU)

The process of securing a rental assistance voucher is an important first step towards achieving permanent housing for our clients. Searching for an apartment in New York City can be arduous for many people,

however it is particularly difficult when some landlords are actively discriminating against you based on your source of income.

In New York City, it is illegal for landlords or real estate brokers to refuse to rent to current or prospective tenants who use any form of public assistance to pay their rent, including Section 8, Supplemental Security Income (SSI), HIV/AIDS Services Administration (HASA), Family Homelessness and Eviction Prevention Supplement (FHEPS), CITYFHEPS, among others. It is also unlawful for landlords and housing agents to publish any type of advertisements refusing to accept these programs, including online or print.

In May of 2017, the Department of Social Services (DSS) Source of Income Discrimination Unit (SOI) was established to combat illegal practices that prevent New Yorkers from securing housing opportunities. Today the unit has been expanded and renamed the Fair Housing Litigation Unit. The unit's primary focus remains combatting source of income discrimination, but it has been renamed in recognition of the fact that SOI discrimination is often intertwined with other forms of discrimination. The Unit works to prevent and prosecute instances of housing discrimination based on lawful source of income via a multi-pronged approach that includes education and outreach, pre-complaint intervention, investigations, and filing and prosecuting complaints on behalf of the City alleging a pattern or practice of source of income discrimination. When other forms of discrimination are identified in an SOI case, the unit will take steps to address those issues as well.

On behalf of renters utilizing rental assistance, the Fair Housing Litigation Unit takes decisive legal action against landlords (including in NYS Supreme Court) for discrimination based on sources of income, by intervening whenever and wherever those seeking housing may encounter barriers in the housing process, from inquiry and application through lease signing.

The unit's creation sends a powerful message to City landlords that refuse to rent to New Yorkers receiving public assistance to pay their rent. We are here to work with all landlords but will not stand for discrimination. We have lawyers working to address this illegal, discriminatory behavior and we are prepared to intervene and prosecute, to ensure all New Yorkers can access the housing opportunities that are rightfully theirs as they get back on their feet. Coupled with our rental assistance programs, DSS' Source of Income Discrimination Unit has proven to be a formidable tool in fighting housing discrimination fueling homelessness in our City.

FHLU prevents and prosecutes instances of housing discrimination using a multi-pronged approach:

- **Education and Outreach.** The unit provides training on fair housing across the five boroughs for legal service providers, not-for-profit, community-based organizations, tenant advocacy groups and DSS/HRA and DHS. The unit will also address advocate inquiries relating to fair housing concerns.
- **Pre-complaint Intervention.** The unit reviews complaints and, as appropriate, conduct interventions including negotiating with brokers and landlords in leasing for any city resident seeking tenancy.
- **Robust Fair Housing Testing and Investigations.** The unit manages an extensive citywide testing operation that will use "secret shoppers" to identify all types of housing discrimination.

- **Filing and Prosecuting Complaints on Behalf of the City Alleging Pattern-or-Practice Discrimination.** Through a designation from the New York City Law Department, the unit is authorized to file cases alleging pattern-or-practice discrimination on behalf of the City.

Since its establishment, FHLU (DSS SOI Unit) filed several cases against landlords in New York State Supreme Court for discrimination based on source of income. In June 2018, the unit filed its first two cases against New York City landlords in New York State Supreme Court for discrimination based on source of income. In the first case, *City of New York v. St. Marks Hamilton LLC and Oxford Realty Group LLC*, property management company Oxford Realty told multiple callers seeking housing that vouchers were not accepted at the Seaview Estates rental apartment complex in Staten Island. In the second case, *City of New York v. Everton Campbell, Atlas Realty Associates, Inc.*, DSS initiated an investigation that found advertisements containing discriminatory language for units located in the Bronx being published on multiple real estate websites including apartmentfinder.com, hotpads.com and apartments.com. The discriminatory language included such phrases as: “NOT ACCEPTING ANY VOUCHERS,” “NO VOUCHERS ARE BEING ACCEPTED FOR THIS APARTMENT” and “THIS APARTMENT IS NOT ACCEPTING ANY VOUCHERS.”

In July 2019, the DSS SOI Unit filed its third case in New York State Supreme Court for discrimination based on source of income. In this case, *City of New York vs. Samson Management LLC, 700 Victory Boulevard LLC, Neuhaus Realty, Inc., and Li Liu AKA Lily Liu*, an investigation found that one Lily Lu, the exclusive broker for the Parkview Apartments, a 200+ unit building on Staten Island owned by 700 Victory Blvd LLC and managed by Samson Management LLC., was systematically denying housing opportunities to prospective tenants with vouchers by failing to follow up with them regarding available apartments, while following up with non-voucher holders regarding the same apartments. Samson Management LLC owns or manages over 5,000 residential units across NYC, and has been the subject of multiple federal investigations and class action lawsuits regarding discrimination for decades. This case was initiated by the Fair Housing Litigation Unit, developed solely through in-house capabilities and then referred to the Fair Housing Justice Center (FHJC) for additional field testing required to initiate litigation.

The Fair Housing Litigation Unit takes action on matters received via intake referral, as well as unit-initiated investigations, pursuing litigation where a pattern and practice of SOI discrimination is uncovered. Litigation is a necessary tool that the unit brings to the table, but is considered a tool of last resort, as the unit’s top priority is helping DSS clients utilizing rental assistance to secure housing. We do this through immediate, rapid-response intervention in individual cases of SOI discrimination, leveraging all housing placement assistance and social service tools that the Department of Social Services brings to bear to help New Yorkers in need get back on their feet. The unit’s first and fastest goal is “turning a ‘No’ into a ‘Yes’” so that New Yorkers in search of housing can be connected to that housing swiftly in order to stabilize their lives and maintain stability.

At DSS/HRA we understand that intentional policies and practices perpetuate segregation and inequity across the country and in our city, and it will take concerted effort from all levels of government, working with our partners in the private and non-profit sectors, to undo that legacy.

Breaking Trajectory and Headed in the Right Direction, Beginning To Reverse The Trend

While the devastating impacts of economic inequality and past inaction from prior administrations led to the homeless crisis we face today, the initiatives of the Department of Social Services (HRA and DHS) are

beginning to reverse the trend. After nearly four decades of an ever-increasing homeless population in NYC, we have broken the trajectory of growth in the homeless census and the new programs, reforms, and investments we are implementing are headed in the right direction. Currently, the DHS census is 54,490 in comparison to 59,561 a year ago, with the number of children and adults in DHS shelters for families with children at its lowest point of 10,404 families with 32,194 individuals in these families since December 2012 (34,497). Over the past months we've been closely monitoring the census, and what we've seen is a steady decline in family homelessness and a steady increase in single adult homelessness – as COVID-19 has magnified the realities of housing instability for single adults in New York City. In a five-month period from November 2019 to April 2020 the number of New Yorkers who have moved out of shelter into permanent housing or remained in their homes as a result of our rental assistance programs and supports increased by 9% from 139,328 to 147,700 and through June of 2020 we have assisted more than 150,000 individuals move out of shelter or avoid entry into shelter.

While we know there is still much work to be done, the data shows that our strategies to address this crisis that has built up over 40 years are beginning to take hold. For example:

- **Prevention first** - We are keeping more New Yorkers in their homes by expanding access to legal assistance through our first-in-the-nation right-to-counsel program for eviction cases, with evictions by marshals pre-COVID dropping by 41% since 2013, while evictions are up all across the country.
- **Rehousing**: Helped more than 150,000 New Yorkers move out of shelters or avoid homelessness altogether through our rental assistance and rehousing programs. Even in the midst of the COVID-19 pandemic, HRA has continued to focus on permanent housing placements, which are the best long-term option for our clients. We have rolled out a virtual walk-through permanent housing inspection process to continue move outs. We are also creating new housing opportunities for households experiencing homelessness through master leasing and collaboration with the Department of Housing Preservation and Development.

Legislation

Intro. 146, this bill would require that any individuals or families receiving rental assistance vouchers established by the Department of Social Services, would continue to receive the assistance so long as the household continues to meet any other eligibility requirements. The bill would also require that the maximum rent toward which rental assistance vouchers may be applied annually increases at the same rate as the fair market rents set by the United States Department of Housing Preservation and Development. The requirements set by the bill would be subject to appropriation.

As we have testified to, our rental assistance programs are one of many tools used to address homelessness and housing instability. Every year thousands of households exit shelter with a voucher or receive vouchers in the community. Tens of thousands households are currently using vouchers. Raising to FMR will increase the cost of these vouchers, but not generate savings and that cost grows over time as the previously placed population renews leases at the higher rent. Additionally, raising the cost above the value of State rental assistance could inadvertently lead to property owners unlawfully playing favorites by picking the higher-value City vouchers over State vouchers. We are concerned about fiscal implications given the current budget realities facing the city. Consistency across programs helps prevent

source of income discrimination and ensure equal opportunity for voucher-holders trying to get back on their feet.

Intro. 2018, this bill would require the Department of Homeless Services (“DHS”) to provide services to domestic violence survivors in all DHS shelters. Services would be coordinated by a social worker. We look forward to working with the sponsor to address the goals of this legislation, and we anticipate that there will be discussions at a staff level concerning any legal issues that may be implicated by this bill. DHS works very closely with HRA’s Domestic Violence program as well as the Mayor’s Office to End Domestic and Gender-Based Violence. Our chief priority is to ensure clients are able to access services in confidential locations and to ensure strong pathways for referrals, including those to the NYC Family Justice Centers (FJCs) and to diverse network of community-based providers.

Intro. 1020, this bill would require that Department of Homeless Services and the Human Resources Administration track and report certain data regarding rental assistance programs, including outcomes of the Family Homelessness & Eviction Prevention Supplement (FHEPS) and any future rental assistance program created for New York City residents.

We are interested in working with the sponsor to address the goal and intent of the legislation. The agency already submits regularized reports to the Council at each fiscal plan as agreed upon in the monitors report concerning rental assistance.

Intro. 1339, this bill would require the New York City Department of Social Services (DSS) to arrange for the provision of a written notice to applicants who are found potentially eligible for rental assistance programs administered by DSS. The notice would provide information about protections under the New York City Human Rights Law related to discrimination on the basis of a person’s lawful source of income.

We support the goal of this legislation and want to work with the sponsor to align with our current work. DSS currently has information about protections under the New York City Human Rights Law related to discrimination on the basis of a person’s lawful source of income and SOI info is included on the CityFHEPS shopping letter.

Preconsidered T2020-6576, this bill would require the Department of Social Services (DSS) to provide more information about its rental assistance program, CityFHEPS, online. Specifically, DSS would be required make the status of an application or renewal request available to applicants online. DSS looks forward to working with the sponsor on this legislation. Currently, DSS provides a great deal of information to clients through ACCESSHRA and we currently have an RFP in the field to continue to improve this tool. Given procurement rules we are limited in what we can discuss today.

Thank you again for this opportunity to testify and I welcome your questions.