



Testimony of the Three-Quarter Housing Taskforce represented by the Mayor's Office of Operations, the Human Resources Administration, and the NYC Department of Housing Preservation and Development

*Committee on General Welfare and
Committee on Housing and Buildings*

April 29, 2019 | 10:00 AM.

Mayor's Office of Operations

Jeff Thamkittikasem, Director, Mayor's Office of Operations

Good morning, Chairman Levin and Chairman Cornegy, members of the General Welfare and Housing and Buildings Committees, and additionally Council Member Brannan for co-sponsoring this legislation. Thank you for inviting us to appear before you today to discuss Three-Quarter Houses and Introduction 153-A. My name is Jeff Thamkittikasem and I am the Director of the Mayor's Office of Operations. I am joined today by my colleagues, Bruce Jordan, Chief Homelessness Prevention Officer from the Human Resources Administration (HRA) and Anne-Marie Hendrickson, Deputy Commissioner for Asset and Property Management from the Department of Housing Preservation and Development (HPD). Colleagues from the Department of Buildings and the Fire Department are also available for questions. Together, we represent the City's interagency Task Force on three-quarter houses.

From the inception of this administration, the City has made clear it will not accept the use of illegally subdivided and dangerously overcrowded apartments to house vulnerable people in need of critical services, and has taken meaningful action to address issues within three-quarter houses. As the former chair of the General Welfare Committee at the New York City Council, now-Mayor de Blasio had introduced legislation that prevented the Department of Homeless Services (DHS) shelters for single adults from referring clients to permanent housing in buildings that meet one or more of a set of detailed criteria for three-quarter houses. In 2010, then-Public Advocate de Blasio pushed for all city agencies to stop referrals to three-quarter houses. In 2015, the City also worked with a federal court receiver and Samaritan Village to ensure that the 1,200 residents that had been receiving services from Narco Freedom, the substance-abuse-treatment provider where an investigation resulted in criminal indictments, were placed in appropriate programs and living conditions.

In 2015, Mayor de Blasio also announced the formation of an interagency Task Force to review the use of three-quarter houses in New York City. The Mayor's Office of Operations, which

works to make New York City government more effective and efficient, is responsible for managing and coordinating multi-agency programs and initiatives by using data to help the City make informed policy decisions and strategic, targeted investments. The Office was called upon to coordinate the work of the Three-Quarter Housing Task Force (“Task Force”). This Task Force was formed to ensure that the issues surrounding three quarter houses were taken seriously, putting steps into place to address these issues systemically, with agencies providing these clients with the appropriate resources while the City addressed immediate health and safety issues at these houses.

This interagency Task Force is made up of multiple City agencies, including the Human Resources Administration (HRA), the Department of Housing Preservation and Development (HPD), the Department of Buildings (DOB), and the Fire Department (FDNY). The work of the Task Force began with a review of all residences identified by the Human Resources Administration that housed 10 or more unrelated adults who receive the \$215 State-set public assistance rent allowance. In addition to the addresses identified using this metric, the Task Force identified locations based on information provided by advocates and through 311. This combination of information has been the best approximation of three-quarter houses locations across the city as there is no registry or other means to identify such locations. In an effort to address the full universe of units, the Task Force continues to try new methods of identifying new three quarter houses, follows up on specific inquiries received from the advocate community or 311, and welcomes input from the public to identify any additional three-quarter houses.

Since the launch of the Task Force, inspectors from Task Force member agencies have visited and inspected the locations to determine whether there are health and safety violations identified at the three quarter houses. Each agency issues its own violations which ranges from housing maintenance to fire safety to overcrowding to lack of adequate utility services. The Task Force convenes regularly for post-inspection discussion and follow-up. If the inspectors from the agencies are unable to gain access to a location, the City follows agency best practices to obtain access, including visiting sites at off-hours or alternate days of the week. The agencies work in full collaboration to address immediate health and safety concerns of these residents.

Each enforcement agency has a unique purview in its inspection and in writing violations – HPD is focused on maintenance issues such as heat and hot water, DOB is focused on structural issues, and FDNY is concerned with fire safety, including smoke detectors and necessary means of egress. These inspections result in a number of actions. Each of the agencies, when appropriate, issues violations and follows up in remediating hazardous housing conditions. For example, the most serious violations result in the agency sending out inspectors to follow up within 30 days. Some conditions are remedied by HPD’s Emergency Repair Program (ERP), a program by which HPD completes the repairs on the most serious conditions on a location and bills the building owner for the repair.

The Task Force agencies conduct inspections every week and follows up on violations and conditions as necessary. As of March 31st 2019, the member agencies of the Task Force have relocated 692 individuals from 57 three quarter houses. Currently there are 115 three quarter houses and this number has remained steady over the past year due to the collaborative efforts of the Task Force and advocates who work with these residents.

Intro 153-A

The administration is proud of the work of the Three-Quarter Houses taskforce since 2015 that has achieved meaningful behavior change among operators of this housing stock, and supports the intent of the legislation to continue to protect vulnerable New Yorkers living in these homes. The administration supports the production of quarterly reports with the given reporting requirements and requests to streamline the meetings and all reporting requirements, including those on fines and liens in the Task Force meetings, to a quarterly cadence. The administration has privacy concerns around converting all Task Force meetings into public meetings. Additionally, as the Task Force is a purely operational agency, the administration welcomes further conversation with the Council on how to include additional agencies, advocates and members of the public in the work of the Task Force. In sum, we look forward to working on this legislation with Council.

Thank you for the opportunity to testify today. I will turn the testimony over to Bruce Jordan to discuss the role of HRA in the Task Force specifically related to the individuals who were relocated.

Human Resources Administration

Bruce Jordan, Chief Homelessness Prevention Officer, Office of Homelessness Prevention Administration

Good morning members of the General Welfare and Housing and Buildings Committees. Thank you for the opportunity to testify today. My name is Bruce Jordan and I am the Chief Homelessness Prevention Officer within HRA's Office of Homelessness Prevention Administration (HPA). HRA strives to keep New Yorkers stably housed and ensure they are connected to resources such as rental assistance and legal services. With this mission, in partnership with our colleagues at the city agencies here before you today, we have undertaken a variety of reforms to ensure that New Yorkers have access to habitable housing.

As mentioned by my colleague, when Mayor de Blasio was chair of the General Welfare Committee of the New York City Council, he introduced legislation that prevented the Department of Homeless Services (DHS) shelters for single adults from referring clients to permanent housing in buildings that meet the definition of three-quarter houses. Today, our colleagues at DHS and my staff work in concert with one another to ensure clients are not discharged to three quarter house locations. As a member of the Three Quarter Housing Task Force, we work diligently with our sister agencies to connect individuals who elect to relocate to appropriate social services that they need.

Since 2014, HRA's program integrity unit has been working with law enforcement agencies to investigate operators of three quarter houses that were requiring residents to participate in specific Medicaid-funded drug treatment programs as a condition of living in a three-quarter house. HRA, in collaboration with the Task Force members, developed a metric to begin to identify three-quarter houses for this investigative and enforcement work. The metric consists of

identifying locations at which 10 or more unrelated adults are receiving the \$215 state-set monthly public assistance rent allowance. Within HRA, the Investigation, Revenue and Enforcement Administration (IREA) unit is responsible for helping ensure the integrity of social services programs administered by HRA, including Medicaid, and they work closely with city and state agencies to provide oversight for Medicaid Fraud in relation to three-quarter housing. These strong and collaborative relationships have led to the successful arrest and prosecution of individuals engaged in fraud which not only diverts much needed funding from the Medical Assistance Program, but frequently victimizes those most in need of health care services.

As my colleague mentioned, a set of bills focused on improving the conditions of three-quarter housing for tenants was passed by the City Council. Int-1164 (Local Law 12 of 2017) which requires HRA to provide rental subsidy recipients with a written statement of protections and rights in the hopes of preventing unlawful evictions, and Int-1166 (Local Law 13 of 2017) which requires HRA to be a part of the Mayor's Three Quarter Housing Task Force, fall within the scope of HRA's responsibilities. Our agency has diligently worked with our partner City agencies to implement these laws to ensure that the fundamental rights of all tenants are protected. We have worked to educate tenants about their rights regarding unlawful evictions, and have actively participated in the Three Quarter Housing Task Force.

HRA also works with three quarter house residents when they are voluntarily relocated to emergency temporary housing. Through partnerships with contracted providers, HRA provides tenants with case management, harm reduction, and rapid rehousing services if they choose to relocate from a three quarter housing site deemed to be overcrowded or unsound. Through our work with three-quarter house residents, 809 clients have secured permanent housing.

I will now turn the testimony over to my colleague Anne-Marie Hendrickson to discuss the role of HPD in this administration's effort to address three quarter housing.

Department of Housing Preservation and Development

Anne-Marie Hendrickson, Deputy Commissioner for Asset and Property Management

Good morning. My name is Anne-Marie Hendrickson, Deputy Commissioner for Asset and Property Management at the Department of Housing Preservation and Development (HPD). In addition to the efforts Operations and HRA spoke to in their testimonies, HPD aggressively enforces the City's Housing Maintenance Code (HMC) by responding to complaints, conducting inspections, and issuing violations with our Task Force partners. HPD inspectors issue violations and conduct follow-up in three-quarter housing, as we would in all residential buildings. For example, if an owner fails to address emergency conditions in response to City orders or qualifying violations, HPD steps in to protect tenants through our Emergency Repair Program. HPD has spent over half a million dollars in emergency repairs to keep residents safe. Some of the emergency repairs performed by HPD have been in response to referrals from advocates, who have been instrumental in assisting us with coordinating access to these dwellings.

In the case of City vacate orders, where a building or units within any residential building are vacated for emergency and unsafe conditions, HPD will provide temporary emergency shelter

for tenants who wish to use this City service. HPD further assists these residents by helping them with affordable housing lottery applications and providing information on long term housing options as needed. Through the Task Force, 34 buildings have received full or partial vacate orders in response to emergency conditions with approximately 230 tenants utilizing the City's assistance for temporary shelter.

On behalf of all my colleagues, I want to take the time to say thank you to everyone who has worked on this critical issue over the last few years. The Council and Administration have taken unprecedented steps in recent years to protect New Yorkers in vulnerable situations. Thank you, Chair Levin, for your leadership on three-quarter housing over your two terms as the General Welfare Committee Chair, and thank you Chair Cornegy, as you dove into this topic with thoughtful consideration in your role as Housing and Buildings Chair.

Finally, the Administration wants to especially thank the advocates, who have tirelessly worked with and for three-quarter house tenants. The Three Quarter-House Tenant Organizing Project (TOP) has been a critical piece of the puzzle and a true partner, keeping open lines of communication with tenants and agencies alike. Together, we have highlighted three-quarter houses in an unprecedented way and worked persistently to improve living conditions and meet the safety standards in the City's housing and construction codes.



Three Quarter House Tenant Organizing Project

**THREE-QUARTER HOUSE
TENANT ORGANIZING PROJECT**

2094 Fulton Street
Brooklyn, NY 11233
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Currently, three-quarter house tenants fall outside of the City's social service safety net. Tenants do not have regular access to case workers or housing specialists, and therefore they have added barriers to access the support they need. Expanding the criteria to access CityFHEPS and connecting tenants to rapid rehousing services will help three-quarter house tenants confront rampant source of income discrimination, and will put them on a faster track to secure stable and permanent housing, and avoid homelessness.

We believe the Task Force can and must do better to support individuals living in three-quarter houses. We would like to discuss these ideas to improve the efforts of the Task Force, and are requesting a joint meeting with HRA Commissioner Banks, HPD Commissioner Torres-Springer or the appropriate staff, as well at the Mayor's Office of Operations. Please contact Amy Blumsack at 718-498-7256 ext. 5003/amy@neighborstogether.org and Paulette Soltani at 775-340-2359/paulette@vocal-ny.org to schedule a meeting.

We look forward to your response.

Sincerely,

The Three-Quarter House Tenant Organizing Project



Testimony of

Coalition for the Homeless

And

The Legal Aid Society

On

Oversight – Three-Quarter Housing
Int 0153 – In relation to a three-quarter housing task force

Presented before
New York City Council
Committee on General Welfare
Committee on Housing and Buildings

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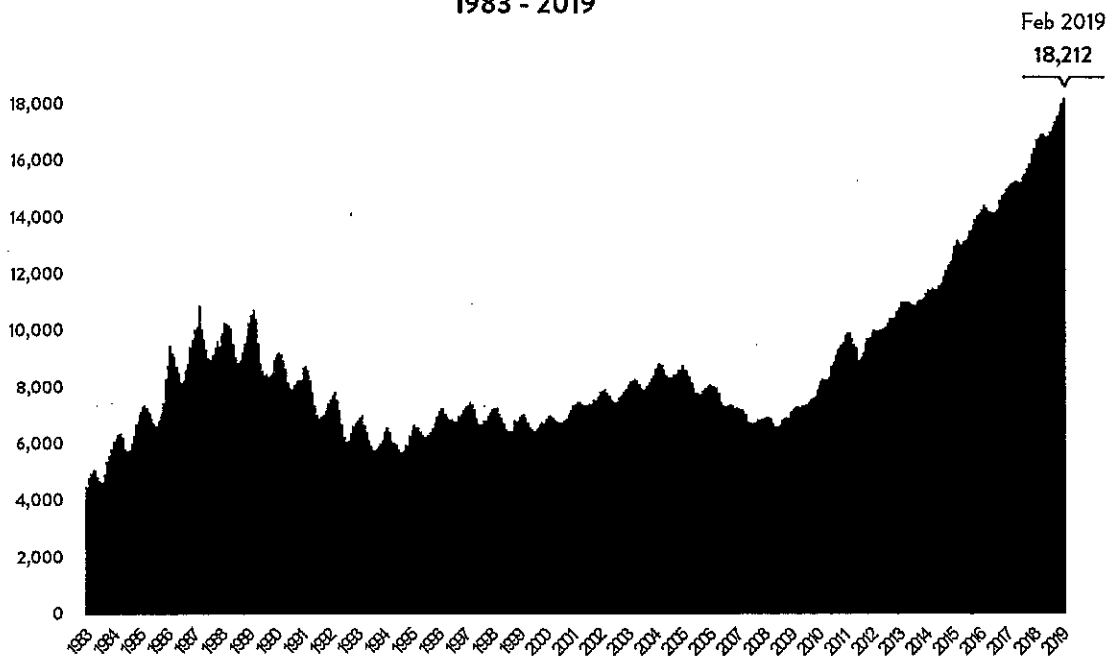
April 29, 2019

The Coalition for the Homeless and The Legal Aid Society welcome this opportunity to testify before the Committees on General Welfare and Housing and Buildings regarding oversight on three-quarter houses.

Record Homelessness in NYC

New York City remains in the midst of the worst homelessness crisis since the Great Depression, as 63,615 men, women, and children sleep in shelters each night. Record homelessness is fueled by a steep and ongoing increase in the number of homeless single adults. In February 2019, an all-time record 18,212 single adults slept in NYC shelters each night.

**Number of Homeless Single Adults Each Night in NYC Shelters
1983 - 2019**



Source: NYC Department of Homeless Services and Human Resources Administration; Local Law 37 Reports

Three-Quarter Houses and Intro. 153

The problem of three-quarter houses goes back over a decade and has exacerbated homelessness and housing instability among the most vulnerable individuals. Three-quarter houses are typically one- or two-family dwellings that have been converted to boarding houses by cramming bunk beds into every corner of the building – sometimes upwards of 50 beds in one house. These dwellings are characterized by the following conditions: illegal occupancy, extreme overcrowding, persistent health and safety violations, failure to acknowledge tenancy rights, fraudulent use of public benefits by operators, and serious fire safety hazards.

The direct referral of homeless individuals from shelters to three-quarter houses has been largely abated due to a rule promulgated in 2010 prohibiting such referrals, in response to heavy

pressure from the City Council, which was ready to pass a Local Law to forbid the practice. However, operators have found other sources of residents to fill their beds, including parolees, people with disabilities, people with substance use histories who are seeking treatment, and others who are unwilling to access DHS shelters. Many individuals in three-quarter houses struggle with housing instability, criminal justice involvement, and a lack of access to appropriate health and mental health care and substance use treatment. The lack of appropriate housing subsidies or other paths to stability for this population means that these vulnerable New Yorkers remain trapped in dangerous and unlawful three-quarter houses.

Coalition for the Homeless and the Legal Aid Society therefore support Intro 153-A, codifying a three-quarter house task force with authority to enforce existing laws, provide assistance to residents of three-quarter houses, and report regularly on progress.

Furthermore, the fact that New Yorkers with extremely low incomes struggle to find more stable housing placements than three-quarter houses underscores the urgent need to increase the supply of permanent affordable housing. The continued existence of substandard three-quarter houses is one manifestation of the affordable housing crisis in New York City. We have urged Mayor de Blasio to rectify this issue by committing more of his *Housing New York 2.0* plan to homeless and extremely low-income New Yorkers. The House Our Future NY Campaign calls on Mayor de Blasio to set aside 30,000 apartments for homeless New Yorkers, including 24,000 newly constructed apartments, in order to realign his housing plan with the reality of record homelessness. Additionally, the City should accelerate the pipeline of new permanent supportive housing for people struggling with mental health and substance use issues, rather than leaving vulnerable New Yorkers with few choices other than three-quarter houses. We appreciate the Council's steadfast support in calling for these desperately needed permanent housing resources.

Conclusion

We thank the Council for the opportunity to testify and for your work on curbing the abuses of three-quarter houses. We look forward to working together on our mutual goal of ending homelessness in New York City.

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.

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 RHY in New York City. Our goal in litigation is to ensure that the City creates and maintains enough youth-specific beds to meet the needs of *all* youth seeking shelter. 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 distributes over 900 nutritious hot meals each night to homeless and hungry New Yorkers on the streets of Manhattan and the Bronx. 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.

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.



TESTIMONY REGARDING

Three-Quarter House Task Force
Proposed Int. No. 153-A

PRESENTED BEFORE:
THE NEW YORK CITY COUNCIL'S
COMMITTEE ON GENERAL WELFARE AND
COMMITTEE ON HOUSING AND BUILDINGS

PRESENTED BY:

PATRICK TYRRELL
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MOBILIZATION FOR JUSTICE, INC.

APRIL 29, 2019

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I. INTRODUCTION

Mobilization for Justice (“MFJ”) envisions a society in which there is equal justice for all. Our mission is to achieve social justice, prioritizing the needs of people who are low-income, disenfranchised, or have disabilities. We do this by providing the highest quality direct civil legal assistance, conducting community education and building partnerships, engaging in policy advocacy, and bringing impact litigation.

MFJ has long recognized the importance of protecting tenants’ rights in three-quarter houses through advocacy, litigation, and organizing. Since 2009, MFJ has provided legal assistance and representation to three-quarter house tenants through eviction defense and affirmative litigation. MFJ convened the Three-Quarter House Reform Coalition¹ to conceptualize and secure meaningful changes in the policies that have spurred the growth of the three-quarter house industry. Additionally, MFJ partners with the Three-Quarter House Tenant Organizing Project (“TOP”), a tenants’ union of current and former three-quarter house tenants working to improve housing conditions and put an end to the illegal treatment of tenants.

We appreciate the Joint Committee’s important work to elevate the discussion concerning Three-Quarter Houses. People living in three-quarter homes face countless, compounding challenges on a daily basis. They may be recovering from substance dependence. They may live with mental and physical disabilities. They may face stigmas and prejudice from their touches with the criminal justice system, as many have recently been incarcerated. They may have very limited financial resources, and rely on a precarious patchwork of welfare systems for survival. For these reasons, three-quarter house tenants are often overlooked by social institutions. However, their isolation and vulnerability are not inherent. Rather, it is an unjust byproduct of corrupt landlords, mass incarceration, and a lack of regulation and oversight of this industry. We know that all New Yorkers deserve dignity. All New Yorkers deserve respect. And most certainly, all New Yorkers deserve fair treatment under the law. For these reasons, it is imperative that the Council pass Intro. 153-A to ensure that three-quarter house tenants can live in healthy homes, access city services,

¹ Three-Quarter House Reform Coalition members include MFJ, Neighbors Together, Brooklyn Defender Services, Center for Court Innovations, Center for Employment Opportunities, Community Service Society, Correctional Association NY, Federal Defenders, The Fortune Society, Greenhope Services for Women, Legal Action Center, Legal Aid Society, Neighborhood Defender Services, New York City Anti-Violence Project, Office of the Appellate Defender, The Osborne Association, The Prisoner Reentry Institute at John Jay College, The Three-Quarter House Tenant Organizing Project, and VOCAL New York.

and advocate for their rights.

II. MASS INCARCERATION, POVERTY, AND THE NEW YORK CITY HOUSING CRISIS

“Three-quarter houses” are private housing operated under the guise of providing supportive services to its residents. Landlords often falsely pose as social service providers, luring desperate homeless people into dangerous, overcrowded buildings where they are exploited for their government benefits. Our clients are referred to three-quarter houses from jails, prisons, parole programs, substance abuse treatment programs, hospitals, and soup kitchens.

As of 2016, there were over 77,000 incarcerated people in New York State jails and prisons.² 9,674 of those inmates were housed in New York City facilities. Generally, inmate populations have decreased over the past decade. Non-NYC facilities saw an 11% decrease in general population since 2009.³ This follows a state-wide trend of reducing mass incarceration that began in the 1990s, which has led to sweeping changes in police practices, sentencing reforms, and prosecutorial policies.⁴

In sharp contrast, New York City’s homelessness and housing crisis has continued to worsen. Staggeringly, New York City’s homeless population currently exceeds its number of inmates statewide. In 2017, 78,676 New Yorkers experienced homelessness.⁵ New York City’s homeless population accounts for 14% of homelessness nationwide.⁶

When taking these trends into account, it is not surprising that the three-quarter house industry has flourished in recent years. When MFJ first undertook this specialized housing work in September 2009, the Coalition for the Homeless estimated that there were sixty-two houses citywide.⁷ In 2015, that number mushroomed to 600 estimated three-quarter houses in Brooklyn

² New York State Commission of Correction, *Inmate Population Statistics, Inmate Population Statistics*, available at <https://scoc.ny.gov/pop.htm>

³ New York State Commission of Correction, *Jail Daily Population Reporting System (as of 1/15/2019)*, available at https://www.criminaljustice.ny.gov/crimnet/ojsa/jail_pop_y.pdf

⁴ “How New York City Reduced Mass Incarceration: A Model for Change?” Vera Institute, Jan. 2013, available at https://storage.googleapis.com/vera-web-assets/downloads/Publications/how-new-york-city-reduced-mass-incarceration-a-model-for-change/legacy_downloads/how-nyc-reduced-mass-incarceration.pdf

⁵ HUD, *The 2018 Annual Homeless Assessment Report (AHAR) to Congress*, Dec. 2018, available at <https://www.hudexchange.info/resources/documents/2018-AHAR-Part-1.pdf>

⁶ Kristin Toussaint, *14 percent of the nation's homeless population are in New York City*, Metro, December 19, 2018, available at <https://www.metro.us/news/local-news/new-york/homelessness-in-nyc-hud-report>

⁷ Coalition for the Homeless, *Warehousing the Homeless: The Rising Use of Illegal Boarding Houses to Shelter*

alone.⁸ And these are only the three-quarter houses that we have learned about. We believe that there are many more and that their numbers are continuing to grow.

Referrals to three-quarter houses from New York City Department of Homeless Services (“DHS”) have diminished in the last few years. The City and State also have aggressively prosecuted the most corrupt and criminal three-quarter house owners. Nonetheless, the three-quarter house industry shows no signs of disappearing. The lack of truly affordable housing in New York City, combined with a severe shortage of meaningful housing assistance for very-low-income single adults without children, perpetuate the existence of three-quarter houses. The industry’s existence is a symptom of the affordable housing crisis—an epidemic that has left very low-income single adults without any viable alternative or pathway to stable housing.

III. THE TASK FORCE ENFORCES HOUSING STANDARDS, PROVIDES ESSENTIAL SERVICES TO THREE-QUARTER HOUSE TENANTS, AND MONITORS ABUSIVE OPERATORS

A. Hazardous Conditions

Virtually all of MFJ’s three-quarter house clients report hazardous living conditions, such as extreme overcrowding, no heat or hot water in cold weather, and vermin infestation. Sleeping rooms are often crammed with two to four bunk beds for up to eight individuals, impeding access to doorways and windows. Closets and kitchens are turned into bedrooms. Prevalent substandard conditions also include jury-rigged electrical wiring, plumbing back-ups, and buildings housing dozens of tenants with no fire escapes or sprinklers. New York City Department of Housing Preservation and Development (“HPD”) and Department of Buildings (“DOB”) records confirm that such violations are widespread in three-quarter houses.⁹

Homeless New Yorkers (hereinafter “Warehousing the Homeless”) 2 (January 2008), available at http://coalhome.3cdn.net/ddc8dd543ded03ff12_lpm6bh1cr.pdf.

⁸ Kim Barker, *A Choice for Recovering Addicts: Relapse or Homelessness*, New York Times, May 30, 2015, available at <https://www.nytimes.com/2015/05/31/nyregion/three-quarter-housing-a-choice-for-recovering-addicts-or-homelessness.html>

⁹ A total 3,678 agency violations were found by the Task Force in its latest report. See Three-Quarter Housing Task Force, *Three-Quarter Housing Quarterly Report (Report Period: June 1, 2015 - September 30, 2018)*, available at https://www1.nyc.gov/assets/operations/downloads/pdf/2018_10_16_tqh_report_q3_2018_final.PDF; see also Prisoner Reentry Institute, John Jay College of Criminal Justice, *Three Quarter Houses: The View from the Inside* (hereinafter “PRI Report”) 6-7 (October 2013), available at <http://johnjayresearch.org/pri/files/2013/10/PRI-TQH-Report.pdf>, citing an analysis by the Furman Center for Real Estate and Urban Policy, finding that of 317 known three quarter house addresses, 88% had a building code complaint between 2005 and 2012 that resulted in at least one violation or stop-work order by the New York City Department of Buildings.

Owners and operators of three-quarter houses often have no real incentive to maintain their buildings and essential services. As such, the City has to intervene to ensure resident safety. For instance, MFJ clients in a three-quarter house in Canarsie, Brooklyn recently had their electricity shut off without notice because the owner failed to make payments to Con Ed. Already, there was pending litigation with the owner for lack of repairs and failure to maintain essential services. Regardless, the owner ignored the tenants' and their lawyers' demands to restore electricity. Tenants faced that daunting, unfair choice of having to live in a home without essential services indefinitely or move out and give up pursuing their case. MFJ reached out to the Three-Quarter House Task Force. HPD coordinated with us and immediately inspected the building. Less than 24 hours later, HPD had taken over the Con Ed account and electrical services were restored.

Intro. 153-A specifically addresses these sort of emergency hazardous conditions by coordinating between agencies such as HPD, DOB, and the New York City Fire Department ("FDNY"). These agencies, working together, have tremendous power to put pressure on owners to maintain buildings by issuing violations, assessing civil penalties, and vacate orders. Furthermore, HPD has the power to make emergency repairs and take over essential services.

B. Unlawful Evictions

The prevalence of unlawful evictions in three-quarter houses has been documented in the media,¹⁰ published reports,¹¹ and legal decisions.¹² The devastating effects of an illegal eviction on a moment's notice for a tenant struggling to rebuild their life are unimaginable for those who have never been unlawfully evicted. Tenants frequently lose all or most of their belongings, their documents, their ability to maintain participation in medical, mental health, and/or substance

¹⁰ Kathleen Culliton, *Brooklyn Landlord Who Stole Beds And Broke Stoves Sentenced: DA*, Patch.com, Mar 7, 2018, available at <https://patch.com/new-york/brownsville/brooklyn-landlord-who-stole-beds-broke-stoves-sentenced-da>

¹¹ Prisoner Reentry Institute report, *supra* note 6 at 5-6. For background on policies that fed the growth of three quarter houses, see Coalition for the Homeless report, *supra* note 7, at 5-7.

¹²See, e.g. *Ross v. Baumblit*, 46 Misc. 3d 637, 995 N.Y.S.2d 488 (Civ. Ct., Kings Cty. 2014); *Shearin v. Back on Track Grp., Inc.*, 46 Misc. 3d 910, 997 N.Y.S.2d 227 (Civ. Ct., Kings Cty. 2014); *Cooper v. Back on Track Grp., Inc.*, 45 Misc. 3d 623, 994 N.Y.S.2d 251 (Civ. Ct., Kings Cty., July 25, 2014), Christine Simmons, *Parolee in Drug Treatment Program is Granted Rights of a Tenant*, N.Y. Law Journal, March 20, 2012; *NRI Group LLC v. Crawford, et al.*, 50 Misc.3d 1217(A), 2016 WL 526623 (Sup. Ct. N.Y. Cty. 2016).

dependence treatment and job training programs, and their ability to comply with parole directives requiring them to be at their present address at curfew. Their life is simply thrown into chaos.

Recently, MFJ represented a group of over twenty-five tenants who reside in an unlicensed three-quarter house in Lefferts Gardens, Brooklyn. Unbeknownst to the tenants, the building owner had sued the three-quarter house operator in a commercial eviction case. The owner got a judgment and eviction warrant that, if executed by a New York City Marshal, would have led to a wholesale eviction of the entire building -- including the tenants -- who were never even notified of the case. When the tenants' parole officers got word of the pending eviction, they made arrangements for emergency relocation -- which likely would have meant entry into the homeless shelter system. When tenants reached out to MFJ for help, we knew that we had to move fast to avoid displacement. Neighbors Together reached out to the New York State Department of Corrections and Community Supervision ("DOCCS") and was able to get in touch with a parole supervisor to hold off on the emergency relocations. MFJ then moved to intervene for the tenants in the commercial case, and won a decision dismissing the entire case against the tenants, thus completely removing their risk of eviction.

Had MFJ and Neighbors Together not been able to work directly and quickly with DOCCS on this matter, then twenty-five tenants would have been unlawfully evicted and moved into shelters. Intro. 153-A adds a DOCCS member to the Task Force. Having a dedicated point person from DOCCS will enable three-quarter house tenants to avoid such unlawful practices by abusive three-quarter house landlords in the future. This legislation will help three-quarter house tenants avoid having to make the impossible choice between fighting an unlawful eviction and meeting with their parole obligations.

C. Relocation Services

Three-quarter house tenants are often afraid to report hazardous conditions to the City because they do not want to wind up on the street. Before the Task Force and recent law reforms were passed, three-quarter house tenants had to navigate a labyrinthine welfare system to be able to relocate into safe, affordable, and stable housing. Often, they were disqualified because they simply could not meet documentation requirements (usually because the owner or operator refused to provide the documents). And even if tenants could secure relocation assistance from the City, the widespread discriminatory practices of private landlords and brokers made it impossible for

them to find alternate permanent housing.

Now, with the Task Force, City agencies, vital to providing assistance to three-quarter house tenants, actively participate in helping tenants secure rent vouchers and find permanent housing. With the Special Exit and Prevention Supplement (“SEPS”) Program, the City has been able to transition relocated tenants to stable permanent housing that they can afford—a crucial opportunity otherwise unavailable for the affected tenants. The City’s efforts to identify and address exploitation within the three-quarter house industry and assist three-quarter house tenants are unprecedented and have been welcomed by advocates and tenants alike. The effect is remarkable: from 2015 – 2018, the Task Force reported 792 tenant placements from three-quarter homes into permanent housing.¹³ The vast majority of those placements were a direct result of the tenant qualifying for a SEPS voucher.¹⁴

Importantly, Intro. 153-A adds the Commission on Human Rights (“CHR”) as an agency member to the Task Force. CHR can help three-quarter house tenants overcome the barrier of discriminatory landlord practices in finding new housing. New York City Human Rights Law prohibits discrimination in rental units based upon a person’s lawful source of income.¹⁵ Despite lawful source of income discrimination being banned for over a decade now in New York State, tenants with rent subsidies all too often hear “we don’t take programs” from brokers and landlords. CHR recently created a unit dedicated to combatting income discrimination. Having CHR on the Task Force will be indispensable to addressing discriminatory practices by landlords and brokers. CHR can provide three-quarter house tenants with invaluable resources and information which can help tenants understand their rights and advocate for fair treatment. And, most importantly, CHR can receive complaints and investigate landlords or brokers who engage in unlawful discrimination. Identifying and prosecuting landlords and brokers who unlawfully discriminate against tenants ultimately helps not just for three-quarter house tenants, but all of the City’s renters.

D. Identifying and Monitoring Three-Quarter Houses

Given their ability to evade oversight, three-quarter houses are inherently susceptible to

¹³ Three-Quarter Housing Task Force, *Three-Quarter Housing Quarterly Report (Report Period: June 1, 2015 - September 30, 2018)*, available at https://www1.nyc.gov/assets/operations/downloads/pdf/2018_10_16_tqh_report_q3_2018_final.PDF.

¹⁴ *Id.* (736 SEPS placements)

¹⁵ New York City, N.Y., Code § 8-107(5).

corruption. The lack of regulation allows dishonest operators to take advantage of tenants. In the worst case scenarios, operators engage in patterns of criminal behavior.

In 2014, the City's biggest three-quarter house operator, Narco Freedom, was indicted for a kickback scheme.¹⁶ A Narco Freedom trustee later pled guilty to charges of enterprise corruption, grand larceny and filing false paperwork.¹⁷

In 2016, another major three-quarter house operator, Yury Baumblit, was arrested and charged with fraud after an exposé in the *New York Times* revealed that he was telling tenants to relapse in order to maintain eligibility for outpatient treatment, and thereby avoid immediate eviction.¹⁸ Mr. Baumblit eventually pled guilty to Medicare fraud and the unlawful eviction of tenants.¹⁹

We applaud the actions taken in the past few years by the U.S. Attorney, New York State Attorney General and District Attorneys. However, given the extensive time and resources necessary for enforcement agencies to investigate and bring action, and the immediate jeopardy tenants face if they refuse to comply with landlords' demands, tenants need a mechanism to challenge this practice firsthand.

Intro. 153-A streamlines identification, monitoring, and enforcement within three-quarter houses. The bill enables the Task Force to conduct regular re-inspections at least every six months, and immediately when three-quarter houses are reported. It will also allow for information sharing from HRA and HPD about potential three-quarter houses. Many MFJ three-quarter house clients have reported feeling much safer and more informed of their rights after the Task Force has gotten involved in their buildings. Our three-quarter house clients tell us that they are less intimidated by their owners when they face harassment or discrimination, and less concerned that

¹⁶ "A.G. Schneiderman Announces Arrest And Indictment Of Nonprofit Executives Charged In Kickback And Insurance Fraud Schemes," October 22, 2014, available at <http://www.ag.ny.gov/press-release/ag-schneiderman-announces-arrest-and-indictment-nonprofit-executives-charged-kickback>; see also Ben Kochman and Stephen Rex Brown, *Cops Arrest Executives at City Rehab Chain Narco Freedom on New Charges*, Daily News, March 18, 2015, available at <http://www.nydailynews.com/new-york/bronx/cops-arrest-execs-city-rehab-chain-narco-freedom-article-1.2154002>

¹⁷ "NYC rehab chain Narco Freedom pleads guilty to corruption," May 31, 2017, available at <https://www.reuters.com/article/us-usa-crime-narcofreedom-idUSKBN18R3AX>.

¹⁸ Kim Barker, *A Choice for Recovering Addicts: Relapse or Homelessness*, New York Times, May 31, 2015, available at <http://www.nytimes.com/2015/05/31/nyregion/three-quarter-housing-a-choice-for-recovering-addicts-or-homelessness.html>; Kim Barker, *Flophouse Operator Is Arrested in a Scheme to Defraud Medicaid*, New York Times, April 13, 2016, available at <http://www.nytimes.com/2016/04/14/nyregion/flophouse-operator-is-arrested-in-a-scheme-to-defraud-medicare.html>

¹⁹ Kim Barker, *Operator of Notorious Flophouses Pleads Guilty to Medicaid Fraud*, New York Times, Feb. 15, 2018, available at <https://www.nytimes.com/2018/02/15/nyregion/three-quarter-houses-guilty-baumblit.html>

asserting their rights will result in retaliation.

IV. CONCLUSION

Int. No. 153-A takes important steps toward institutionalizing much-needed regulation and enforcement over three-quarter houses. The bill helps address some of the worst conditions and abuses that three-quarter house tenants endure: unsafe physical conditions, barriers to obtaining permanent housing, and unlawful evictions. Further, the bill helps the City identify new three-quarter houses and streamline regulation and oversight.

We thank the sponsors, the Speaker, and the Committee Members for your leadership on these issues and we urge the Council to pass this important bill.



December 6, 2018

Dear Mayor De Blasio,

In June 2015, after a New York Times exposé detailed the abuse and exploitation individuals in three-quarter houses face at the hands of greedy house operators, you formed the Emergency Task Force on Three-Quarter Housing. Since its formation, tenants and advocates have partnered with the Task Force to support individuals experiencing abuse and exploitation inherent in the greed-driven three-quarter house industry.

While these actions represent important steps, the City's response to the needs of individuals in three-quarter houses appears to be waning. We call on you to address the most urgent needs of individuals in three-quarter houses by directing the Task Force to improve HPD's responsiveness in restoring essential services and expand access to the CityFHEPS voucher.

1. The Task Force must establish a standardized and more transparent system for tenants and advocates to report essential service shut offs, communicate with HPD throughout the restoration process, and partner with HPD to proactively respond to shut off notices.

Individuals in three-quarter houses face the constant threat of losing access to hot water, electricity, cooking gas, and heat. Whether operators indicted on charges of Medicaid fraud stop paying utility bills, or attempt to empty houses by shutting off gas meters, the fear of essential service shut offs remains constant. This major source of instability is compounded by the Task Force's pattern of ineffective communication with individuals in three-quarter houses and advocates.

Under the current system, individuals who contact 311 to report an outage, or advocates who contact the Task Force, do not receive sufficient communication about the restoration process. If communication occurs, it comes in the form of an HPD inspector calling from outside the three-quarter house requesting immediate entry. As a result, inspectors' calls are easily missed, and inspectors arrive to an empty house or are greeted by an employee of the house operator who denies that a shut off has occurred. Without standardized communication, individuals in three-quarter houses cannot ensure inspectors gain entry. This results in unnecessary delays for individuals that need help, and forces inspectors to make several attempts to issue violations.



In addition, after inspections eventually occur, individuals in these houses again receive no communication regarding the timeframe for service restoration. Violations against operators often go unheeded, and in these situations the City appears reluctant to take over accounts. The lack of communication aids operators in their attempts to illegally evict tenants, as occurred at a house on MacDonough Street in Brooklyn when an operator was able to drive multiple people with health conditions out of the building by turning off the electricity during the warmest weeks of last July.

For individuals at houses abandoned by the operator the situation is no better. Individuals in these houses often receive multiple shut off notices from utility providers. While advocates report these impending shut offs to the Task Force--regardless of the length of advance notice--the process for restoring services and taking over accounts can drag on for months, and can result in a period of time when services are shut off entirely. This occurred at seven houses formerly run by Interline, in which the operator abandoned the houses after being indicted on Medicaid fraud charges. Tenants experienced significant parts of last winter without heat, and it took extensive advocacy for inspectors to restore essential services and make the necessary repairs.

The failure to communicate effectively when inspectors will seek entry and the timeline for service restoration creates greater uncertainty for people experiencing the essential service shut off and aids operators in their harassment.

2. The Task Force must expand eligibility criteria for CityFHEPS, to include three-quarter house tenants who are at risk of homelessness or live in dangerous conditions, including if they have no record of homelessness in a DHS or HRA shelter. In addition, tenants that receive CityFHEPS should have access to rapid rehousing services to better enable them to find permanent housing.

Whether driven out by hazardous conditions, harassment by house operators, or landlords closing houses, the inherent instability of three-quarter houses leaves tenants under the constant threat of becoming shelter or street homeless. Previously, individuals in three-quarter houses had a means to break the cycle of instability and access stable housing through rental assistance, without becoming street or shelter homeless first. However, the Task Force abruptly began narrowing eligibility criteria, limiting opportunities for individuals living in three-quarter houses to access rental assistance.

This unspoken change in policy is deeply problematic, and stands in contradiction to the statements made by both you and Commissioner Banks regarding the Administration's willingness to assist three-quarter house tenants. It also works in opposition to the Administration's stated priority of decreasing the number of people entering the shelter system, and dooms individuals in three-quarter houses to perpetual housing instability and homelessness.



Testimony of
Neighbors Together and VOCAL-NY

on

Intro 153

Presented before:
New York City Council's Committee on Housing & Buildings
and Committee on General Welfare

Presented by:
Amy Blumsack
Director of Organizing & Policy
Neighbors Together

April 29, 2019

Neighbors Together and VOCAL-NY thank the New York City Council Committee on Housing and Buildings and the Committee on General Welfare for the opportunity to testify in support of Intro 153.

My name is Amy Blumsack, and I am the Director of Organizing and Policy at Neighbors Together, a community based organization and soup kitchen located in central Brooklyn. Our mission is to end hunger and poverty in the surrounding neighborhoods of Ocean Hill, Brownsville, and Bedford-Stuyvesant. Part of my role at Neighbors Together is to work with our members to effect policy changes that will bring greater stability to their lives and the surrounding community at large.

Neighbors Together works in partnership with VOCAL-NY--an advocacy group dedicated to building the power of low-income people across New York State and providing public health services for people who use drugs in Brooklyn. Together we support a tenants union called the Three-Quarter House Tenant Organizing Project, also known as TOP. TOP is a union of current and former tenants fighting for dignified and safe living conditions for people living in three-quarter houses in New York City.

TOP, Neighbors Together, VOCAL-NY and many others make up the Three-Quarter House Reform Coalition¹ to envision and secure meaningful changes in the policies that have contributed to the growth of the three-quarter house industry.

As the city grapples with a homelessness crisis of over 64,000 people, thousands of others rely on three-quarter houses for shelter.

“Three-quarter houses” or “sober homes” are private houses operated by unscrupulous and abusive landlords who falsely pose as social service providers, luring desperate homeless people into dangerous, overcrowded buildings where they are exploited. Three-quarter houses are not licensed or regulated by any government agency. The housing conditions are often dangerous and include severe overcrowding, illegal conversions to create bedrooms, mold and pest infestations. Tenants also commonly report winters without heat, and summers without electricity. Essential shut-offs occur when an operator abandons a house and stops making utility payments, or as a common strategy of operators to illegally evict tenants through harassment.

A vast majority of tenants who reside in three-quarter houses are black or Latino, many of whom are formerly incarcerated, chronically homeless, and are struggling with substance abuse, unemployment, mental illness and other medical issues. Tenants are often referred to three-quarter houses from inpatient substance abuse programs, after being released from prison or jail, or from

¹ Three-quarter House Reform Coalition members include Mobilization for Justice, Neighbors Together, BOOM! Health, Brooklyn Defender Services, Center for Court Innovations, Center for Employment Opportunities, Community Service Society, Correctional Association NY, Federal Defenders, The Fortune Society, Greenhope Services for Women, Legal Action Center, Legal Aid Society, Neighborhood Defender Services, New York City Anti-Violence Project, Office of the Appellate Defender, The Osborne Association, The Prisoner Reentry Institute at John Jay College, The Three-Quarter House Tenant Organizing Project, and VOCAL New York.

service providers. Most tenants are on fixed incomes and pay rent for their bed with the HRA shelter allowance of \$215 per month, or SSI/SSD benefits. The majority of tenants, regardless of how they pay rent, are required to pay additional 'maintenance fees' ranging from \$20-\$100.

The three-quarter house industry has continued to flourish because of the lack of truly affordable housing in New York City combined with a severe shortage of meaningful housing resources--such as rental assistance and housing placement services--for very-low-income single adults. Without government action, low-income single adults have very few alternatives or pathways to stable housing.

Through our collective work with legal services providers such as Mobilization for Justice who undertook this specialized housing work in 2009, we believe there are as many as 400 three-quarter houses in existence today. In 2015, a state official from the Office of Alcoholism and Substance Abuse Services estimated there are 600 three-quarter houses in Brooklyn alone.²

TOP's most recent organizing efforts have focused on houses inspected by the city's Three-Quarter House Task Force. The issues most commonly raised by tenants focus on a lack of housing resources and assistance to find permanent housing, and unmet house repairs or delays in restoration of essential services.

The Taskforce on Three-Quarter Houses:

Mayor De Blasio formed the interagency Three-Quarter House Task Force after the New York Times published a front-page expose in May 2015. The report detailed the exploits of one Brooklyn three-quarter house operator, highlighting poor conditions, unlawful evictions, and coerced treatment at Medicaid-billing outpatient substance use treatment programs.

The Task Force has been conducting inspections of three-quarter houses, which it identifies by finding addresses with ten or more single adults paying rent through Public Assistance benefits. The Task Force has issued partial vacate orders, reducing occupancy to safe levels, and provided vacated tenants with temporary housing and rapid rehousing services, including CityFHEPS vouchers to help relocatees obtain safe permanent housing.

In February 2017, the City Council enacted five new laws to strengthen protections of three-quarter house tenants. Local law 13 of 2017 required the Task Force to report on its activities quarterly. However, those quarterly reports demonstrated the Mayor's shift away from locating and inspecting new addresses. Between 2017 and 2018, the Task Force inspected just two new addresses, even as the housing and homelessness crisis in the city continues to grow.

² Kim Barker, *A Choice for Recovering Addicts: Relapse or Homelessness*, New York Times, May 30, 2015 <https://www.nytimes.com/2015/05/31/nvregion/three-quarter-housing-a-choice-for-recovering-addicts-or-homelessness.html>

Intro 153 would strengthen the Task Force and improve the lives of tenants by:

- Providing rental assistance vouchers and information on relocation services to three-quarter house tenants in all houses inspected by the Task Force, so that tenants have a real chance at finding stable, permanent housing that they can afford—a crucial opportunity otherwise unavailable for the affected tenants.
- Ensuring that directly impacted individuals and advocates have an advisory role to the Task Force to help keep the city abreast of trends in the three-quarter house industry, and to help it better identify and serve tenants;
- Expanding the membership of the Task Force to include other City agencies in order to improve the Task Force's ability to identify three-quarter houses that are currently operating unnoticed, and to help identify obstacles tenants face--such as source of income discrimination--when searching for housing;
- Issuing annual reports to the Speaker of the City Council on the feasibility of various models to convert buildings inspected by the Task Force into permanent housing for tenants who remain in such houses;
- Issuing quarterly reports on the work of the Task Force, including the number of buildings inspected, violations placed, people relocated, and types of housing to which they are relocated. Following the enactment of local law 13 of 2017, the Task Force reported on its operations which provided a critical tool to understand the scope of the problem and assess the solution;
- Codifying the Task Force to ensure it continues its vital work. In its current form, the Task Force is not a legislative creation, and the Mayor could disband it as quickly as he created it.

Intro 153 is a critical step in protecting three-quarter house tenants. However, to truly ensure that three-quarter house tenants are not forced into the shelter system in order to access vouchers, we strongly recommend that Intro 153 outlines in clear language that the Task Force will provide rental assistance vouchers to tenants, and provide rapid rehousing services to those tenants. Currently the Task Force is only awarding vouchers to tenants who meet the exact CityFHEPS eligibility requirements as outlined in the CityFHEPS rule, despite the rule also giving the Task Force the ability to make referrals as it sees fit. This narrow interpretation of voucher eligibility excludes the vast majority of three-quarter house tenants because operators thrive on illegal evictions and rarely take tenants through housing court (one of the requirements for voucher eligibility). Rapid rehousing services are vital in helping tenants to secure permanent housing with their vouchers. Due to the serious and pervasive problem of source of income discrimination, most voucher holders have extreme difficulty securing housing with their vouchers without help. In addition, some three-quarter house tenants may be eligible for supportive housing. Without clearly delineating in Intro 153 access to both rental assistance vouchers and rapid rehousing services to help each individual find the housing they need, it will be possible for the Task Force to continue as they have been, inspecting few houses, giving out few vouchers, connecting few to supportive housing, and dooming tenants to eventual homelessness and exacerbating the homelessness crisis in our city.

In addition to written testimony, we are submitting a letter sent by TOP to City Hall, DSS, and HPD last December, detailing concerns about the Task Force and requesting a meeting. We are submitting this to give you a better sense of conversations we continue to have with Task Force about ways in which the City can improve its support to three-quarter house tenants.

We urge the City Council to pass Intro 153 as soon as possible. The health, safety, dignity and well-being of hundreds of three-quarter house tenants depend on it.

Thank you for your time and consideration,

Amy Blumsack
Organizing and Policy Director

Neighbors Together

If you have any questions or would like more information related to the above testimony, please contact Amy Blumsack at Neighbors Together: 718-498-7256 ext. 5003, or amy@neighborstogether.org.



Testimony of TOP Leader Eddie Jones
Current Three-Quarter House Tenant
In support of Intro 153
April 29th, 2019

Good morning. My name is Eddie Jones and I am a leader in TOP, the Three-Quarter House Tenant Organizing Project. I was released from prison on January 17th, 2018 into a three-quarter house. Before I was released I had a plan. I knew that I could not resume the profession that I had previously done which was security. So I made the decision to re-educate myself and decided since I like to cook that I would get educated in the culinary arts. I arrived at Horizon Hope three-quarter house with the spirit that I would use that place as a stepping-stone to reintegrate myself back into society and become a productive citizen.

The first week of living at Horizon Hope, I was lying on the bottom bunk of bed that I was assigned, and noticed that my legs and feet were extremely agitated. I was scratching my legs until scars appeared. I told my roommate about it and he told me that Horizon Hope had a severe infestation of bedbugs. I had up until that point next experienced bed bugs in my life. He also informed me that I had to buy bed bug spray. My budget is what public assistance affords me which is 123\$ twice a month, of which 100\$ is used towards rent as well as other expenses. With the need for bedbug spray, I have to manage my money wisely. Even as I got connected with several organizations that helped me to get into school for the culinary arts, the temperature because warmer I noticed that we also had a mice and rat infestation.

There are two showers and two and a half bathrooms at my house. One shower was inoperable and the half back was also inoperable. We have 28 people living in our facility. So it's impossible for everyone to use the shower, so they use the sink to get clean. We call them birdbaths. It also means that people are up all night trying to take care of their hygiene.

HPD, through the Task Force, did come and fix both of the showers but did not secure the drain covers that keep debris from going down the drain and the drain is still clogged until today. The half bathroom is out of order again. And the full bathrooms have still never got serviced. No help was every offered from Horizon Hope Inc. All Horizon Hope did was provide us with documents that we presented to public assistance so that they could collect our shelter allowance as rent.

Through these deplorable conditions, which still exist now, I completed and graduated Culinary Tech Center on March 15th, 2019.

On January 29th, 2019 I learned that Hope Horizon Inc. was being evicted by the new landlord. I learned this by meeting the marshal at the front door while he was trying to enact an illegal eviction. Fast forward to the present, and Hope Horizon has been evicted from the premises, and legal aid lawyers stopped us from being illegally evicted with Hope Horizon. The new landlord does not want us there, and we are expecting future eviction proceedings against us.

When I reached out to the Task Force for help getting out of my house, I could not get a rental assistance voucher because I went straight to Hope Horizon from prison, and did not enter the shelter. The Task Force demands that I have a shelter history, which means the only way for me to get a voucher is if I enter the shelter system. That does not make any sense to me when I am in the same situation as other tenants at my house who received a voucher because of their prior shelter history. Vouchers should be available to all residents that find themselves in situations like mine.

Part of the reason my bathroom was never fixed, and I cannot get a voucher, is that three-quarter house tenants do not have any representation on the Task Force. Who better to represent the tenants of the three-quarter houses than the people who live there and their advocates? That is why we need to pass this bill. So that we, the tenants, can have the important issues that concern us be addressed. So that we can make sure the Task Force makes repairs that make things better, and so that tenants have a way out of unstable three-quarter houses and into safe, affordable apartments.

Thank you.



**Testimony of TOP Leader Dennis Powell
Current Three-Quarter House Tenant
In support of Intro 153
April 29th, 2019**

Good Morning. My name is Dennis Powell. I am a leader in the Three-Quarter House Tenant Organizing Project, also known as TOP. Thank you for the opportunity to testify today.

I have lived in a three-quarter house for almost a year. I rent out a single bunk in a four-person room. There are a total of 25 tenants in my house, and we all share one working toilet and shower. After two people take a shower, the water turns cold. I have to wake up between 2:30 and 3:30 in the morning to take a warm shower. Some of the tenants at my house have a Planet Fitness account just so that they can use the bathroom and take a shower. Cleanliness is so important to me because, like so many three-quarter houses, my house is infested with roaches, rats, and bed bugs. I had never seen a bed bug until I moved into this three-quarter house, and once I get out of my house, I never plan on seeing one again.

A new landlord recently bought the building I live in and is attempting to evict us. First, he evicted the operator and tried to force us tenants out as well. Through TOP, we got housing lawyers to help stop the eviction, and we also called the Task Force to request rental assistance vouchers. The attorneys stopped the eviction, but the Task Force only issued vouchers to half the house. The Task Force only provides rental assistance vouchers to tenants in an active eviction proceeding, AND who have a history of homelessness. I won the first eviction case, but know there will be more to come. However, because I have never been in the shelter before, the Task Force refuses to issue me a voucher. Without a voucher I will end up in the shelter system.

If I had access to a voucher, I would be able to find a decent place to live where I would no longer worry about bed bugs, roaches, or lack of heat and hot water. I would be able to find housing where I can use the bathroom or take a shower whenever I need to. I would be able to find housing where I no longer have to worry if I or someone else in my house is going to be thrown out on the street with no notice.

If I had access to a voucher, I would fight to find a decent place to live, so I could finally have security and peace of mind.

Please pass Intro 153, so more three-quarter house tenants can get access to the help we deserve.

Thank you for your time.



COMMUNITY DEVELOPMENT PROJECT

TESTIMONY

ON

INTRO. 153-A

A Local Law to amend the Administrative Code of the City of New York in relation to a three-quarter housing task force

PRESENTED BEFORE:

NEW YORK CITY COUNCIL'S COMMITTEE ON HOUSING AND BUILDINGS AND COMMITTEE ON GENERAL WELFARE

PRESENTED BY:

LINDÈN MILLER
STAFF ATTORNEY
COMMUNITY DEVELOPMENT PROJECT
OF THE URBAN JUSTICE CENTER

APRIL 29, 2019

The Community Development Project of the Urban Justice Center (CDP) submits this testimony to the New York City Council in support of Intro. 153-A to codify and improve the Three-Quarter House Task Force.

My name is Linden Miller and I am a staff attorney in CDP's tenants' rights and housing justice practice. CDP's mission is to provide legal, participatory research and policy support to strengthen the work of grassroots and community-based groups in New York City to dismantle racial, economic and social oppression. We do this by partnering with grassroots and community-based groups, such as VOCAL-NY, who take the lead in determining the priorities and goals for our work, as we believe that community organizing should be at the center of any effort to create sustainable, systemic change.

As a tenants' rights attorney, I mostly represent tenant associations in rent-stabilized buildings in actions for repairs and to combat tenant harassment. In my experience, those with truly affordable housing in New York City are people who have lived in one rent-regulated home for a long time and I fight every day to keep them in those homes. However, for low-income New Yorkers who don't have the benefit of that stability – either because they are coming out of incarceration or struggle with unemployment, substance abuse, mental health issues or many other reasons – finding an affordable home is extremely difficult. For these particularly vulnerable New Yorkers, three-quarter houses fill an urgent need that otherwise goes unaddressed.

Three-quarter houses are private homes that rent beds to single adults. Historically, three-quarter house tenants have endured dangerous conditions, severe overcrowding and unspeakable abuse from unscrupulous landlords. However, simply shutting them down en masse would result in displacement of thousands of people into street homelessness or the shelter system. The answer has never been to erase three-quarter houses and declare the people who need them “out of sight, out of mind.” As long as the conditions that foster three-quarter houses continue to exist – a severe housing crisis, mass incarceration, and a zero-tolerance-only approach to chemical addiction - three-quarter houses will fill an otherwise-unmet need that can only be addressed with targeted services to move people, one by one, to safe and stable housing. The Mayor's office took a big step towards making that a reality when it created the Three-Quarter Housing Task Force. Intro 153-A provides the opportunity to both preserve that progress by enshrining the Task Force in law and to improve upon it with some smart changes.

The Task Force is vital to the wellbeing of three-quarter house tenants. It fills a gap left by the shameful shortage of reentry and transitional housing in New York, and has relocated scores of tenants to safer, permanent housing. It has done so while largely avoiding unintended consequences such as forcing tenants into the street or shelters. Its successful, common-sense, balanced approach should be continued, not folded for expediency into a one-size-fits-all system that would require three-quarter house tenants to detour through the shelter system simply so they can be stamped “homeless” before receiving a voucher.

The proposed legislation, Intro 153-A, would ensure the continued existence of the Three-Quarter Housing Task Force. The Task Force will continue to identify and inspect likely three-quarter houses and will issue violations as appropriate. It will also continue to aid individuals living in three-quarter houses to relocate to permanent housing and will be newly tasked with distributing information to tenants about their rights to repairs and to be safe from unlawful evictions. In addition to the current Task Force members from the Department of Buildings, the Fire Department, the Department of Housing Preservation and Development, Department of Social Services, and Mayor's Office of Operations, the Task Force will include, the Department of Health and Mental Hygiene, the Department of Corrections, and the Commission on Human Rights, as well as advocates and affected people in advisory roles. Expanding its membership to include additional agencies and advisors with on-the-ground knowledge will enable the Task Force to take a more holistic and informed view of the problems it is addressing, particularly the intersection of the housing crisis and mass incarceration.

We know the impetus for this Task Force came from a shocking expose in *The New York Times* in 2015 which cast light on the deplorable conditions three-quarter house residents were living in and on their vulnerability to abuse by their landlords. We commend the City Council and Mayor's office for their action at the time of creating the Task Force, but we know that as public attention shifts away from this issue, vital resources like this Task Force that are not codified in law are at risk. It is crucial that we protect the hard-won resources that currently serve this vulnerable population.

We thank the sponsors, the Speaker, and the Committee Members for your leadership on this issue and we urge the Council to pass this important bill.



**Testimony of TOP Leader Monique Frasier
Current Three-Quarter House Tenant
In support of Intro 153
April 29th, 2019**

Good Morning. My name is Monique Frasier and I am a leader in the Three-Quarter House Tenant Organizing Project, also known as TOP. On behalf of TOP, I want to thank the General Welfare Committee Chair Stephen Levin, the Housing Committee Chair Robert Cornegy, and the other members of these committees for the opportunity today to provide testimony.

I am here today because I am homeless. The city does not consider me homeless, but I am. Because I live in a three-quarter house, I fall outside of the safety net that the city provides for the people they consider homeless. There are thousands of people like me, who need the city's help to get out of the deplorable conditions they're living in and into permanent housing.

I live in a three-quarter houses in Central Brooklyn. If you aren't familiar with three-quarter houses, they are private homes operated by landlords who profit off poor people in need of housing. These landlords rent out individual bunks and increase their profit margins by cramming as many as eight people to a room. Most tenants I know pay the \$215 shelter allowance as rent, but for those like me, on SSI, we pay over \$400. I have endured winters without heat and hot water, dealt with bed bugs infestations, and been threatened with illegal eviction for missing curfew or not attending a house meeting. My landlord calls the house a 'program,' but it is not licensed by any state or city agency, and does not provide any services. Despite the horrible conditions, when my first three-quarter house closed down, my only option besides entering the shelter system, was another three-quarter house.

Currently, the Task Force inspects houses if ten or more unrelated adults on public assistance reside at a single address. I pay my rent with Social Security, and the operator at my house specifically seeks out tenants who are on social security or pay their rent by working to avoid being inspect by the Task Force. Without TOP, I would never have known about the Task Force or learned about my rights as a tenant.

By passing Intro 153, to strengthen the Three-Quarter House Task Force, new city agencies including the Commission on Human Rights, the Department of Health and Mental Hygiene, and

the Department of Corrections will become members of the Task Force. This will provide new databases and information for the Task Force to identify three-quarter houses. In addition, the bill establishes how often the Task Force conducts inspections, and the know-your-rights information provided to tenants during those inspections.

Currently, too many tenants like me, who live with the constant threat of homelessness, are unknown to the Task Force. This bill will provide new information for the Task Force to use to find and inspect new houses, and ensure tenants at these houses learn how protect themselves against illegal eviction and harassment by three-quarter house operators.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 153-A Res. No. _____
 in favor in opposition

Date: 04.29.19

(PLEASE PRINT)

Name: Felix Plaza Hernandez
Address: 77 Mother Gaston Blvd, Brooklyn, N.Y. 11233
I represent: Top & Vocal
Address: 4th Ave Brooklyn 11217, N.Y.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 153-A Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Linden Miller Community Dev't
Address: 123 William St. NY, NY 10038
I represent: Community Development Project
Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 153A Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Scott Hutchins
Address: 452 W 50th St NY 10019
I represent: Picture Me Harder
Address: 104 E 126th St

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: LEE THOMAS HIKASCH

Address: NYC'S OFFICE OF OPERATIONS

I represent: TESTIFYING

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. INTD 153A Res. No. _____

in favor in opposition

Date: 4-29-19

(PLEASE PRINT)

Name: Eddie Jones

Address: 1785 Bedford ave BK NY 11225

I represent: TOP

Address: 2094 Fulton BK NY

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 4/29/

(PLEASE PRINT)

Name: Lucy Queen Woody

Address: 501 W 126th St

I represent: Justice for Abused

Address: 521 W 126th St NY NY 10027

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 153-A Res. No. _____

in favor in opposition

Date: 4/29/19

(PLEASE PRINT)

Name: Patrick T. Crell

Address: 100 William St. 6th Flr NY, NY 10038

I represent: Mobilization for ~~the~~ Justice

Address: see above

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Dennis Powell

Address: 1785 Bedford AVE 3/4 house

I represent: TOP - Current

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 153 Res. No. _____

in favor in opposition

Date: 4/29/19

(PLEASE PRINT)

Name: John August Bridgeford

Address: 15 India St. Blk. M7 11228

I represent: Neighbors Together & TOP

Address: 204th Fullen St. Blk. M4 11233

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 153A Res. No. _____

in favor in opposition

Date: 4/29/19

(PLEASE PRINT)

Name: Amy Blumsack

Address: 2094 Fulton St Brooklyn NY 11233

I represent: Neighbors Together

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Giselle Routhier / Josh Goldfein

Address: 129 Fulton St. / 199 Water St

I represent: Coalition for the Homeless / Legal Aid Society

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Bruce Jordan

Address: _____

I represent: NYC Human Resources Administration

Address: 4 WTC

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Bruce Jordan

Address: HRA

I represent: Testifying

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Erin Drinkwater

Address: _____

I represent: NYC HRA

Address: U WTC

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Anne-Marie Hendrickson

Address: HPD

I represent: Testifying

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Joseph Ventour

Address: DOB

I represent: Available for Q&A

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Brady Hamed

Address: Mayor's Office of Operations

I represent: Available for Q&A

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Chief Inspector Benjamin Fitzroy

Address: FDNY

I represent: Available for Q&A

Address: _____