

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON GENERAL WELFARE

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May 5, 2009
Start: 1:50pm
Recess: 5:00pm

HELD AT: Hearing Room
 250 Broadway, 16th Floor

B E F O R E: BILL de BLASIO
 Chairperson

COUNCIL MEMBERS:
 Gale A. Brewer
 Julissa Ferreras
 Jessica S. Lappin

A P P E A R A N C E S

George Nashak
Deputy Commissioner for Adult Services
Department of Homeless Services

Stephen Kramer
Senior Counsel
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Chief of Bureau of Fire Prevention
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Pasqual Vallez
Prior resident of three-quarter house

Michael Bolder
Resident of three-quarter house

Gaston Pierre
Resident of three-quarter house

Duane Bibb
Resident of three-quarter house

Carmine Rivetti
Assistant Commissioner for Government and Community
Affairs
Department of Homeless Services

Josh Goldfein
Legal Aid Society

A P P E A R A N C E S (CONTINUED)

Bill Lienhart
Mental Health Project
Urban Justice Center

Mr. Anserula

Christy Parque
Executive Director
Homeless Services United

Ted Houghton
Executive Director
Supportive Housing Network

Karen Jorgensen
Director
Valley Lodge

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2 CHAIRPERSON de BLASIO: We're good?
3 There's my gentle calling to order. This table is
4 too metal to hit it too hard. Good afternoon.
5 I'm Bill de Blasio, Chair of the General Welfare
6 Committee. I'd like to welcome Council Member
7 Gale Brewer and welcome everyone here to today's
8 hearing. I want to thank the staff who helped to
9 put together the hearing, including Molly Murphy,
10 Migna Taveras and Crystal Coston.

11 Now, today's hearing examines
12 whether, in effect, we have a shadow shelter
13 system here in New York City at this point. We
14 all know we're at a particular high point,
15 unfortunately, in the number of folks in our
16 formal City shelters. But now, we see a new
17 phenomenon occurring with a different and much
18 worse type of housing for people in need.

19 For several years, we have heard
20 that more and more homeless New Yorkers are ending
21 up in illegal boarding houses, otherwise known as
22 three-quarters houses. These places meant to
23 house one family, built to house one family
24 originally, often contain more than 40 people with
25 single rooms that could be shared by groups of

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2 ten. The conditions are deplorable, dangerous and
3 unregulated. Many of these illegal three-quarters
4 houses end up getting shut down by the Department
5 of Buildings or by the Fire Department because of
6 occupancy violations or fire hazards. And,
7 because most tenants are on public assistance in
8 these houses, their rent is sometimes paid
9 directly to the landlord by the City.

10 The very existence of these
11 buildings is unfortunate and troubling. But, the
12 idea the Department of Homeless Services might be
13 sending homeless adults into these conditions and
14 that the City is subsidizing them is unacceptable.
15 To combat this problem, I've introduced a piece of
16 legislation Intro Number 963, a bill that would
17 prohibit Department of Homeless Services from
18 engaging in this practice.

19 Now, the use of these illegal
20 houses appears to be going up. In January 2008,
21 the Coalition for the Homeless released a report
22 called "Warehousing the Homeless," that documented
23 a list of 62 illegal boarding houses where DHS had
24 referred clients; ten of which were ordered
25 vacated later by City agencies. Now, the

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Coalition unfortunately has a list of over 200 houses, over 25 of which have been ordered vacated by City agencies. In addition, according to DHS' own data, the number of people leaving shelter to go to "independent living" has been rising each year since 2006. And, again, I want to note that within that category of independent living can be good outcomes, but also, because the category is so imprecise, can be bad outcomes like we're talking about today.

The current availability of foreclosed properties makes the market even more viable for proprietors to create these illegal boarding houses. So, this is a problem that started to be seen in the last few years and is only getting worse because of the economic moment we're in.

Now, I'm concerned that DHS has, in effect, an incentive to send people into these horrible houses because of the pressure to reach the goal that the Administration has set of reducing homelessness by two-thirds by the end of 2009. I have said repeatedly that goal was a noble and daring goal. It was the right thing to

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2 do. I think the right policies unfortunately were
3 not put in place to achieve the goal. But, we
4 know that every agency, every bureaucracy is
5 affected by a publicly stated goal. And, I'm sure
6 there is immense pressure on DHS to keep moving
7 people out of shelter. We can't allow that to
8 cause DHS to refer people to inappropriate
9 housing.

10 Now, just a few weeks ago, New York
11 One uncovered one of these houses where DHS had
12 referred clients. The next-door neighbor called
13 New York One because there were more than 20
14 people living in what was supposed to be a two-
15 family home. Upon inspection, the fire department
16 found bunk beds for 30 people and no sprinkler
17 system. The City ordered the location vacated.
18 Now, this example shows how dangerous these
19 locations are, not just for the tenants, but for
20 the neighbors and for the firefighters who could
21 have to fight a fire in that location. This is
22 why I'm introducing legislation to make it
23 illegal, again, for DHS to refer the homeless to
24 dwellings with certain occupancy violations so we
25 can keep people who are needy out of unsafe

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2 housing. And, while I appreciate that DHS has
3 issued guidance to providers to prevent this
4 practice, it's not sufficient because,
5 unfortunately, the phenomenon continues. My bill
6 would prohibit referrals to dwellings that have
7 unresolved violations specific to overcrowding and
8 the illegal use of a dwelling, such as illegal
9 conversions or illegal use of a dwelling as a
10 homeless shelter. That's one provision.

11 A second is it would prohibit
12 referral to dwellings that have two or more
13 violations, resolved or unresolved, within two
14 years prior to referral related to overcrowding
15 and illegal use of a dwelling. And, this is
16 particularly focused on the bad actors who
17 repeatedly have these violations and correct them
18 only hoping to continue their bad practices once
19 the government's not looking.

20 And, third, this would ban
21 referrals to any dwelling where the occupancy
22 would violate the certificate of occupancy by the
23 Buildings Department.

24 DHS needs to take responsibility by
25 not making referrals to substandard housing in the

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2 first instance. These places are not only
3 dangerous, but when they're vacated, the tenants
4 are left without a place to live. And, therefore,
5 many end up back in shelter. So, it becomes a
6 revolving door. We cannot allow DHS to look away
7 while hundreds of homeless New Yorkers end up in
8 deplorable and dangerous living conditions. And,
9 that is why we're having this hearing today.

10 Before we move on, I'd like to
11 welcome Council Member Julissa Ferreras. Thank
12 you for being here. And now, we'd like to hear
13 from the first panel, representing three City
14 agencies, DHS, Department of Buildings and the
15 Fire Department. And, we welcome your testimony.

16 GEORGE NASHAK: Thank you,
17 Mr. Chairman. And, good afternoon, Chairman de
18 Blasio and members of the Committee. My name is
19 George Nashak. And, I am Deputy Commissioner for
20 Adult Services at the New York City Department of
21 Homeless Services. I'm here today to testify
22 about how DHS, in partnership with its shelter
23 providers, assists single homeless adults to move
24 out of shelter into safe housing in the community.
25 Joining me at the table are Stephen Kramer, Senior

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2 Counsel, the Department Of Buildings; and Thomas
3 Jensen, Assistant Chief of the Bureau of Fire
4 Prevention, the FDNY. These gentlemen are here
5 today to answer any questions you may have about
6 their enforcement of laws and regulations related
7 to the safety of our City's housing.

8 It is the mission of the Adult
9 Services Division of DHS to provide short-term,
10 emergency shelter to single adults experiencing
11 homelessness and to assist them to obtain
12 permanent housing. To achieve permanency for our
13 clients, DHS partners with a group of highly
14 skilled non-profit organizations, many of whom
15 have been serving New Yorkers in need for decades.
16 These social service organizations provide case
17 management and other services to homeless men and
18 women residing in our shelter system.

19 By employing an individualized
20 assessment and developing an independent living
21 plan designed specifically for every client we
22 serve, DHS and our provider partners begin
23 assisting each client to return to permanent
24 housing in the community from the moment he or she
25 enters shelter. Some clients are able to return

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2 to permanent housing very quickly with relatively
3 little assistance. These clients have often
4 experienced a temporary setback. They need
5 shelter for only a brief period. And, they return
6 to housing with some modest support from the
7 caseworkers in the shelters. Other clients, and I
8 would point out especially those living with
9 significant mental health or medical disabilities,
10 need substantial assistance. For these clients,
11 caseworkers may arrange medical evaluations,
12 complete housing applications, and accompany the
13 clients on housing interviews.

14 While we're responsible for
15 providing safe shelter for as long as a client may
16 need this service, we develop with each client an
17 individualized independent living plan that takes
18 his or her needs into account. This is part of
19 the basic services a client receives in the New
20 York City shelter system. In turn, all clients
21 are expected to work with shelter staff to develop
22 and implement their independent living plans.
23 Given our commitment to ensure that no client
24 needs to call shelter home for a long period of
25 time, we believe this approach best assists

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2 clients to return to permanent housing in the
3 community as quickly as possible, taking their
4 specific needs into account.

5 I have no doubt that the members of
6 this Committee, DHS, and our shelter providers all
7 share a common goal; to see that all clients make
8 good housing choices and move into safe and
9 appropriate housing upon exiting shelter. Toward
10 this end, DHS and its providers educate clients
11 about the full range of housing options available
12 to them, and assist them in selecting the housing
13 option most appropriate to their individual needs.

14 For clients who are unable to live
15 independently without support services, we
16 instruct shelter staff to assist these clients to
17 move into supportive housing, residential
18 treatment facilities or other residential programs
19 that provide, or are linked to, appropriate
20 services. These housing options include programs
21 licensed by, or in contract with, government
22 entities such as the New York State Department of
23 Health, the New York State Office of Alcoholism
24 and Substance Abuse Services, the New York City
25 Department of Health and Mental Hygiene, New York

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2 City's Human Resources Administration, and the
3 Department of Homeless Services. New York/New
4 York Housing is simply one example of this kind of
5 housing, of supportive housing, for homeless men
6 and women who have mental or physical
7 disabilities.

8 Other clients do not need ongoing
9 supportive services following shelter. Their
10 barriers to independent living may be primarily
11 financial; for example, they may be living on a
12 fixed income or they may be newly entering the
13 work force and cannot afford the rent for an
14 apartment on their own. DHS assists clients in
15 these categories by providing rent subsidies such
16 as Work Advantage for clients who are able to work
17 full or part-time or Fixed Income Advantage for
18 clients who are unable to work due to a disability
19 but have a fixed income from a government
20 entitlement.

21 Most clients leaving shelter, like
22 the majority of New Yorkers, go on to live in
23 housing that is not subsidized. Many clients find
24 apartments on their own and use their own
25 financial resources to pay the rent, while others

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2 return to live with family members. Their
3 circumstances mirror those of other New Yorkers
4 seeking private housing: neither DHS nor any other
5 government agency inspects the apartment as a
6 matter of course before a client moves in.
7 However, DHS has put in place a number of measures
8 to help ensure that clients make safe and
9 appropriate housing choices.

10 In the case of clients leaving the
11 shelter system to independent living, that is,
12 other than supportive or subsidized housing, DHS
13 requires and expects its providers to advise and
14 educate clients on good housing choices. The
15 Agency has issued guidelines to shelter providers
16 which prohibit the referral of clients to housing
17 that falls into any of the following categories;
18 an address for an adult care facility that appears
19 on the State Department of Health Referral
20 Suspension List or Uncertified Facilities List. I
21 would just point out that the State Department of
22 Health is responsible for licensing and regulating
23 adult care facilities. We also prohibit referrals
24 to an address in a building against which DOB or
25 HPD has issued a vacate order and addresses in a

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2 building against which HPD has initiated
3 litigation against the landlord or the owner for
4 failing to maintain the building in good repair.

5 Following these guidelines, shelter
6 staff are required to check lists and public
7 databases made available by these agencies to
8 ensure that a building does not fall into any of
9 the categories before making a referral to that
10 site. Along these lines, DHS requires shelter
11 staff to advise clients against moving into such
12 properties should it be determined that they fall
13 into any one of these categories. DHS reinforces
14 the seriousness of its intentions with our
15 providers by imposing financial penalties against
16 providers who violate these guidelines.

17 In an effort to ensure that
18 providers meet the standards of the guidelines
19 issued by DHS, we have in place a quality
20 assurance review process. Monthly, providers
21 submit the clients who are exiting shelter to DHS
22 on a client by client basis. Of this total each
23 month, DHS conducts a random sample of 10% of
24 these exits, and does a second check against our
25 guidelines to determine whether providers have met

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the standards set forth in the guidelines.

DHS wants to ensure that clients who leave shelter for independent living are making informed choices about housing. And, to that end, we require that shelter staff give clients the opportunity to view any housing prior to occupancy. DHS also takes seriously its responsibility to educate its clients about their rights as tenants and about the responsibilities of their landlords. To that end, DHS requires all shelter providers to provide each client leaving shelter with a Tenant's Rights Guide that DHS has developed. I have copies with me today if any the members of the Committee are interested in reviewing it. We'd be happy to hand them out.

The guide educates clients leaving shelter regarding their rights and responsibilities as tenants and about their landlord's rights and responsibilities. And, just as important, the guide also instructs clients about the mechanisms for addressing complaints about safety or maintenance that they may not be able to resolve with their landlords. Among other things, the guide contains the contact information

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2 for the agencies responsible for overseeing and
3 enforcing the rules, including the Department of
4 Buildings, Housing, Preservation and Development
5 and FDNY.

6 Finally, if clients ultimately
7 determine that their housing poses a threat to
8 their safety, they may re-enter shelter. As the
9 members of the Committee are aware, DHS takes very
10 seriously its mandate to provide shelter to all
11 single homeless adults who seek it.

12 As I mentioned earlier, other City
13 agencies have responsibility for enforcing laws
14 and regulations related to the safety of the
15 City's housing. FDNY inspects buildings and
16 enforces compliance with Fire Code regulations,
17 while the Department of Buildings enforces the
18 City's Building Code and the Zoning Resolution.
19 HPD is responsible for enforcing the New York City
20 Housing Maintenance Code and New York State
21 Multiple Dwelling Laws. These agencies are
22 authorized to issue violations and summonses to
23 owners who have failed to meet their
24 responsibilities. Through their efforts and
25 coordination, they provide effective mechanisms

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2 for review and enforcement to ensure the safety of
3 the City's housing stock. Tenants or advocates
4 are encouraged to call 311, the central hotline
5 for City services, to file a complaint if they
6 believe the building or apartment is occupied in
7 violation of applicable laws or regulations, or
8 poses a threat to the health or safety of its
9 tenants.

10 These review and enforcement
11 processes are in addition to those that the New
12 York State Department of Health utilizes to
13 enforce state laws and regulations governing the
14 licensing of certain facilities for single adults.

15 We, at DHS, urge you to work with
16 us to inform your constituents of these various
17 avenues to address any life and safety concerns
18 they may have.

19 I'd like to thank you for the
20 opportunity to explain our efforts to assist
21 single adults to move out of shelter into
22 permanent housing and the efforts of our City's
23 enforcement agencies in ensuring that building
24 owners adhere to the laws and regulations
25 governing housing safety.

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2 CHAIRPERSON de BLASIO: Thank you
3 very much. And, as I understand, again, the other
4 two agencies will respond to questions. I'll have
5 some and I'm sure my colleagues will in a few
6 moments, as well. Commissioner Nashak, let me
7 start with you. So, do you think we have a
8 problem here with folks leaving shelter and ending
9 up in substandard housing?

10 GEORGE NASHAK: I don't think
11 anyone should live in housing that is so crowded
12 or unsafe that it puts their health or welfare in
13 jeopardy. I think that there clearly are examples
14 of landlords in the City who have overfilled a
15 building or have been operating the building in an
16 unsafe manner. And, I think that we have taken
17 appropriate action to address those situations.
18 We have enforcement mechanisms in place in New
19 York City. We can debate whether or not, you
20 know, there are in individual cases. But, in
21 general, I think we've got a strong enforcement
22 mechanism in New York City. And, I do agree with
23 you that in cases where housing is putting someone
24 at risk, the appropriate enforcement should be
25 taken.

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2 CHAIRPERSON de BLASIO: So, I'm
3 glad we agree on that. And, let me go into, just
4 frame this for a moment. You know, having been
5 Chairman now almost seven and a half years, I
6 don't fail to recognize how difficult DHS' work
7 is. And, this whole discussion proceeds with an
8 understanding that you have a great challenge
9 every day to try and help people in need. What
10 I'm trying to get people to talk about is the fact
11 that the economy's making it harder on all of us.
12 The numbers of folks here having to serve in
13 shelter make abundantly clear the trend has been
14 in the wrong direction. And, you're under
15 pressure, as any agency would be, to try and deal
16 with each person who comes in to your purview to
17 try and get them to some kind of solution.

18 So, I want to be clear from the
19 outset. I'm raising this issue not because I
20 think folks at DHS aren't trying to do some good;
21 but, because I think you're dealing with a
22 particular difficult challenge and I fear some
23 corners are being cut and some things are being
24 ignored. And, we're not doing everything we could
25 do to avoid this pattern of your clients ending up

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2 in inappropriate locations.

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4 So, when I hear your response and
5 the previous responses I've heard from DHS, it's
6 almost as if what you're saying is well, we've
7 taken some steps and after that, it's out of our
8 hands. And, I'm trying to say this is a serious
9 problem where people's lives could be in danger
10 and folks, as we said, in surrounding homes could
11 be in danger. People come to help, like
12 firefighters, could be in danger. So, I don't
13 think it's enough that DHS has good intentions
14 here. I think we're not solving the problem and
15 that's why we're having this hearing to figure out
16 how to solve the problem.

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17 I proposed legislation as one of
18 those steps. But, and, I want to ask you about
19 that in a moment. But, do you really believe
20 you're not referring people to some of these
21 houses? Do you really believe everyone that is
22 part of DHS' structure is not falling into the
23 habit of sending folks to some of these
24 inappropriate locations?

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GEORGE NASHAK: Well, Mr. Chair,
I'm not sure what you mean by these houses or

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2 inappropriate locations. We have a goal, with
3 every client who walks through our door, to make
4 an assessment to what that individual's needs are
5 and to assist them to find an appropriate
6 permanent housing location back in the community.
7 There are people who come through our doors who
8 have significant mental health or substance abuse
9 or medical problems. And, in those cases, our
10 goal is to assist those people to find their way
11 to housing, like supportive housing, where there
12 will be onsite support services. There are other
13 folks who need some financial support.

14 There are people who come into us
15 living on a fixed income, perhaps SSI or SSD or
16 people who are newly returning to the workforce.
17 And, we've constructed rental assistance programs
18 to help them move back into the community. And
19 then, there are other people who can have some
20 resources on their own and can move back to the
21 community with, you know, relatively modest
22 assistance by us. And, our goal in those cases is
23 to ensure that people make good choices.

24 We have established a bright line
25 standard for our shelter providers in advising

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2 clients about making those choices. We can debate
3 whether that bright line standard is in the right
4 place. But, where we have chosen to make that
5 bright line standard is to refer to commonly
6 available, easily available public information
7 from our sister agencies that says this building
8 is unsafe. That building is unsafe. And, we've
9 said to folks do not refer people to those
10 buildings that have been determined to be unsafe.

11 And so, I think we've taken
12 significant steps. We have a quality assurance
13 program to make certain that our providers are
14 complying with this. We have financial penalties
15 in place if they don't comply with this. So, our
16 goal in every case is to make certain that someone
17 moves back into the community, into a safe and
18 appropriate housing. And, we take advantage of
19 the information that's available to help advise
20 clients to make the best choice possible.

21 CHAIRPERSON de BLASIO: Okay. I
22 want to just parse this for a moment. You spent
23 time in your testimony, and that response, as
24 well, talking about all the situations that really
25 don't-- aren't pertinent to this. Obviously, we

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2 understand that folks need to go to supportive
3 housing. That's an entirely different situation.
4 So, we're talking about folks who go into the City
5 at large and the process by which they end up in
6 this type of substandard housing. So, you can
7 immediately put aside the folks who need to be
8 referred to something much more specific or a
9 particular type of service. And, you also have
10 been talking in terms of your goal and your good
11 intentions, your broader structures. I'm talking
12 about results. And, I'm sorry to say for all of
13 us in public service, we're judged by results, not
14 by our intentions.

15 So, I'm saying I believe, from
16 everything I'm seeing, that a lot of folks are
17 coming out of shelter and into these three-
18 quarters houses. And, that is bad for all of us
19 and bad for those individuals. I'm sure some
20 might be getting there despite a referral
21 elsewhere or making their own choices or ignoring
22 good advice. I'm sure that's possible. But, I
23 fully believe that some are getting there because
24 in your system, in your structure, there are still
25 these referrals going on because despite your good

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2 intentions, I'm not sure you've ended this
3 practice. I'm not sure you're taking advantage of
4 all the information available.

5 I'll give you an example. It's
6 quite a public example. So, you know New York One
7 did this story I referred earlier. The story was
8 on April 14th of this year. The location, 1088
9 Hancock Street in Brooklyn, opened up in last
10 year. They called it euphemistically Miracle
11 House, but obviously, it was anything but. And,
12 the Fire Department ultimately had to come in and
13 shut it down. Now, this location was on a list, a
14 DHS list, a document that DHS provided called DHS
15 Adult Services Placements 2005 to 2008. So,
16 obviously, this occurred in 2008 when this opened.
17 So, you know, this is one very easy example.

18 But, I think there's others as well
19 that people are still being referred to these
20 locations and we're not doing enough to stop it.
21 I believe you have some type of quality control.
22 But, I don't think the quality control is stopping
23 the practice. So, I've introduced legislation to
24 tighten this up. What is your initial thought
25 about the legislation that we've put forward?

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GEORGE NASHAK: As I said, Mr. Chair, you know, we've made a determination of where our bright line standard is. And, we go by the guidance of our sister agencies and instruct our providers to advise clients not to move into buildings in which a vacate order has been issued against the building. We think that's unsafe. We advise our providers not to recommend clients move into buildings against which HPD has initiated litigation. We think that's unsafe.

You know, there is no registry of these so-called three-quarter houses. There's no list of them. There's no way to look them up anywhere. And so, for me to say well, I promise that I will never refer anybody to these things anymore, it's not real because there is no list of these things.

1088 Hancock, and by the way, let me add that, you know, while DHS referrals and people exiting the DHS shelter system is the subject of this hearing, you know, many people are making their way into these living situations throughout New York City, not simply people who are coming out of the homeless shelter system.

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2 And, 1088 Hancock is an interesting example of
3 that. I mean, this is a building I believe that
4 was vacated for a variety of overcrowding and
5 other problems. We have records, when we got word
6 from the FDNY that that building had been vacated,
7 we went, of course, and looked to see if anyone
8 had exited the shelter system to that building.
9 And, it turned out that three clients had. I
10 don't know how many people were living there at
11 the point at which the vacate order was issued.
12 But, there were three clients who were former
13 shelter clients living at that address. So, this
14 is, you know, not a particularly good example of
15 where DHS is feeding this problem. In fact, it's
16 a good example of the opposite.

17 CHAIRPERSON de BLASIO: Well, I
18 couldn't disagree with you more. This is not
19 about whether we have created singlehandedly this
20 entire problem. The government is supposed to be
21 combating the problem, not building it, not aiding
22 it. The fact is that your sister agencies are
23 spending a lot of time trying to get ahead of this
24 unfortunate phenomenon and trying to protect
25 people. And, that's the left hand.

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2 And, meanwhile, the right hand is
3 sending people out of shelter into these houses.
4 I don't care if it's three or 300. It's the wrong
5 thing to do. So, the fact is, this is only one
6 location. You're saying we sent three people
7 there. But, there's locations all over the City
8 and it appears to be a growing phenomenon, largely
9 related to the economy. I have to say honestly I
10 get the feeling that what you're saying to us is
11 well, we wish this problem didn't exist and we've,
12 you know, written down some of the right words to
13 stop it. But, it still happens. And, it's not
14 our problem. It is your problem. You are part of
15 that problem. I don't think you want to be. I
16 don't think you have bad intentions. I think,
17 unfortunately, and I would say with our friends at
18 the Fire Department, you know, they don't get to
19 grade their performance in terms of theoreticals.
20 They are trying to save lives and save property.
21 They either do or they don't. It's quite obvious.
22 And, they obviously have a very, very high
23 standard for what they do and they risk their
24 lives in the process.

25 So, I'm saying to you, your

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2 standard has to be stopping people from ending up
3 in substandard housing. It should be exactly
4 consistent with the work you do in terms of trying
5 to help people off the streets or off of
6 unacceptable situations into a hopefully safe and
7 secure shelter until they can get on their feet.
8 I don't hear you saying yeah, we have a problem.
9 And, we have not gotten ahead of it enough. And,
10 we're looking for new ways to combat it. I hear
11 you almost trying to sweep it under the rug, with
12 all due respect.

13 GEORGE NASHAK: Well, Mr. Chair, I
14 disagree with that characterization. First of
15 all, let me challenge the premise of the question,
16 which is that we are sending people to these
17 places. I don't believe that that is the case.

18 We have the obligation to make
19 known to clients the availability of various
20 housing resources, whether it's the Advantage
21 program or any other kind of rental assistance,
22 the full gamut of what we offer. We do not send
23 people. We do not require people to go to any
24 particular house. And, we don't have the power to
25 do so. And so, you know, there are clients who

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2 make choices. And, they choose that this option
3 is better than other options that are available to
4 them. And, we try to give them as much
5 information as possible to help make the best
6 choice possible. But, we are not sending anybody
7 anywhere. And, you know, we did mention before
8 that the supportive and the subsidized housing
9 that we offer, I mean we do have, with people who
10 have some challenges making choices, we do provide
11 more handholding, so to speak. We provide more
12 assistance through the process for them. But, for
13 most people in the shelter system, that's not
14 necessary. They have our goal-- these are
15 individual adult people who are making choices
16 based on the resources they have and the resources
17 that are available in the community to move to.

18 And, you know, I do think we have
19 taken significant steps. I also don't agree with
20 your premise that we haven't taken significant
21 steps. I think the fact that we have introduced
22 these guidelines to our providers and that we
23 enforce them rigorously is evidence of our good
24 intentions in this regard.

25 CHAIRPERSON de BLASIO: You're not

1
2 telling me the problem doesn't exist. And so, if
3 with any other, as with any other issue, if we
4 have a problem and we have evidence that it's
5 growing, what I'd like to hear any agency say is
6 we taken responsibility for our part of this
7 problem and we want to do more. We want to do
8 better. We recognize we have a problem. Clearly,
9 people are coming out of the shelter into this
10 substandard housing. We have evidence of some of
11 them having been referred by DHS. Despite your I
12 think good intentions to stop it, it's still
13 happening. And, we don't have a handle on how
14 much it's happening and that's part of the
15 problem. We can't even clarify how many people
16 are somewhere in your network being referred into
17 these locations.

18 So, I don't hear you saying that
19 you're rigorously tracking down where this still
20 may be happening to stop it. I hear you trying,
21 again, to somehow explain away responsibility.
22 Before I turn to my colleagues, and I have other
23 questions I'll come back to, but I want to just go
24 back to the question I asked you before. I've
25 introduced legislation because I think we need to

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2 do better. I think we need to have a clearer
3 standard here. I don't think your agency and the
4 providers are taking full advantage of publicly
5 available sources of information to stop this
6 phenomenon. What is your response to the
7 legislation that I have introduced?

8 GEORGE NASHAK: I think that DHS
9 has, in fact, taken rigorous steps to educate
10 people about the housing choices that are
11 available to them. We are not an enforcement
12 agency. We do not issue building codes. We don't
13 enforce building codes. There are, it would
14 appear, and I think we can all agree, unscrupulous
15 landlords who have engaged in practices that make
16 us all uncomfortable. I guess that my bottom line
17 analysis is that DHS is not, I mean, not the
18 appropriate point of leverage to change that
19 problem. I would suggest that the source of the
20 problem is the unscrupulous landlord who is
21 overfilling their building and maximizing their
22 revenue and not providing for basic safety
23 considerations for the people who live in their
24 building. And, my opinion would be that that
25 should be the target of our enforcement and not

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2 DHS, which we're just kind of-- we're not in a
3 position to do the sort of enforcement that you're
4 proposing.

5 CHAIRPERSON de BLASIO: Well, I'm
6 not actually asking you to do that type of
7 enforcement. If you look at the legislation, I'm
8 asking you to take publicly available sources and
9 information and ensure across the board and with
10 the rigor that a law requires that none of the
11 folks that are under your purview make these
12 referrals.

13 I have to tell you, it's
14 interesting to say the problem comes from these
15 unscrupulous people. It's not our responsibility
16 directly. To me, we're in a moment of history
17 where, if you look at our economy, for example, we
18 all realize that had the government been more
19 aggressive in dealing with a bunch of unscrupulous
20 people in the financial sector, we might not be in
21 the situation we're in right now. So, you have a
22 piece of this puzzle. And, to my point of view,
23 it's your responsibility, it's your sister
24 agencies' responsibility, everyone needs to step
25 up enforcement. I'm using the economic example

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2 'cause it's so sharp. But, I think it paints the
3 same picture.

4 In government, it's our
5 responsibility to get down to the bottom of the
6 problem and to stretch as far as we have to to
7 protect people. And, sometimes that means doing
8 things we didn't have to do before, especially as
9 circumstances are changing, as they are in this
10 economic moment. When government looks the other
11 way, oftentimes very bad things happen. So, I'm
12 saying to you, I'm not saying you created the
13 problem. I'm not saying you're the only person
14 that has to address it. I am saying you have one
15 piece of this equation, where if you more
16 effectively stop the flow of people out of shelter
17 into these houses, even by simply accessing
18 information more effectively and providing
19 referrals more effectively, it would help us to
20 get ahead of this problem.

21 So, you're not giving me a really
22 clear answer on my legislation. We will continue
23 that discussion going forward. And, I have other
24 questions I'll come back to for you and your
25 sister agencies. But, let me turn to my

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2 colleagues. First, Council Member Gale Brewer.

3 COUNCIL MEMBER BREWER: Thank you.

4 Maybe you know this. Maybe the Chair knows this.

5 But, how many people and how many buildings are we

6 talking about, approximately, like currently,

7 tonight, My 6th?

8 GEORGE NASHAK: Because these

9 things are not an entity out there that one can go

10 and count, no one has any idea, Councilwoman.

11 COUNCIL MEMBER BREWER: So, you

12 really don't know.

13 GEORGE NASHAK: Correct.

14 COUNCIL MEMBER BREWER: All right.

15 Secondly, when you pay for them, is it the usual--

16 the Chairman mentioned that it's a different type

17 of payment. In other words, it could be public

18 assistance. Obviously, in other cases, I know

19 when you've been in buildings in our district, it

20 could be a block of rooms, I assume paid for by

21 the agency. So, how are these paid for if they're

22 any differently than you might pay for at the

23 Apple or the Mount Royal or the Yale or something

24 else?

25 GEORGE NASHAK: Thank you for that

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2 question, Councilwoman, because that does
3 introduce an opportunity to clarify something
4 extremely important. DHS has no financial
5 relationship with any of these operators. No
6 financial relationship.

7 COUNCIL MEMBER BREWER: How do they
8 get paid?

9 GEORGE NASHAK: Clients who go and
10 choose to live there use their own resources,
11 whether it's from employment income or from public
12 assistance. But, DHS has no ongoing financial
13 relationship with these operators. And,
14 therefore, one type of enforcement or one type of
15 oversight that we might be able to introduce,
16 which would be removing our funding if we were
17 dissatisfied with the way that things were going
18 is not available to us because we don't have a
19 financial relationship. This is not shelter. We
20 have contracts with shelter providers. And, if a
21 shelter provider does not perform in a way that
22 we're comfortable with--

23 COUNCIL MEMBER BREWER:

24 [Interposing] Then, we call you.

25 GEORGE NASHAK: You call us. And

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then, we take some enforcement action up to and including the possibility of removing a contract.

COUNCIL MEMBER BREWER: Okay. But, the City of New York in some way, shape or form, in a partial payment in terms of public assistance, is paying it. And, we're all part of the same City. So, somebody is paying the rent, not the individual, but some government entity to the best of your knowledge.

GEORGE NASHAK: This is not my area of expertise. But, my understanding, which--

COUNCIL MEMBER BREWER:
[Interposing] Yeah, but, you guys meet with Deputy--

GEORGE NASHAK: -- is that--

COUNCIL MEMBER BREWER: -- Mayor Gibbs in--

GEORGE NASHAK: -- is that a client may choose to use their rent portion of their PA grant to pay the rent in a facility of this type.

COUNCIL MEMBER BREWER: Okay. Do you know when your clients-- when your clients leave-- you know the clients who are in your shelters. And then, do you know when they leave

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your shelters, do you have some kind of tracking system for that?

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GEORGE NASHAK: Yes. Every time

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someone exits the shelter system to a known

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address, the provider reports to us that exit and

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we log it in a database. And, as I said earlier,

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we review at least 10% of those on a monthly basis

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to make certain that those exits are in compliance

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with our policies.

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COUNCIL MEMBER BREWER: So, you

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could give us a list. Is it allowed to give us a

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list of the locations where you know people have

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gone? And then, believe me, in my district, I

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know every building; de Blasio knows every one.

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We all know every building. We can tell you

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whether or not it's up to Code. In other words,

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we know there are people in the neighborhood who

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know these buildings that are up to Code. I don't

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think I have them in my district. But, I could

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promise you any elected official, any Community

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Board will know if a building is overcrowded, has

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bed bugs, my favorite topic, and also has

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violations.

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GEORGE NASHAK: Well, you know,

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2 what I would recommend, Councilwoman, is that
3 anyone who has concerns about any building in
4 their district or any other district, would be
5 best advised to contact 311 and have a competent
6 professional inspector go out to make certain that
7 that building is safe and appropriate.

8 COUNCIL MEMBER BREWER: Okay. I
9 don't want to get-- I have 311, well, I won't get
10 into 311 right now. My other question, then, is
11 do you know if any of your shelter providers,
12 'cause this is what-- I have an e-mail here full
13 of questions, by the way, from lots of people. Do
14 you know if any of your providers recommend any of
15 these places that have been consistently full of
16 bed bugs and other violations? In other words, do
17 you sit down with your providers and get a list of
18 where they are recommending that people go, 'cause
19 people don't just go somewhere. It's too hard to
20 find housing.

21 People sometimes get driven certain
22 places in a van. Sometimes they're told if they
23 don't go to a certain locations, they will have
24 other bad things happen to them. There's a lot
25 going on out there. I'm very nosy so that's how I

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find out these things. And, DHS needs to be

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nosier, if that's the term, to find out some of

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these recommendations. Go ahead.

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GEORGE NASHAK: We have guidelines,

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as I've testified to, regarding what providers

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need to do to ensure that a building has not been

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identified as unsafe by one of our sister

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agencies. And, we promulgated a couple versions

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of those guidelines. The last one, which is

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currently still in place, was I think December of

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2007. And, it articulates very clearly what

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providers need to do to make certain that a client

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is not inadvertently going to an unsafe housing

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setting.

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COUNCIL MEMBER BREWER: All right.

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So, if you get a list from your providers, meaning

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the shelters, the well-run shelters, of places

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that are problems, what would you do with that

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list? In other words, people are-- I'm telling

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you right here, but I can't share it with you

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'cause people get nervous about talking to you.

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So, I'm asking all the questions that they might

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ask. Okay. So, one of the-- without mentioning

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any names--

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2 So, there are providers, whom you
3 pay, who run shelters, who are referring people to
4 places that three-quarter houses, whatever these
5 things are called. That's going on right now.
6 So, how would you go about stopping it knowing
7 that a lot of them have violations that we know
8 are-- well, in other words, say, for instance, you
9 didn't know about this problem, but now you do.
10 What would you do to try to stop it without
11 waiting for 311; taking your own assessment;
12 without waiting for a complaint base, but doing it
13 on your own? How could you go about stopping it
14 'cause it's happening right now?

15 GEORGE NASHAK: Again,
16 Councilwoman, what we try to do is articulate to
17 our providers a bright line of what we consider to
18 be an inappropriate referral. Because a building
19 has a violation or because a building has some--

20 COUNCIL MEMBER BREWER:

21 [Interposing] Bed bugs.

22 GEORGE NASHAK: -- bed bugs, that
23 does not necessarily mean that that is an illegal
24 dwelling. I mean, it's just it's not the case.
25 And so, what we have tried to do is find a bright

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2 line standard that a caseworker in a shelter can
3 easily use, which is going to these websites,
4 seeing if a building is in litigation with HPD,
5 seeing if the building has a vacate order listed
6 on the website of DOB or HPD. These are clear
7 standards that someone can look at and say yes,
8 this building is over the line or not over the
9 line. And, that's how we've tried to instruct our
10 providers in helping people choose appropriate
11 permanent housing.

12 COUNCIL MEMBER BREWER: So, I'll
13 stop in a minute, de Blasio. But, if people don't
14 know, in other words, your shelters have the push
15 to try to get people out of the shelters into
16 permanent housing or into something besides the
17 shelter, certain time periods. So, I assume
18 they're trying to find people more appropriate
19 housing than the shelter. So, they are, in some
20 sense, being pushed to be able to find something
21 other than the shelter. Do you have enough places
22 for people to go that are not below your
23 standards? In other words, how many people-- I
24 don't know that that exists. In other words, if
25 we eliminate so many buildings that are

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substandard, do you have enough places to go

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without these three-quarters places?

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GEORGE NASHAK: There's no

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question--

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COUNCIL MEMBER BREWER:

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[Interposing] There's some reason why people are

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being sent there. It's obviously, partly it's the

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rent, which is lower; partly the fact that there

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are unscrupulous landlords who probably search out

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such clients and such nonprofits to work with

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them. And, we know those kinds of individuals.

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But, somehow I think you'll find from the

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testimony which will come after you guys leave the

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podium, that this is a big problem. And, I'm just

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saying instead of waiting for us to complain by

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calling 311-- by the way, the Fire Department is

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great. They go down. I want to thank you 'cause

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you guys do great jobs. I want to just thank you

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'cause lots of times, with all due respect, we

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can't get DHS or DOB, and, I like DOB sometimes,

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the Fire Department goes in. And, they take care

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of this. They will not put up with illegal exits,

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stuff in the cellar that's a fire hazard. They

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just say everybody out. So, my question is what

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are you going to do once you leave here to double
check on some of these referrals from your
shelters? Proactively.

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GEORGE NASHAK: We have in place a
series of guidelines. And, we can have a
discussion as to whether those guidelines are
appropriate and whether we need to move that
bright line standard. But, we do have a bright
line standard at the moment that we have had in
place for well over a year that instructs our
providers to advise clients about what is and what
is unsafe in the housing market out there.

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You know, we all are very familiar
with the fact that affordable housing is hard to
come by in New York City. But, we, DHS, have put
into place a series of tools to help people in our
system return to the community with some kind of
subsidy. We've got the Work Advantage subsidy,
which allows people who are employed to return
with significant rental assistance for one, and
possibly two, years to the community with
significant financial assistance from DHS.

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For those on fixed incomes, they
can take advantage of our Fixed Income Advantage

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2 program, which allows them to have their rent paid
3 for a period of time as they move back into the
4 community. So, we do have, and, of course, we've
5 talked about supportive housing. So, DHS does, I
6 think, makes a huge effort to create as many
7 programs as possible to help people return to the
8 community with some type of assistance.

9 COUNCIL MEMBER BREWER: Okay. I'm
10 going to stop. This is what I think you need.
11 You got the DA's office. You got the State of New
12 York. You have the State Hospital System. And,
13 you have all of your providers. You need to put
14 everybody in a room, because that's who's on this
15 list as to who's making referrals to some of these
16 three-quarters houses. There's a lot of people
17 involved. And, you need to put everybody in one
18 room. I'm sure de Blasio would love to come.
19 And, I'm sure others would love to come. And, sit
20 down and figure out how you stop referring people
21 to these places. I'm not saying you know about it
22 or you don't know about it or you do or you do not
23 have standards. I'm just telling you that instead
24 of being reactive, you need to be proactive and
25 say, we're going to stop it. And, we're going to

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have everybody in the room to figure out what's really going on. That's what I suggest.

GEORGE NASHAK: Thank you, Councilwoman.

COUNCIL MEMBER BREWER: Thank you.

GEORGE NASHAK: We will take that back and consider that.

CHAIRPERSON de BLASIO: Well, I want to commend Gale 'cause I think that's exactly the right approach here. I think we should not be in a situation where you're, you know, giving us this very finely tuned argument about why it's only partially your problem or what's happening. You can't see. But, we actually want to solve the problem. I think Gale hit the nail on the head there. There's a reason these other agencies are here. We don't see evidence at this point of us really trying to grapple with this problem from its origin.

By the way, before I turn to my colleagues, I just want to say, you made a point before there's no list of illegal boarding houses in the City that you can easily access. Don't you think it would be important at a hearing like this

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2 for you to come in and say we're committed to
3 creating that list so every agency can actually
4 know where the illegal boarding houses are and
5 keep people away from them?

6 Again, I feel like the whole tone
7 here today is one of trying to figure out the most
8 minimal role the agency can play in solving the
9 problem, as opposed to saying we want to be active
10 in solving this problem. Let's all put our heads
11 together, as Gale's suggesting, come up with a
12 single list and then, make sure that no New
13 Yorker, that we can stop from going to one of
14 those houses, goes to one of them and ends up in
15 substandard housing.

16 Let me first welcome Council Member
17 Jessica Lappin. And, let me turn for a question
18 to Council Member Julissa Ferreras.

19 COUNCIL MEMBER FERRERAS: Good
20 afternoon.

21 GEORGE NASHAK: Good afternoon.

22 COUNCIL MEMBER FERRERAS: Actually
23 my question kind of ties in with what the Chairman
24 just mentioned. It seems that if you have a
25 system of tracking when people go from the

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shelters to some type of housing, that you track their addresses. Is there any system of flagging? For example, if you have 20 people that all of a sudden are kind of going to the same place and you may-- do you track that? And, is there any inspection that's done to those places on DHS' behalf?

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GEORGE NASHAK: DHS does inspections in certain situations. In situations where we are providing a rent subsidy to the client, be it a Work Advantage or Fixed Income Advantage program, DHS does, in fact, conduct an initial inspection because we have an ongoing financial relationship with that landlord and that client. We are paying the rent for a period of time. There are people who leave the single adult shelter system to other kinds of housing subsidies, like Section 8. And, in those cases, either DHS or, for example, NYCHA, would conduct an inspection.

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When people are leaving the homeless shelter system into housing other than something that we are subsidizing, there is no inspection, just like there isn't an inspection

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2 when you or I go and rent an apartment. What we
3 see is our best tool to help people is education.
4 We try to provide our clients with the best
5 information possible of what's out there. We try
6 to educate them as good tenants. And, we think
7 that that's a step that's going to help people
8 sustain themselves in the community and help
9 prevent them from coming back into shelter again.

10 COUNCIL MEMBER FERRERAS: When you
11 have this tracking system, do you track how much
12 rent is being paid?

13 GEORGE NASHAK: No, we do not.

14 COUNCIL MEMBER FERRERAS: Would
15 that maybe be a way to be able to identify these
16 troubled areas if people are paying way below the
17 normal market they're paying for rooms?

18 GEORGE NASHAK: I'm not sure how we
19 would know what rent people are paying. That's a
20 private relationship between that client and the
21 landlord. So, we have no way to enforce them
22 reporting that to us.

23 COUNCIL MEMBER FERRERAS: Okay. My
24 other question is we have an understanding that
25 some proprietors of illegal boarding houses go to

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2 shelters to market their houses as a place where
3 clients can be referred. What investigation of
4 the proprietors, if any, does DHS do when this
5 happens?

6 GEORGE NASHAK: We've chosen, at
7 this point, to conduct our analysis of the safety
8 and appropriateness of housing at the point at
9 which a client presents a housing resource as a
10 place that they want to move. We have not
11 instituted an investigation of people who walk
12 through the shelter to make a presentation. That
13 is something-- it's an interesting suggestion. I
14 will take that back and discuss it with staff to
15 see if that's feasible. But, at this point, our
16 investigation is at the point to which the client
17 says I want to move to 123 Main Street.

18 COUNCIL MEMBER FERRERAS: How does
19 someone go about making a presentation just as you
20 just mentioned?

21 GEORGE NASHAK: I presume that they
22 would-- I haven't arranged any of these myself
23 personally, but I would presume that they would
24 contact the shelter director and say would you
25 mind if I put a poster on the bulletin board or if

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2 I came in and made a presentation to clients and
3 let them know what I have available. And then,
4 they schedule a meeting and then, clients can
5 attend that meeting and see whether this is a
6 housing option that makes sense for them.

7 COUNCIL MEMBER FERRERAS: So,
8 there's no prerequisite to anyone that wants to
9 come in and make a presentation?

10 GEORGE NASHAK: Nothing other than
11 the judgment of the shelter director that this is
12 a person, you know, who's got a resource that a
13 client may be interested in.

14 COUNCIL MEMBER FERRERAS: The
15 judgment of the shelter director?

16 GEORGE NASHAK: Um, hm. We don't
17 vet those presentations at Central DHS in any way.

18 COUNCIL MEMBER FERRERAS: Okay.
19 Thank you.

20 GEORGE NASHAK: You're welcome.
21 Thank you.

22 CHAIRPERSON de BLASIO: I want to
23 commend my colleague, who has been in this
24 legislature for only weeks, for immediately
25 getting to the heart of the matter. That's

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2 troubling what I just heard because, again, we
3 can't be halfway about this. If we are allowing
4 people to present an option to the residents of a
5 shelter, we're, in effect, validating that option.
6 You may, again, may not be your intention. Your
7 intention may be wonderful. But, if you let
8 someone in the door to make a presentation, you're
9 suggesting it's a valid option. And, I can't
10 believe we don't prescreen to decide whether
11 that's a safe choice or not.

12 Here's an example. Miracle House,
13 which we talked about before, which New York One
14 did a very powerful story on, talking about the
15 fact that it was wildly overcrowded at 1088
16 Hancock Street in Brooklyn. And, the Fire
17 Department had to shut it down. This is the kind
18 of flyer they would give out outside shelters
19 trying to entice DHS clients to go to their
20 facility.

21 So, you know, you have to really
22 take a hands-off approach to miss the fact that
23 there's a market being promulgated. There's
24 people actually out there trying to get clients to
25 go somewhere. And, you know exactly where they're

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2 trying to get them to go. And, it's pretty
3 straightforward to know whether these are safe
4 locations or not. Even if you don't have a
5 unified list, you do have a lot of other forms of
6 information. This is exactly why I think we need
7 legislation because these dots are not being
8 connected. But, I would say Council Member
9 Ferreras' suggestion should be acted on
10 immediately that if there's any evidence that one
11 of these houses is coming into a shelter and
12 recruiting for an unsafe location, we have to stop
13 that practice immediately. And, I'd like you to
14 report back to the Committee on that situation.

15 Let me turn to the Fire Department.
16 And, thank you for having taken the action you did
17 at Hancock Street. Now, I'm going to just ask
18 some broad questions to get to the bigger point.
19 Do you agree that these illegal boarding houses
20 often create hazardous conditions? And, could you
21 describe some of what the FDNY's experience has
22 been with these kinds of locations?

23 THOMAS JENSON: Well, many of these
24 buildings are combustible buildings. They're not
25 fireproof. Many of them were built for, as you

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2 said before, one family, maybe two. And,
3 presently, when they converted to these boarding
4 houses, the occupancy is well above what it was
5 ever designed to be. And, many of the present
6 occupants may not be as fire safe as one family
7 would be. And, particularly, sometimes the second
8 floor, there's no secondary means of egress. So,
9 there's potential for serious problems if there's
10 a fire in these buildings.

11 CHAIRPERSON de BLASIO: And, do you
12 often find there's not smoke alarms or sprinkler
13 systems or other forms of protection?

14 THOMAS JENSEN: Yeah, many of them
15 don't have sprinkler systems. Some of them appear
16 to be putting them in to actually make them safer
17 and comply with some of the rules on the egress.
18 It depends on, I guess it depends on the building.
19 Some we found to be fairly clean. Some are fairly
20 well maintained. Others are terribly maintained.
21 It depends on the particular building.

22 CHAIRPERSON de BLASIO: And, I just
23 want to ask you again about this Miracle House
24 location, 1088 Hancock Street, Brooklyn. I want
25 to make sure I got all my facts straight. That,

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2 again, this is the flyer they were passing out at
3 DHS facilities that includes a number of locations
4 including 1088 Hancock Street. That a neighbor
5 called in a complaint believing there were more
6 than 20 people living there. That what FDNY found
7 was enough bunk beds for more than 20 people, in
8 fact, even as much as 30; no sprinkler system and
9 that you ordered the building vacated in April.
10 Is all that accurate?

11 THOMAS JENSEN: Actually, the
12 second floor was vacated, not the whole building.
13 We felt the second floor was dangerous. The
14 sprinkler system I believe did not extend to the
15 second floor at that time. There was part of a
16 sprinkler system on the lower floors. So, the
17 second floor was vacated, not the whole building.

18 CHAIRPERSON de BLASIO: But, the
19 other facts are correct?

20 THOMAS JENSEN: Yes, we found a
21 large number of bunk beds throughout the building,
22 you know, which lead you to believe that it would
23 be overcrowded if it was-- if they were all
24 filled, yes.

25 CHAIRPERSON de BLASIO: So, it was

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2

constructed and built to be overcrowded, in effect.

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THOMAS JENSEN: Yes. It was

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normally I believe a two, two-family dwelling.

6

The certificate of occupancy and clearly it was

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used in a different manner in one of these three-

8

quarter houses, yes.

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CHAIRPERSON de BLASIO: Now,

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broadly speaking, and you're a professional and

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we're the amateurs, so I want you to give us an

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answer, to just talk to us about the work you do.

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These type of houses, the ones that have these

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overcrowded conditions, don't have the protections

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in place, etcetera. Is it fair to say they

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present a risk to the people who live there, but

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they also present a risk to the neighboring

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buildings and the residents of neighboring

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buildings and to the firefighters who might have

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to respond to a call at that building? Is all

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that true?

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THOMAS JENSEN: I would say so,

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yes. They are out of character with the

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neighborhood, the way these buildings were

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designed to house one family or two. So, with the

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2 occupancy, they surely create more of a risk to
3 everyone.

4 CHAIRPERSON de BLASIO: And, just
5 from an institutional point of view, considering
6 what the FDNY tries to do every day in terms of
7 keeping people safe that, would you agree that
8 people ending up in these buildings is adding an
9 additional burden for the Department, meaning if
10 we could stop these buildings from being
11 overcrowded, that would be not only in interest of
12 the people involved, but of the City and the Fire
13 Department so that if, in effect, even unwittingly
14 we are creating the conditions for them to be
15 overcrowded, we're putting an additional burden on
16 your agency? Is that a true statement do you
17 think?

18 THOMAS JENSEN: Well, yes.
19 Overcrowding really in any situation is dangerous
20 as we know. And, particularly in these small
21 combustible buildings, overcrowding is a serious
22 concern.

23 CHAIRPERSON de BLASIO: And, again,
24 just look at the bigger picture and helping us to
25 understand how the agency does its work. You've

1
2 had, and we've all seen these very tragic stories,
3 you've had situations where we've lost
4 firefighters because buildings were
5 inappropriately converted to these boarding house-
6 type designs, partitions were put up. I take it,
7 in a sense, you have to plan or you have to have
8 procedures and strategies to deal with this type
9 of building when you go in because it may be
10 something very different than it looks like on the
11 outside. So, can you talk about what you have to
12 do to-- what precautions you have to take; what
13 kind of planning you have to do because, at any
14 point, a firefighter might enter a building that
15 looks like a two-family home and it turns out to
16 be something very different?

17 THOMAS JENSEN: Well, if we have
18 advance notice that this building is used that
19 way, we would-- actually we have a system, a SID
20 [phonetic] System where if the alarm came off of
21 that address, we could get that information. But,
22 of course, we don't always know that. You might
23 have a block with 20 private dwellings and all of
24 a sudden one in the middle of the block has been
25 converted to one of these dwellings. And, we

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2 wouldn't know about it. Surely, particularly
3 sometimes when people in these buildings are also
4 housed in the cellar and the attic, where it's
5 very difficult for us to get down and to take
6 people out, because of the limited egress, it's
7 very dangerous.

8 CHAIRPERSON de BLASIO: And, I'm
9 sorry to have to even raise this. But, we have
10 lost some firefighters in situations where the
11 buildings were different than what we thought they
12 were, right, where there was additional barriers
13 and partitions?

14 THOMAS JENSEN: It's always due to
15 smoke condition and normally, if you're used to a
16 certain, the layouts of certain, type of
17 buildings, you have a certain comfort level to
18 some extent. And, when there illegal partitions
19 and, you know, you're blocked off from your normal
20 secondary egress to a fire escape, so forth, it
21 can be very confusing and very dangerous for the
22 firefighters.

23 CHAIRPERSON de BLASIO: Thank you.
24 I want to ask, just some quick similar questions
25 of the Department of Buildings. You know, a lot

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2 of what you do to protect people in this City is
3 creating a uniform standard of certificate of
4 occupancy. And, it's obvious that, in some cases,
5 we have buildings that have been modified and used
6 in violation to their certificate and, again, I
7 assume that creates danger. So, is it a fair
8 statement to say that a certificate of occupancy
9 is supposed to be a very important indicator to
10 all City agencies of whether something's
11 appropriate or not and when the certificate is
12 violated, that should be an instant sign that we
13 have some bigger problems on our hand?

14 STEPHEN KRAMER: I think that
15 that's a fair generalization. The certificates of
16 occupancy don't exist for all buildings 'cause
17 buildings built before a certain date, they
18 weren't required. But, they certainly have been
19 required for at least the last 40, 50 years. And,
20 we have instituted a program a number of years ago
21 to scan the certificates of occupancy and to put
22 them on our website for as many buildings as we
23 can. And, they're very useful for both our agency
24 and for other agencies to look up and see what the
25 building was originally designed for and approved

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CHAIRPERSON de BLASIO: And, you know, I just want to, on a process level, you were both introduced at the beginning by your colleague, but just say your name and title again for the record.

STEPHEN KRAMER: Stephen Kramer. I'm Senior Counsel at the Department of Buildings.

CHAIRPERSON de BLASIO: And, you're?

THOMAS JENSEN: Assistant Chief Tom Jensen. I'm the Chief of Fire Prevention.

CHAIRPERSON de BLASIO: Thank you. Let me take it back to Mr. Kramer for just a couple more points. So, among the many challenges Department of Buildings tries to deal with, do you agree that overcrowding of buildings is a serious challenge facing this City? And, do you see this phenomenon of these informal boarding houses cropping up more and more?

STEPHEN KRAMER: Actually, the problem with illegal conversion is a longstanding one that the Department has been facing for certainly for the entire-- both of the most recent

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2 two terms of the Mayor, as well as before. I
3 think there was a major surge of concern over the
4 problem particularly in Queens a decade or two
5 ago, where we saw the illegal, what we call
6 illegal conversion of one and two-family homes on
7 particularly the frame homes, the type you've been
8 talking about, to boarding houses and single or
9 single-room occupant, what effectively are single-
10 room occupancy dwellings. And, it's a problem,
11 which, of course, not just New York City faces,
12 but it's a national problem. And, it's really the
13 inflation in the housing costs. And, there's just
14 a significant number of people at the bottom tier
15 economically for whom there really is nothing,
16 really nothing viable. The old SROs that became
17 quite common in the City and were legal in the
18 1930s, let's say, and 1940s, when all sorts of
19 sprinkler systems were put into place on, of
20 course, the more modern codes where we now have
21 smoke alarms and more sophisticated fire
22 prevention.

23 But, when you take a particularly a
24 frame house when it's divided up into, you know,
25 individual bedrooms, sometimes housing a whole

1
2 family, it's no question it's a very serious
3 problem.

4 CHAIRPERSON de BLASIO: And, I
5 appreciate, you know, I think one of the things
6 that doesn't get talked enough about in this City
7 and you just mentioned it, I appreciate is just
8 the sheer increase in cost that working people and
9 poor people have faced in this City, housing,
10 food, everything in the course of this decade
11 particularly and how that's created this
12 additional pressure. But, specifically, as we've
13 gone through this last year of the rapidly
14 worsening economy, more unemployment, have you
15 seen more of these problems with overcrowded
16 buildings? Have you had to do more enforcement of
17 buildings where there was an overcrowding problem
18 or where there was a violation of certificate of
19 occupancy?

20 STEPHEN KRAMER: Well, I'd have to
21 look up our statistics 'cause that, essentially, I
22 probably could look up in our complaint base to
23 see how the complaint charts are. There's
24 sometimes a lag. But, you know, it is a problem
25 and I think we're all also familiar with stories

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2 of the Housing Authority as well, which faces
3 doubling up in their apartments where, you know,
4 one family is what it was designed for. But, you
5 end up with people, with families, living in
6 shifts effectively and beds being used in shifts.

7 CHAIRPERSON de BLASIO: Well--

8 STEPHEN KRAMER: But, I will see if
9 I can look up and see whether or not our-- we have
10 a pretty good complaint tracking system-- and see
11 whether or not we've been issuing-- whether or not
12 we've received more complaints for the illegal
13 conversions and whether or not we've - -
14 additional violations. I can track that for you.

15 CHAIRPERSON de BLASIO: That would
16 be very helpful. Look, I'm going to take this
17 back to DHS for just a few more questions. Look,
18 I think what we're seeing here, based on the
19 testimony of the Fire Department and Buildings
20 Department, is this is not a news flash that we're
21 facing a problem. You're going to let us know
22 exactly how it's growing from your perspective.
23 But, both agencies are obviously been grappling
24 with this problem for a while and are seeing
25 plenty of incidents now of the use of these type

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2 of homes. And, we've been given a very clear
3 picture here of the dangers involved. Again, I
4 want to know what the action plan is to solve it.
5 And, the reason I was moved to legislation was I
6 didn't see an action plan to solve it.

7 So, let me just take you, going
8 back to you, Commissioner, let me just take you to
9 a few last points. And, again, I don't think
10 someone is sitting there in Commissioner Hess'
11 office charting out, you know, that it's okay for
12 these referrals to happen. I think part of the
13 problem is you have a large complex agency and my
14 concern is that the whole agency and the providers
15 are not on the same page and there's not thorough
16 enough procedures here to stop this phenomenon.
17 But, I'll give you an example because you made the
18 point that some of the clients find their way to
19 these three-quarter houses. But, again, I think
20 Council Member Brewer pointed out, common sense
21 suggests that they're getting information about
22 them. It's a very big City. They're finding them
23 in a lot of ways. And, some of this, it's hard to
24 believe some of this is not based on referrals or,
25 again, allowing the three-quarter house folks into

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2 shelters to make presentations or whatever it may
3 be.

4 Now, specifically, the Office of
5 Temporary Disability Assistance of the State, in
6 the fall of 2007, communicated to DHS several
7 violations related to the reports of several
8 residents at the Clark Thomas Next Step Shelter.
9 So, this is the State raising a concern to DHS
10 about the practices they were seeing. And, the
11 report was "These individuals reported to have
12 been transferred into the Next Step program
13 because they refused to accept housing in
14 substandard three-quarter boarding houses.
15 According to the interviewees, the current
16 practice is for the agencies to load six to eight
17 individuals in a van and transport them to these
18 three-quarters houses in which vacancies exist.
19 If a resident fails to accept a referral, he is
20 written up for an independent living plan
21 violation and subject to transfer to a Next Step
22 facility."

23 So, this State violation suggests
24 that there have been providers that have not only
25 been referring, but actually physically taking

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clients to a three-quarters house. Have you looked into this matter? And, again, what steps are you taking to make sure this doesn't happen?

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GEORGE NASHAK: Our guidelines to our providers instruct them to allow a client to view any housing option that they wish to view before moving there. And, it is entirely possible that if a client chooses to look at any number of types of housing, whether moving back with their mother or moving into an apartment, that the provider would facilitate the client viewing that housing option before they're choosing to move in there, yes. So, of course, our providers would assist clients to view housing options before the client chooses that housing option.

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CHAIRPERSON de BLASIO: Okay. So, right away now we have an interesting definitional issue. So, referral, as in I say to you, you should go to this place, is one thing. But, if I put you in a van and take you someplace that I could easily find out is inappropriate, then it's an interesting question of whether we're inadvertently validating. And so, here's three agencies at the same table. And, again, I think

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2 you're trying to help people. But, I think you're
3 inadvertently at, you know, best-- now, some
4 people may be more cynically somewhere in your
5 system. But, you're trying to make sure a problem
6 doesn't happen. But, the agency's own rules
7 inadvertently open the door for a provider to take
8 someone right to the doorstep of a location that
9 may be unsafe, that may have a violation of
10 certificate of occupancy, that may not have
11 sprinklers, etcetera. And, if a government agent,
12 in effect, is escorting a client to such a
13 location, like it or not, it suggests a certain
14 amount of validation of that location.

15 So, I think, at minimum, this begs
16 the question whether we shouldn't, on the front
17 end, put a whole series of additional safeguards
18 in place, again, the purpose of my legislation, to
19 say we're not going to let someone come into a
20 shelter or any facility and make a presentation if
21 the location is unsafe. And, we're sure as hell
22 not going to put people in a van and take them to
23 the doorstep of an unsafe location because if that
24 client says oh, great, I'll go here, we just
25 facilitated a problem not only for these other two

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2 agencies, but for the client and for the
3 neighborhood in which they're residing.

4 Doesn't that suggest we need to go
5 back to the drawing board and look at our
6 practices any maybe put some additional safeguards
7 in place?

8 GEORGE NASHAK: You know,
9 Mr. Chair, we try to maximize the client's choice
10 in this case and educate them. However, I do
11 think that based on the information we've heard
12 this afternoon, we will go back and take a look at
13 that to see if there's something we can
14 logistically put in place to do some evaluation
15 ahead of time. I'm not sure that that's
16 logistically possible. But, we will take a look
17 at it.

18 We are dealing with adults who have
19 choices that they can make. Our goal has been to
20 try to make certain that people don't make bad
21 choices. We can't prevent people from making bad
22 choices, but we can advise them that a particular
23 choice is not a good one. We try to focus on
24 choice and education of our clients so that they
25 make good choices. That seems, to us, to be the

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2 best approach to help build the skill level of
3 people to successfully live in the community.

4 CHAIRPERSON de BLASIO: Okay. But,
5 I'm not going to beat a dead horse. If you know
6 of violations, it just can't be value neutral.
7 You have to say this place has violations. This
8 place is overcrowded. This place might be a fire
9 hazard. You can't treat it like we've just, you
10 know, vaguely gave you good advice and good luck
11 out there. There has to be something more
12 aggressive and proactive.

13 And specifically, in the same vein,
14 again, you know, we have it as a fact and you said
15 it out loud, that folks from the shelter system
16 ended up on Miracle House. Miracle House has been
17 shut down on Hancock Street. Again, I give you
18 the State report from the fall of 2007 of clients
19 refusing to go into substandard three-quarters
20 houses, who had been brought there by providers in
21 a van. You know, in both these cases, something
22 happened that evaded whatever attempts you were
23 making to safeguard the situation. And, it
24 doesn't seem to me like there was a specific
25 follow-up in each of these cases with, again, the

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2 folks who ended up in the Clark Thomas Next Step
3 Shelter or the folks who ended up in Miracle
4 House, to make the policies more aggressive after
5 you saw these actual examples of bad practice.

6 So--

7 GEORGE NASHAK: Well, I disagree
8 with that, Mr. Chair. The OTDA inspection report
9 that you cite reported three clients at that
10 facility who asserted that this had occurred to an
11 OTDA inspector. Three clients who had asserted to
12 an OTDA inspector that this had occurred. In
13 fact, our policy of issuing ILP violations, which
14 is part of our client responsibility process, does
15 not permit a client to receive an ILP violation
16 for the refusal of a single housing instance. The
17 client responsibility provisions of the
18 regulations place a responsibility on the client
19 to seek housing, not to seek a particular housing
20 unit; not to accept or not accept a particular
21 housing unit.

22 And so, no one is being violated,
23 to my knowledge. No one's receiving an ILP
24 violation to my knowledge based on their refusal
25 to not accept a particular housing unit. In fact,

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2 we review our sanction cases. We have a central
3 committee that provides some quality assurance
4 over this process. And so, if, in an unusual
5 circumstance, that did occur and it floated up to
6 us, we would had-- there's significant due process
7 in place to make certain that that client is not
8 harmed by that.

9 And, you know, I will also point
10 out that clients have access to fair hearings and
11 due process at OTDA. So, if these things were, in
12 fact, occurring, why didn't these clients follow
13 through on their due process? So, you know, we
14 did investigate this at the time that OTDA made
15 this finding. And, you know, we took a look at
16 our practices and we have in place a series of
17 oversight tools that make certain that things like
18 ILP violations and sanctions are handled
19 appropriately.

20 CHAIRPERSON de BLASIO: Well, all I
21 can say is it's very clear. I'm looking at some
22 of the State paperwork here. It's very clear the
23 State thought that this was a serious matter.
24 And, I would hope, again, it would be the basis
25 for improving DHS' approach.

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2 Can I just ask, as a final point,
3 per the issue raised by Council Member Brewer, can
4 we get a commitment today from all three agencies
5 that you're going to sit down in a room together
6 and try and work together on this issue? I don't
7 get the impression that it's happened yet, that
8 there's been a joint meeting of the agencies
9 specifically on this problem.

10 GEORGE NASHAK: In fact, Mr. Chair,
11 there have been several joint meetings. We have
12 a--

13 CHAIRPERSON de BLASIO:
14 [Interposing] So, tell us--

15 GEORGE NASHAK: -- committee that's
16 been pulled together of representatives of these
17 agencies and others who have sat down on a fairly
18 routine basis and discussed possible approaches to
19 make certain that we're doing everything possible--
20 -

21 CHAIRPERSON de BLASIO:
22 [Interposing] So, tell us what-- I am glad, then.
23 I'm happy to hear that. Tell me what has come of
24 that.

25 GEORGE NASHAK: Well, for example,

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this committee has reviewed what we've received through various channels, addresses, particular addresses, that people have deemed problematic. And, you've cited some of them in this hearing this afternoon. And, this committee has reviewed those and, what the outcomes are of those inspections when the appropriate enforcement authorities have gone out. We've also taken a look at how we might coordinate better so that, you know, God forbid, a building does need to be vacated, that we are appropriately making certain that people have access to resources following that.

CHAIRPERSON de BLASIO: Can we also get a commitment that these three agencies will work together to put together a complete as possible list of illegal boarding houses in this City so your agencies and others can benefit from it?

GEORGE NASHAK: What I will commit to do, Mr. Chair, is to take that recommendation back to the committee and subject it to discussion with the committee. I think it's an interesting suggestion. Let me take it back to the committee.

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CHAIRPERSON de BLASIO: Thank you.

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Let me ask the other two agencies. Has there been

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any discussion of trying to create a comprehensive

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illegal boarding house list for the City so all

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agencies can benefit?

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THOMAS JENSEN: That would be a

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good idea--

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CHAIRPERSON de BLASIO: Just

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reintroduce just for the sake of..

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THOMAS JENSEN: We could continue

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to monitor these because you might, you know, you

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vacate one and clean it up, it comes back in.

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And, it could just continue to abuse, you know,

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the residents there. And, you know, it might not

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be overcrowded when you inspect it. And, two

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weeks later, they could add several residents and

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then, it could be overcrowded and cross the line

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and be dangerous. The Fire Department has just

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recently put up on our website a list of our

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vacates so the other agencies can see them and

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refer to them. And, that was a request of City

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Hall a few weeks ago. And, we've just done that.

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So, the other agencies can review our recent

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vacates.

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CHAIRPERSON de BLASIO: So--

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GEORGE NASHAK: If I may add,

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Mr. Chair--

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CHAIRPERSON de BLASIO: Yeah.

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GEORGE NASHAK: --so, we're going

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to take that information, of course, now that it's

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available publicly and we, at DHS, will

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incorporate that into our process to make certain

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that that list of properties is also added to our

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instructions to our providers.

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CHAIRPERSON de BLASIO: And, that's

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good. So, you're going to take it back. Chief, I

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hear you saying yes, the list would be a good

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idea. Mr. Kramer, would such a list be a good

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idea? And, would the Department of Buildings help

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create it?

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STEPHEN KRAMER: I don't see any

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problem with creating that. You know, we work

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very closely with the Fire Department, as it is,

21

and I'd like to see that get coordinated and see

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if we can get a coordinated list out.

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CHAIRPERSON de BLASIO: Very good.

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Thank you.

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COUNCIL MEMBER BREWER: Can I just

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2 add--

3 CHAIRPERSON de BLASIO: Yes,
4 Council Member.

5 COUNCIL MEMBER BREWER: --the other
6 agencies obviously Ward's Island is referring
7 people, my understanding, and I hope that
8 Correction would also be involved because they
9 also are part of the City of New York. And,
10 people leaving incarceration also get referred to
11 some of these hotels. I'm just saying it's not
12 responsibility. It's Linda Gibbs, somebody at City
13 Hall. But, I'm just saying at least have one
14 meeting with the different agencies, District
15 Attorney's office, also. Right here.

16 GEORGE NASHAK: Thank you for that--
17 -

18 COUNCIL MEMBER BREWER: Until
19 every--

20 CHAIRPERSON de BLASIO: Exactly.

21 COUNCIL MEMBER BREWER: -- single
22 agency-- I'll come up with a list. You come up
23 with a list of the agencies that might be involved
24 and just so that you have the contacts and so
25 you're all on the same page. Thank you.

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2 GEORGE NASHAK: Thank you for that
3 suggestion.

4 CHAIRPERSON de BLASIO: For many
5 years, our Council Members have been telling us to
6 actually coordinate. So, this is another good
7 example. And, we hope you will rapidly 'cause
8 this problem needs attention right away. Thank
9 you. We want to thank this panel, thank you all
10 for being here.

11 GEORGE NASHAK: Thank you very much
12 for this opportunity.

13 CHAIRPERSON de BLASIO: And, we
14 look forward to following up with you in the
15 coming days. Our next panel from the Coalition of
16 the Homeless, Patrick Markee and, I know Patrick,
17 you have several of your colleagues with you. So,
18 come on up. [Pause] Okay. Welcome. And,
19 Patrick, would you like to begin? And then, your
20 colleagues can go after you.

21 PATRICK MARKEE: Yes, thank you.
22 Thank you, Council Member. My name is Patrick
23 Markee. I'm Senior Policy Analyst from Coalition
24 for the Homeless. I'm joined here by my
25 colleague, Diana Lizola [phonetic] is in the front

1
2 row over there, who's our shelter specialist and
3 who monitors shelters pursuant to the Court
4 consent decree in Callahan v. Carey. And then,
5 I'm also joined by several gentlemen who are
6 currently residing or formerly resided in three-
7 quarter houses, in illegal boarding houses,
8 Pasqual Vallez [phonetic], Michael Bolder
9 [phonetic], Gaston Pierre [phonetic], and Duane
10 Bibb [phonetic].

11 I'm not going to read my written
12 testimony. I'm just going to summarize it and
13 highlight a few things. And, I also want to
14 respond to some of the comments that was made by
15 Deputy Commissioner Nashak.

16 It's very clear that this is a
17 serious problem and a growing problem. For more
18 than three years, Coalition for the Homeless has
19 been tracking the accelerating numbers of
20 referrals by the Department of Homeless Services
21 and its administered shelters to illegal boarding
22 houses. This is a problem that last year we
23 issued a report about, last January. At that
24 time, we had managed to track down the addresses
25 of a little more than 60 illegal boarding houses

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2 that DHS had referred homeless individuals to.
3 Ten of those, at the time, we were aware have been
4 subsequently ordered vacated by the Fire
5 Department, the Buildings Department or the
6 Housing agency because of serious health and
7 safety hazards.

8 We have now, about a year later,
9 been able to compile a list of nearly 120 illegal
10 boarding houses used by the City. So, nearly
11 double the number we had last year. Of those, 26
12 have subsequently been ordered vacated by City
13 inspectors because of serious hazards. I think
14 that's evidence right there that this is a problem
15 that's growing. And, let me just be clear that
16 the list that we've managed to compile is in no
17 way an encyclopedic list. The shelters throughout
18 the City are sending people to these places.
19 We're only able to manage as many as we can find
20 through Diana's amazing monitoring work and
21 through information that we're given by homeless
22 individuals in the City.

23 What are we talking about here? We
24 are talking about one and two-family homes, homes
25 that, you know, as we heard from the Buildings

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2 Department and Fire Department representatives
3 that, you know, are designed for one or two
4 families, have certificates of occupancy for one
5 or two families, but that have been illegally
6 converted by operators, by fly-by-night operators
7 in many instances, packed with bunk beds, often as
8 many as 12 men sleeping in a single room; six bunk
9 beds packed with 12 men. I personally have
10 witnessed this on several occasions. Many of the
11 rooms, four, six men, eight men in these rooms.
12 Many of them not just sleeping rooms; basements,
13 attics, kitchens, garages, illegally converted
14 into sleeping rooms.

15 And, why is this being done? It's
16 obviously being done for profit. These places
17 typically charge the \$215 welfare housing
18 allowance, plus some extra money. Often they
19 force the residents to turn over an additional
20 \$100 in some instances. That's what some of the
21 folks here can talk about. Usually it's around
22 \$250 a month that the residents pay. So, think
23 about it. A house that has 30 or 40 residents is
24 going to be generating \$8,000 or more in income
25 each month. That's roughly \$100,000, nearly

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2 \$100,000, in taxpayer funds that are going to
3 finance these buildings. And, these are houses,
4 many of them in foreclosure, that are being leased
5 for a couple thousand dollars a month. So,
6 there's a very clear profit margin here that these
7 operators are making.

8 How are they able to maintain that
9 profit margin? That's by getting a constant flow
10 of new residents. And, where are they getting
11 those residents referred from? They're getting
12 them referred largely from shelters administered
13 by the Department of Homeless Services. Not
14 exclusively, also from addiction treatment
15 programs, correctional facilities, hospitals.
16 But, the numbers of folks coming out of DHS-
17 administered shelters into these places has grown
18 dramatically in recent years.

19 Our testimony summarizes the
20 problems in these places. But, again, just to
21 highlight. Illegal occupancy; so, being used in
22 violation of the certificates of occupancy or
23 other occupancy standards. Serious fire safety
24 hazards; a group of buildings in southeastern
25 Queens was vacated last Thanksgiving that had

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2 illegal gas hookups, problems with electrical
3 wiring, illegal plumbing hookups, as well as the
4 overcrowded conditions. Inappropriate referrals
5 by the shelters of individuals living with mental
6 illness and physical health problems,
7 disabilities, folks who shouldn't be put into this
8 kind of housing at all, because it doesn't meet
9 their needs, are being placed there.

10 And then, these are places that
11 don't respect the tenancy rights of the
12 individuals. The operators of these buildings
13 typically say that they can eject a person at a
14 moment's notice. For instance, if that person
15 violates a curfew, if that person, you know, does
16 something to upset the operator of the home, they
17 can literally be put on the streets that night.
18 Many times the buildings are closed during certain
19 hours of the day, say from nine in the morning
20 'til 4 p.m. You know, imagine if you were living
21 in an apartment building and your landlord said
22 you can't come into the building, you know, during
23 the daytime hours or you can't be here. You can't
24 stay in your apartment if you get here after ten
25 or 11 o'clock at night. That's the kind of

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2 conditions that these places are operating under.

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But, I think the important thing to keep in mind and the reason I think that your legislation, Council Member, is so important is that it's the Department of Homeless Services that is referring and sending people to these places. And, I just have to respond to a couple things that Deputy Commissioner Nashak said to kind of provide I think a little bit of a reality check. It is absolutely true that shelters are referring people to these places. I think his testimony would give folks the false impression that individuals in some sort of unknown way become aware of these illegal boarding houses and then, choose, of their own volition, to go to these places. Nothing could be further from the truth.

The State inspection report that you referred to really describes the common phenomena of people being taken in groups in vans to these places. Many shelters threaten the individuals; force them into these illegal boarding houses saying that if you don't accept a placement there, you will be thrown out of shelter for 30 days or more under the sanction process.

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2 You will get a violation of your independent
3 living plan. You will be transferred to another
4 facility. Some other punishment will take place
5 if you don't accept a placement in these illegal
6 boarding houses.

7 Deputy Commissioner Nashak said
8 that sanction notices or ILP violations,
9 independent living plan violations, are not given
10 for refusal to accept three-quarter house
11 placements. Nothing could be further from the
12 truth. We have worked with many clients who have
13 actually had those very sanction notices given to
14 them.

15 So, I think it's-- and then, I
16 would also say that we have actually witnessed DHS
17 staff, Department of Homeless Services' workers,
18 threaten individuals and say that if you don't
19 accept the placement in such and such illegal
20 boarding house, you will be sanctioned to the
21 streets. You will lose shelter. You'll be
22 transferred to another facility. So, these kinds
23 of threats are commonplace. And, there's no
24 question that individuals are being forced into
25 these placements.

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2 Deputy Commissioner Nashak also
3 talked about, at length, about DHS' guidelines.
4 And, I just want to underline why the current
5 guidelines, which were first outlined in a letter
6 from Deputy Mayor Linda Gibbs, in May of 2007,
7 which were later detailed in a memo by Deputy
8 Commissioner Nashak in December of 2007. The
9 Committee has copies of these documents. I want
10 to highlight why those standards are inadequate.
11 The only prohibition that it places is for
12 referrals into buildings in one of three classes;
13 buildings that have a current vacate order,
14 buildings that are engaged in HPD litigation and
15 buildings that appear on a State Department of
16 Health no-refer list, a no-refer list which is
17 very, very short. I think at the moment it has
18 maybe 12 addresses on it. And, that has not grown
19 in the last more than two years.

20 Essentially, what the City is
21 saying is you can send, effectively, shelter--
22 it's saying that shelters can send individuals to
23 any other housing, even if it has major health and
24 safety hazards. Even more than that, as I said,
25 DHS staff, DHS workers, constantly encourage and

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2 push shelter providers to move individuals into
3 these illegal boarding houses and the contracts
4 that DHS has with shelter providers provide
5 financial incentives and financial penalties for
6 moving individuals out of shelter into housing
7 rapidly and not necessarily into housing that has
8 long term stability.

9 So, I think what we see here is
10 really City policy encouraging the placement of
11 individuals into these illegal boarding houses and
12 not prohibiting the placement of individuals into
13 these boarding houses.

14 Deputy Commissioner Nashak said
15 that there is a bright line standard in these
16 guidelines. I think he said that on several
17 occasions. And, he said we can have a discussion
18 about that bright line standard. We've seen no
19 evidence that it's possible that DHS is willing to
20 have a discussion about that. As I said, for more
21 than three years, we've talked with Administration
22 officials, DHS officials, about improving that
23 standard, about including prohibitions on
24 referrals to places with occupancy standard
25 violations, with other health and safety

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2 violations that have been documented by City
3 inspectors. And, in every instance, Deputy
4 Commissioner Nashak, Commissioner Rob Hess, other
5 City officials and other DHS officials have
6 refused to take those steps.

7 That's why we so strongly support
8 this legislation. It's a very important first
9 step in protecting homeless adults who are being
10 sent into some very unsafe and dangerous
11 situations. And, it's a very important step for
12 protecting New York City neighborhoods. These
13 illegal boarding houses are primarily located in
14 low-income neighborhoods, primarily African-
15 American and Latino neighborhoods in central
16 Brooklyn, southeastern Queens, in the Bronx.
17 These are neighborhoods that are overburdened by
18 these kinds of illegal dwellings. And, as the
19 Fire Department representative said, these
20 buildings are out of character for those
21 neighborhoods. They just should not be there.

22 For that reason, we strongly
23 support this legislation. We'd be happy to work
24 with the Committee on any changes or amendments
25 that would be made to the legislation. But, it is

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a very important first step in protecting individuals.

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And, I now just want to turn it over, I know that there's limited time. I just wanted to give the men who have come with me the chance to talk. As I said, these are all men who had been referred by DHS-administered shelters to illegal boarding houses. Some of them are still currently residing in those places. Others have left because of health and safety problems. I just want to give them a chance to sort of say something about what had happened to them.

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PASQUAL VALLEZ: Good afternoon. My name is Pasqual Vallez. I was in-- okay. Good afternoon. My name is Pasqual Vallez. I was in a three-quarter house. I was up in Camp La Guardia [phonetic]. From Camp La Guardia, they send me to a hotel. From the hotel, a proxy came in. Proxy send us-- they couldn't fulfill their-- they promise us permanent housing. They couldn't fulfill that contract. So, what they did, they send us to a three-quarter house out in Brooklyn, 69 Kingston Street.

25

And, there, when we moved in, it

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2 was, well, beginning, at the beginning, it was
3 okay. Afterwards, we started getting ticks,
4 mouses and then, he had regulations. You had to
5 be inside the building by 11 o'clock. It was like
6 a curfew. It was like being back in a shelter.
7 They had curfew. The kitchen would close at ten
8 o'clock. So, those that worked after ten o'clock
9 and came in about 12, they couldn't get access to
10 the kitchen.

11 I had a nurse. I have multiple
12 sclerosis. I had a nurse that come, a visiting
13 nurses. They used to come and visit me. He had
14 an attitude about that. He didn't like it too
15 tough because she was seeing what was going on in
16 the building. She only had a certain-- she only
17 could come to a certain spot and couldn't move.
18 From there, we couldn't go any further into the
19 building. So, I mean, she will give me the shot
20 exactly in a certain room and that was it. She
21 would leave.

22 And, after that, I managed to get
23 out. I called Coalition. I talked to Diana. And,
24 she got me out. And, I managed to get my own
25 place. Thank God. But, as far as living in

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2 three-quarter, it's not a great place because,
3 first of all, they don't treat you right. They
4 feed you something that you want to hear and they
5 don't keep their promises. And, that's it.

6 MICHAEL BOLDER: Is this on?

7 PATRICK MARKEE: I think it's on.

8 MICHAEL BOLDER: Yeah. Okay. All
9 right. My name is Michael Bolder. And, I living
10 at 30-- pardon me? Oh. I'm living at 3320-- oh -
11 - . Yeah, 3323 Seymour [phonetic] Avenue in the
12 Bronx. I got there when I was living at the
13 shelter at Third Street in Manhattan. The person
14 who was, say, like trying to work with me, trying
15 to get me out of the shelter because life in the
16 shelter had become unbearable and the living
17 conditions and the condition of the building, of
18 the shelter, was below standard as that was. So,
19 I had to get out of there because it was
20 dangerous. Half the people in the shelter were in
21 Rikers. So, I was desperate to get out of there.

22 So, I was shown my current
23 dwellings. I was shown that, after riding up in a
24 van from the shelter. And, I saw, well, this will
25 have to do, 'cause I simply just have to get out

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2 the shelter. After about a week of living at my
3 current address, it dawned on me that the three-
4 quarter house I was living in was just a smaller
5 version of the shelter that I came out of, you
6 know. The only difference was I can cook my own
7 meals. Other than that, you know, there was
8 hardly any difference.

9 Even as this gentleman was saying
10 before, I also had a curfew that I had to adhere
11 to that, for like four of the seven days of the
12 week and then, the other three, we can come and go
13 as we please. But, many of the same conditions
14 that I came out of the shelter were also in this
15 three-quarter house.

16 And, at the time, that I first got
17 there, I didn't even know it was illegal. Nobody
18 told me nothing, you know. In fact, it was at the
19 Coalition for the Homeless was the first time I
20 heard that it was illegal. And, I didn't even
21 believe it until right now. There's litigation of
22 our case of which we won. And, let me see. Yeah,
23 that we won the case. And, we're just waiting to
24 see when HPD is going to get me and the people who
25 are remaining there at this three-quarter house

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2 some permanent housing, 'cause right now-- 'cause
3 when I first got there to the three-quarter house,
4 there was 16 people on the floor that I was living
5 on. And, 24 people, I'd say, maybe even 30 people
6 all together and the people are supposed to be
7 running this three-quarter house were talking
8 about putting even more people in this house.

9 And, the people that I was living
10 with, we were scratching our heads - - say what.
11 They're going to put even more people. They were
12 thinking about getting more bunk beds, you know,
13 like it was like a major league team trying to get
14 fans. You know, even to the point where it'd be
15 standing room only. You know, they wouldn't care
16 because these are capitalists, you know. Yeah,
17 these are capitalists and they're just trying to
18 get as much money as possible, you know.

19 So, I just like, you know, to just
20 wrap this up and hope that we can get help to get
21 some permanent shelter very soon. Okay. Thanks.

22 GASTON PIERRE: Good afternoon,
23 Committee. My name is Gaston Pierre. I came from
24 Ward's Island and I been to like two or three
25 other three-quarter houses that were ran by two

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different companies. I would just like to first

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say that Miss Gale, I think it is, Congress Lady

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Gale, is that--

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COUNCIL MEMBER BREWER: City

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Council Member.

7

GASTON PIERRE: City Council, okay.

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With the guy that was sitting up here, the DHS,

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he's absolutely wrong because when you come into

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any shelter that you go into, you see the

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guidelines of DHS' rules right there in front of

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your face. And, it tells you, you sign a letter -

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- that says you have to accept the first housing

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that you go to. Now, the reason why that I ended

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up in three-quarter housing is because I thought

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it was kind of different because, you know, it's

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better than sleeping with four guys instead of

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sleeping with 60 guys, you know.

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But, at the same factor, what we

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have all been through is that the fact of the

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matter is that is once you go in there, they tell

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you that you got to give up \$100 of your food

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stamps. But, this is told to you later. They

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don't tell you this before you leave Ward's

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Island. This is told to you on an individual

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2 basis that you have to give up \$100. Your rent is
3 really 215. But, it's really 315 and you have to
4 give up \$100 of your food stamps. So, you don't
5 get to cook your own meals. Some places, you do.
6 Some places, you don't. But, I ain't going to
7 share my food with City benefits that I'm applying
8 for to feed 50 other dudes in the house. That's
9 not working.

10 And then, you're going to tell me I
11 have to give up 35 in one place, or \$32 in another
12 place out of my cash assistance for utilities.
13 You mean to tell me if you got five guys on one
14 floor that's paying 215, 215 times five, that
15 covers the rent right there. But now, you talking
16 about I got to take \$100 of my food stamps to feed
17 another five guys and then, \$35 for utilities and
18 we ain't even got no cable. You got to be joking.
19 You got to be joking. Okay.

20 So, this is the situation at most
21 of these three-quarter houses that we lived in.
22 And, fortunately, I had a chance to work with a
23 company that the person who ran her houses and
24 whatnot, I was her personal assistant. And, I
25 know what's-- and I didn't know that this stuff

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2 was illegal. I thought guys was just throwing up
3 red flag. Oh, it's illegal. It's illegal. It's
4 illegal. And then, I found out later on it was
5 illegal because I used to work with the lady that
6 had four houses under her belt.

7 And, one of the other things I'd
8 just like to mention real quick is that, you know,
9 a lot of people's personal things is being
10 violated because I was indulged with one of the
11 ladies that lived in one of her houses and I had
12 to ask her. I was like, well, what is the
13 condition of living in your house. You got to go
14 church every Wednesday. And, she was like yes.
15 See, if you want to live in my house, you got to
16 go to church every Wednesday. That's a violation
17 of somebody's rights. You know what I'm saying.
18 If you're Catholic, how you going to get somebody
19 to go to a Baptist service? Or, if you're Muslim,
20 how you going to get somebody to go to a Christian
21 fellowship. It doesn't work there. That's
22 violation. And, I'm watching all of this stuff as
23 I'm working for her.

24 Well, unfortunately, events
25 happened and whatnot. And, I was told to go back.

1
2 I went to the Coalition of the Homeless to look
3 for another three-quarter house. But, they said
4 no. It's a violation. It's against the law and
5 whatnot from Miss Diane. So, she was like,
6 listen, you got to go back to Next Step and you
7 got to sit it out. Now, everybody in Next Step
8 from Ward's Island, they don't even want to look
9 my way. They don't even want to talk to me. And,
10 I'm like, okay, that's cool. You don't have to
11 talk to me. You know what I'm saying.

12 But, and, just recently, something
13 must have went down, Congresswoman, because the
14 lady who is the director there got fired or she's
15 on suspension because now all of the people that I
16 was with in other houses, they all coming back.
17 And, we're all back there again. So, this is the
18 situation that's been going on at most of them
19 three-quarter houses. And, a couple of ones that
20 were out there that was on the list, I did the
21 rent report for all of them. After the checks was
22 cashed and they took they money and whatnot, I
23 documented them on a computer. So, I definitely
24 know what I'm talking about. I was the personal
25 assistant to the lady. But, thank you, anyway.

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2 DUANE BIBB: Hello. I'm Duane.
3 I'm up at Green Hill Management [phonetic] on New
4 Jersey Avenue. Well, when I first got there, had
5 me in the basement. They had, there was about
6 eight bunk beds down there. So, had me in the
7 basement until I got sick. I have real bad heart
8 condition. I just go over a stroke. And, have
9 kidney problems. So, once I got sick and they
10 called the paramedics, then that's when they moved
11 me upstairs. And, upstairs, it was a little
12 smaller room; had about four bunk beds in there.
13 And, it was all in there. And, it's all, like all
14 cramped up, up in that little small room, tripping
15 over each other, over people, you tripping over
16 stuff, people's stuff, bags and or, whatever
17 landed in the way.

18 So, they have-- sent from Porter
19 Avenue in a van. Put us all in a van. Told us it
20 was house-- they had like a meeting, told us it
21 was the housing; opportunity for housing. And,
22 ship us in a van there to look at it.

23 PATRICK MARKEE: Thank you. We'd
24 be happy to take any questions. I just would
25 close by saying it's been a wonder to us, as we've

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2 monitored this problem over the last few years
3 that there hasn't been a tragedy yet. You know,
4 in the building that Mr. Bolder lives in on
5 Seymour Avenue, there was a fire actually. And,
6 the City has ordered the building vacated. They
7 refused, HPD refused to provide housing relocation
8 assistance to Mr. Bolder and the other residents
9 of the building. And, that's the lawsuit that he
10 referred to that so far, the men there have been
11 successful at the trial Court and at the Appellate
12 Court in winning the argument that the City has a
13 legal obligation to provide them with housing
14 relocation assistance.

15 But, it really is a wonder that
16 there hasn't been a more significant tragedy than
17 what's happened already. And, that's another
18 reason I think that this legislation and more
19 safeguards are vitally needed. Thank you.

20 CHAIRPERSON de BLASIO: Council
21 Member Brewer.

22 COUNCIL MEMBER BREWER: When you go
23 from Ward's Island or upstate to look at these
24 houses, 'cause you're supposed to be able to do
25 that, basically all you do is say-- 'cause you

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2 don't really know. So, you're being recommended
3 by the nonprofit who has the van. In other words,
4 how do you end up at such and such a location
5 'cause you don't know-- I wouldn't know one
6 location from the other? I don't know where to
7 go. Sir, you know a lot, so go ahead.

8 GASTON PIERRE: I hope that's not a
9 bad thing.

10 COUNCIL MEMBER BREWER: I think
11 it's good.

12 GASTON PIERRE: What it is is that
13 like when we first-- when I went to my first
14 three-quarter house, what it was was that when
15 Help USA took over Ward's Island, which is now
16 Next Step, which is still Next Step. They put,
17 like, four of us in a, like a minivan. And, they
18 was telling us, we want you to come take a look at
19 these houses and tell us what you think. If you
20 want to live there, you know, you can stay there
21 and whatnot. And, once you stay there, the
22 process begins.

23 So, me not knowing that it was
24 illegal at the time, you know, you know, the house
25 is clean. It's brand new. It's like those houses

1
2 that the Commissioner of Buildings was discussing.
3 You know, you look at it, you be like yeah, it's
4 clean. It's convenient to me 'cause I'm from
5 Brooklyn. You know, everything that I deal with
6 is right there.

7 So, they put us all in a van. And,
8 they take us there. And, some guys, you know,
9 they'll take like maybe like two normal, two
10 normal people or two people who really can't
11 really make up they mind because they don't know
12 what they're going into, you know, and then, you
13 will go and you look and you would see that you
14 like, well, hey, you know, this is not bad after
15 all. At least, okay, I'm living with four other
16 guys. But, I'm not living with 60 guys.

17 So, then, they will say well, do
18 you want to stay. Well, yeah, okay. I'll take
19 the chance to stay and whatnot to see how it turns
20 out. But, once you stay there, and you been
21 placed, now you been, like, code C51, whatever,
22 now you out of the system. You done off. You're
23 finished.

24 You know, now you got to-- now, all
25 you got to do is take-- now, DHS is completely, I

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2 think, is like completely out of the picture
3 because now, you got to deal with PA. You get
4 your rent, get your food stamps to make sure that
5 the organization that's owning the house gets
6 their money. That's all they care about. You
7 see.

8 Now, and, there's a lot of tricks
9 that I just like caught on to. Well, why I got to
10 give-- why I got to-- okay, 215, why I got to
11 leave that house nine o'clock in the morning. My
12 rent is paid, you know. I mean, okay, I got my PA
13 appointments, my EVR and such, the little hoops
14 that you got to keep your rent paid. Okay.
15 That's fine. But, once that's all over, what, now
16 I got to get out at nine, I got to get out at nine
17 o'clock in the morning? You know what I'm saying.
18 What if I don't feel good? You know, or, like the
19 man over here. Well, what if I work at night?

20 You know, I can't get something to
21 eat of my own food with my own money that's down
22 in the refrigerator. And, they put people in
23 charge of these, they call them house managers and
24 house captains. You know, these are dudes who
25 never really had no real power, no people person

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2 skills, telling you, you know, well, yo, kitchen
3 close at ten o'clock. You can't go downstairs.
4 You know, who are you to tell me I can't eat my
5 food?

6 And, this is where your problems--
7 when you, like I told the guy at New York One, you
8 put a whole bunch of dudes that just came out of
9 the Department of Corrections in that type of
10 settlement, never mind a fire, you're going to
11 have police.

12 COUNCIL MEMBER BREWER: I hear you.
13 Absolutely. Thank you very much.

14 CHAIRPERSON de BLASIO: I think
15 you--

16 PASQUAL VALLEZ: Yes, excuse me,
17 I'd like to say--

18 CHAIRPERSON de BLASIO: Please, go
19 ahead.

20 PASQUAL VALLEZ: Yes, they were
21 saying that they show us the place. Well, in my -
22 - and where I was at, they never showed us the
23 three-quarter house. They told us that we had an
24 option to go to either back to Camp La Guardia or
25 take the three-quarter house. You know, they gave

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an offer we couldn't refuse.

GASTON PIERRE: Or, the 30 days in the street.

PASQUAL VALLEZ: Yeah, exactly.

CHAIRPERSON de BLASIO: Thank you. Go ahead, Patrick.

PATRICK MARKEE: And, I just want to say, too, I mean, in many, if not most, of the instances that we've-- when we've interviewed clients, they were told you have to accept this placement. If you don't accept this placement, you'll get a sanction. You'll be put out on the street for 30 days or more.

In some cases, we actually have documents, I think we shared with the Committee, showing that one of the shelters actually wrote up a shelter transfer notice and pretended to transfer the individual from a City-administered shelter into one of these illegal boarding houses operated by Miracle House. So, there were just all sorts of deceptive practices put in place here. I think it's very clear, when you look at the numbers, when you look at the experience of the individuals, all of that, that the

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2 overwhelming practice is forcing individuals into
3 accepting placements into these illegal dwellings.

4 CHAIRPERSON de BLASIO: Patrick,
5 let me just ask you. So, you indicate a number of
6 very specific examples like clients not being
7 given a choice or obviously being specifically
8 referred or taken in a van. Let me just get
9 clear, 'cause I'm not necessarily aware of the
10 back and forth between you and DHS. Have you
11 presented these formally to DHS and gotten a
12 response?

13 PATRICK MARKEE: Absolutely. We
14 have monthly meetings with officials from the
15 Department of Homeless Services. At each of those
16 meetings, for the past, at least, three years, I
17 believe, one of the agenda items has been to
18 discuss referrals by shelters into these illegal
19 dwellings. We discuss the policy generally. But,
20 we also give specific instances of clients
21 reporting--

22 CHAIRPERSON de BLASIO:
23 [Interposing] But, have these individual instances
24 been-- have you been given specific responses when
25 you show this pattern, because you heard the

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2 testimony today that basically denied there was a
3 pattern? So, I'm saying do you feel, when you
4 presented these at the meetings, that you've
5 gotten a tangible response?

6 PATRICK MARKEE: Yeah, I mean,
7 officials at the meetings have acknowledged that
8 the practice is going on. I mean, they don't deny
9 it. I was a little surprised that the Deputy
10 Commissioner effectively, I mean, I don't want to
11 put words in his mouth, but it sounded like he was
12 denying this was happening. The officials who
13 report to him, many of whom were here at the
14 hearing earlier, acknowledged to us in the
15 meetings that it happens. They've gone themselves
16 and done investigations.

17 I'll give you one specific example.
18 One of the shelters on Ward's Island, the one that
19 was cited in the State inspection report you read
20 earlier, had been referring large numbers of these
21 individuals to illegal boarding houses. And then,
22 when those individuals returned to shelter,
23 because of problems at the buildings or because
24 the buildings had been ordered vacated, the
25 shelter would say no, you can't come back here

1
2 'cause you have housing. And then, they would not
3 give them bed placements.

4 CHAIRPERSON de BLASIO: Right. In
5 the interest--

6 PATRICK MARKEE: So, that was a
7 very common practice.

8 CHAIRPERSON de BLASIO: I know
9 there's a question. I just really quickly want to
10 just play this out for one second. So, we have an
11 understanding with DHS that we are going to be in
12 a position to call them back up and I think we
13 should exercise that. I just want to, while I
14 have you, just could we get very clear 'cause I,
15 too, was surprised by the Deputy Commissioner's
16 characterization. So, could you just right now
17 outline a few very specific examples, factual
18 examples of the problem, either obvious factual
19 example of referral by a provider to an illegal
20 boarding house or, a van or an escort taking a
21 client to an illegal boarding house; any of the
22 very tangible examples that clearly violate the
23 goals of the agency. And then, I'd like the
24 agency to come back up and respond to those
25 examples. Go ahead.

1
2 PATRICK MARKEE: I mean, I could
3 describe a handful of shelters that, in our view,
4 do large numbers of referrals to these illegal
5 boarding houses. The Clark Thomas shelter on
6 Ward's Island, the inspection report you read
7 earlier, the Keener [phonetic] Building on Ward's
8 Island, the Schwartz [phonetic] Building on Ward's
9 Island. So, these are three separate shelter
10 facilities on Ward's Island. Each of them has
11 roughly 200 beds. The Peter J. Sharp Shelter
12 [phonetic] in East Williamsburg, Brooklyn, is a
13 400-bed shelter. And, the Belleview Shelter. All
14 of them have been responsible for significant
15 numbers of referrals.

16 The Ward's Island shelters and the
17 Peter J. Sharp shelter, in particular, have a
18 common practice of putting individuals into vans,
19 driving them to the illegal boarding houses and
20 then, leaving them in there. And then, also I
21 would say-- and Diana, my co-worker here, has
22 witnessed that personally.

23 And then, I would say also-- oh,
24 one of those shelters, the Peter J. Sharp
25 shelters, holds a housing group meeting in the

1
2 mornings in which the only kind of housing option
3 that's offered to individuals is three-quarter
4 housing, is illegal boarding houses. And then,
5 finally, the Camp La Guardia shelter, which was
6 closed by the City roughly three years ago, where
7 Mr. Vallez resided, you know, which was a 1,000-
8 bed shelter, that resulted in large, large numbers
9 of referrals of individuals to illegal boarding
10 houses.

11 CHAIRPERSON de BLASIO: So, I'm
12 going to put aside Camp La Guardia, 'cause I want
13 to deal with the current dynamics. So, all the
14 facilities, Clark Thomas, Keener, Schwartz, Peter
15 J. Sharp, Belleview, all currently operational.

16 PATRICK MARKEE: Yes.

17 CHAIRPERSON de BLASIO: And, the
18 examples you have, eyewitness reports, but also
19 the examples with the vans, examples with the
20 housing group meetings, examples with the
21 referrals, now these would be 2008, 2009?

22 PATRICK MARKEE: Yes.

23 CHAIRPERSON de BLASIO: Okay. And,
24 the source of the information, besides eyewitness,
25 what is the source of the information? Interviews

1
2 with clients?

3 PATRICK MARKEE: Interviews with
4 clients. Our eyewitness accounts of our staff and
5 of our shelter monitors and some shelter staff
6 telling us that the problem is occurring.

7 CHAIRPERSON de BLASIO:
8 Anonymously? Or on record?

9 PATRICK MARKEE: Usually off the
10 record.

11 CHAIRPERSON de BLASIO: Okay.
12 Council Member Ferreras.

13 COUNCIL MEMBER FERRERAS: My
14 question is, aside from your meetings with DHS,
15 have you reported any of these illegally converted
16 homes to the Fire Department or the Department of
17 Buildings? And, what has that process been?

18 PATRICK MARKEE: Yes, I mean, we've
19 written numerous correspondence to executive
20 branch agencies, DOB, FDNY, HPD and the Health
21 Department, as well as DHS and HRA at the City
22 level and then, at the State level, as well, the
23 appropriate State agencies, OTDA, DOH, OMH, OASAS.
24 The response has-- you know, I will say this. I
25 think the Fire Department and the Buildings

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2 Department inspectors with the resources that they
3 have at their disposal are making good efforts to
4 actually enforce violations where they can find
5 them. It's worth saying that some of these
6 buildings, they deny access to inspectors,
7 particularly DOB inspectors. And, you can see
8 that recorded in some of the DOB records. And so,
9 I think that's an issue that needs to be worked
10 through.

11 COUNCIL MEMBER FERRERAS: Um, hm.

12 PATRICK MARKEE: And, I was at a
13 State Legislative hearing recently where the
14 Buildings Department Commissioner referred to the
15 fact that there are issues with access sometimes.
16 Having said that, when they do get access, they
17 record the violations. And, I think what we're
18 talking about today is particularly buildings that
19 have a record of serious violations and yet DHS'
20 current guidelines, the bright line standard
21 Deputy Commissioner Nashak referred to earlier, do
22 not prohibit referrals to those buildings that
23 have those violations.

24 And, I will also say that we've
25 highlighted specific examples to DHS officials of

1
2 places that have serious violations and asked them
3 to prohibit referrals to those specific buildings.
4 And, they refused to do that.

5 COUNCIL MEMBER FERRERAS: Okay.

6 CHAIRPERSON de BLASIO: Go ahead,
7 sir.

8 MICHAEL BOLDER: Yeah, the building
9 that I'm living in now has real serious plumbing
10 deficiencies. The wiring in it is subpar and, for
11 all I know, right now, it could be very much a
12 fire hazard. We're still kind of nervous if
13 anybody bought a microwave oven. We can't even do
14 that 'cause we're scared to death that we plug it
15 in, the house just might go up. And, it's wood
16 and all that. And, we haven't been able to get
17 adequate repairs since the landlord had become
18 delinquent.

19 So, now, it's dangerous. The
20 ceiling, when you take a shower, the ceiling might
21 fall on you any moment because of the leaks. I
22 mean, after all, 24 men in one building, you will
23 eventually wear the thing out. So, we got to be
24 able to get some repairs, get some people in there
25 to fix the place. But, so far, we haven't been

1
2 able to get anything because we have a delinquent
3 landlord.

4 CHAIRPERSON de BLASIO: Thank you,
5 Council Member. Thank you for that point. And,
6 I'm sure the Fire Department would share your
7 concern and appreciate the fact that you're
8 watching out for the situation and not, you know,
9 not falling into the trap of what could be a very
10 dangerous situation. So, thank you.

11 Patrick, before we finish here with
12 this panel, just one more question and then, I'm
13 going to ask a representative of DHS just come
14 back up for a moment. Patrick, in your research,
15 have you identified, either from your own work or
16 from DHS, any other source, statistics about the
17 number of clients who go to three-quarters houses
18 and end up back in the City shelter system?

19 PATRICK MARKEE: You know, I don't
20 think that there's any comprehensive data on that.
21 But, I will say that the data is available. If
22 DHS chose to do so, it could easily match data of
23 housing placements into specific buildings. And,
24 this goes to your point, Council Member Ferreras.

25 I mean, they do have the ability to

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2 look and say, well, we referred 20 men to a single
3 building and wow, look on the Buildings Department
4 website. That's supposed to be a two-family home.
5 That would seem to be the kind of thing that could
6 raise a red flag. But, they do have the data
7 about placements to certain addresses. And then,
8 they could match that against individuals who've
9 returned to shelter to discover, in a more
10 comprehensive way, the problems.

11 As I said earlier, we, ourselves,
12 are aware of 26 three-quarter houses, illegal
13 boarding houses, that have been ordered vacated by
14 City inspectors. And, those individuals have,
15 indeed, returned to shelter. And, it's my
16 understanding that the DHS often has its personnel
17 onsite. They're notified by DOB when a vacate
18 order is going to be executed. So, they're often
19 onsite. So, they are aware of this problem and
20 they know that their clients have been referred to
21 those buildings.

22 CHAIRPERSON de BLASIO: So, to the
23 best of your understanding, the DHS data system
24 tracks when someone leaves shelter where they
25 ended up.

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PATRICK MARKEE: Yes.

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CHAIRPERSON de BLASIO: And then,
when someone comes into shelter, where they just
came from?

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PATRICK MARKEE: I don't know that--
- well, yes, actually, I believe the--

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CHAIRPERSON de BLASIO:
[Interposing] I mean, I'll ask DHS, too.

10

11

PATRICK MARKEE: --to the best of
my-- yeah, to the best of my knowledge the client
database asks the last address--

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CHAIRPERSON de BLASIO:
[Interposing] So, if it was--

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PATRICK MARKEE: --he resided at.

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CHAIRPERSON de BLASIO: If it was a
direct circle and someone left a DHS shelter, went
to Miracle House and then ended up in a different--

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- that or DHS or a different DHS shelter, that
would be trackable?

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PATRICK MARKEE: I believe it would
be.

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CHAIRPERSON de BLASIO: Okay. Very
good. Well, I want to thank you. I want to thank

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the whole panel. Thank you all. We always say

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2 here with this Committee that the way your fellow
3 New Yorkers find out about a problem and are in a
4 position to do something about it is when people
5 come forward and explain what's going on and
6 explain their own personal story, their own
7 personal experience. It's not easy to do, I'm
8 sure. It's painful to talk about. But, I
9 appreciate you doing it because by doing it,
10 you're going to help us, you're going to help
11 other people to not end up in this danger. So,
12 thank you all for doing what I think is your civic
13 duty and being good citizens by coming forward and
14 helping to shed light on this problem. Thank you
15 very much to the whole panel.

16 PATRICK MARKEE: Thank you.

17 CHAIRPERSON de BLASIO: You're
18 welcome. And, Patrick, the rest of your
19 testimony, written testimony, will be part of the
20 record. Thank you. I'd like to call up now, DHS,
21 I'm not sure who would like to come up for a
22 moment. I have a couple of quick questions.
23 Welcome and just, for the record, just state your
24 name and title.

25 CARMINE RIVETTI: Carmine Rivetti,

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2 Assistant Commissioner for Government and
3 Community Relations.

4 CHAIRPERSON de BLASIO: Thank you,
5 Carmine. Carmine, I am certain that you'll have
6 to look at some of these details. But, I just
7 want to work on the broad framework here. So,
8 you've obviously worked with Patrick for a long
9 time and the Coalition. So, from his perspective,
10 based on Coalition's interviews with clients, with
11 shelter staff and the eyewitness reports of their
12 own monitors, they are seeing three kinds of
13 problems related to three-quarters houses; clients
14 being put into vans by providers and taken to
15 three-quarters houses, clients being referred by
16 providers to three-quarters housing, individually,
17 and these "housing group meetings," at which
18 three-quarters houses are being put on the agenda
19 as options for people. And, specifically, the
20 locations where these problems were occurring,
21 Clark Thomas Shelter, Keener Shelter, Schwartz,
22 all on Ward's Island, Peter J. Sharp in Brooklyn,
23 Belleview in Manhattan and the years 2008, 2009.

24 So, hearing this presentation, the
25 previous panel, it certainly is meaningful to me

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2 and it sounds like there is a pattern. And, I
3 don't think the Deputy Commissioner did clarify
4 that a pattern existed. So, can you help us
5 understand? Does that sound to you like there's
6 something, a pattern here, that needs to be
7 addressed?

8 CARMINE RIVETTI: I think it
9 certainly is something that we've committed to
10 looking at. I mean, George Nashak, that was here
11 earlier, had stated that, I mean, in particular
12 instances that are raised, there are
13 investigations that happen. And, we do a thorough
14 background. I mean, the Coalition is constantly
15 in communication with staff. So, in those
16 instances where they do raise it, I mean, we do
17 investigate it. So, those four or five examples
18 that were presented here today are certainly going
19 to be taken back and discussed with Deputy
20 Commissioner Nashak and other leadership at DHS.

21 CHAIRPERSON de BLASIO: Well, we'll
22 certainly ask of the Coalition and other
23 organizations that have this information to
24 resubmit it to you, directly, the details of what
25 was witnessed and the reports received, the

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interviews from these particular sites.

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So, just for continuity, and my counsel, Molly Murphy, will follow up with you as well, I'd like to make sure that the Coalition provides you with a synopsis of what they are seeing at these sites over the last two years, so you have a detailed record. And then, we'd like your response formally as to whether you agree that some of these incidents occurred, from your own investigation and whether that constitutes a pattern that needs to be addressed.

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I want us to just get to a common language here. I think we had some encouraging results earlier in the discussion about some of the directions we need to go into, like, for example, unified list of illegal boarding houses and closer coordination between the agencies and other agencies. I think that's good. But, I think we still have some dissonance on whether there is a larger pattern, a smaller pattern, no pattern at all. I think it would be very helpful to take these exact examples and get your response to them.

25

CARMINE RIVETTI: Yes. I mean,

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2 definitely can submit them to us. And, we've been
3 responsive in the past to the Coalition, even with
4 buildings that they've given us as far as the
5 Administration looking at them and, you know,
6 doing some investigations on those sites. So,
7 certainly do that and get back to the Committee.

8 CHAIRPERSON de BLASIO: Very good.
9 And, obviously, we'd appreciate that as quickly as
10 possible. And then, secondly, in the same vein,
11 this question of tracking how many clients go into
12 a three-quarters house and then, end up back in
13 shelter. Do you, off hand, know whether that's
14 being tracked already, whether there's some
15 defined information about that phenomenon?

16 CARMINE RIVETTI: I mean, we do
17 track the rate of return back into shelters. So,
18 I mean, as far as where they're coming from and
19 the place of origin, I mean, I think that's
20 something that we would have to look at in terms
21 of the data, I mean, in different housing options
22 that folks are referred to. But, I mean, there is
23 a tracking that we would have as far as people who
24 have left shelter, who eventually come back into
25 shelter.

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2 Now, I mean, sort of referring to
3 the three-quarter housing, I think George had said
4 it before, I mean, we're not sure how this-- what
5 that definition looks like. So, to be able to
6 report back saying that people came into shelter
7 from this entity, I don't think that we'd be able
8 to give you that information. But, as far as rate
9 of return back into the shelter system, it's
10 something we can give to the Committee.

11 CHAIRPERSON de BLASIO: I think
12 that's what we're trying to get at. And, we'll
13 send you a follow-up letter. I think we're
14 looking at instances where we can identify that
15 someone left shelter to a three-quarters house and
16 then, we can identify that they returned to
17 shelter from a three-quarters house, whether it's
18 the same one or a different one. But, the point
19 being that that type of housing didn't work and
20 they ended up being back in shelter. Look, I'd
21 love to find out it's not a huge problem. My fear
22 is it's a bigger problem than we realize 'cause we
23 haven't really fully tracked it or analyzed it
24 yet. So--

25 CARMINE RIVETTI: Just so we're

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2 clear.

3 CHAIRPERSON de BLASIO: Yeah.

4 CARMINE RIVETTI: I mean, we can, I
5 mean, like I said, I mean, we can sort of track
6 and have a conversation of people returning back
7 into shelter, but, when you're referring and using
8 the term three-quarter housing, I don't know that
9 there's a category that we can say to you X
10 percentage came back.

11 CHAIRPERSON de BLASIO: I think if
12 we can work together and work with the Coalition
13 to give you an actual list of--

14 CARMINE RIVETTI: Okay.

15 CHAIRPERSON de BLASIO: -- the
16 sites so that it's not abstract. So, that if
17 someone left shelter, ended up at a particular
18 site; left that site, ended up back in shelter,
19 that's the phenomenon we're looking for. So,
20 we'll follow up with you on that.

21 CARMINE RIVETTI: Okay.

22 CHAIRPERSON de BLASIO: And, I
23 think that covers it for now. We'll get you a
24 written request. And, again, we'll get the
25 Coalition to provide you with a synopsis of the

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issues raised about these particular locations.

CARMINE RIVETTI: Okay.

CHAIRPERSON de BLASIO: Thank you very much. Next panel, I'd like to call up Judith Goldner and Josh Goldfein, the Legal Aid Society and Bill Lienhart [phonetic] of the Urban Justice Center. Okay. Josh, would you like to go ahead. Is it on? I'm sorry. It may not be. Is that on? Is it close enough to you?

JOSH GOLDFEIN: Is it on? Is it on now? Okay. Thank you. Thank you for the opportunity to testify. Our written remarks include some excerpts from an affidavit of Mr. Bolder. So, I asked him to come up join me, although he's stepped out for just a second. So, he may be back. And, I'm not going read from his testimony because he spoke to you earlier today and described a lot of, much better than I could, I think, what he experienced and how he ended up living in these conditions.

He effectively was delivered to the door of this three-quarter house by DHS' agent, by the shelter he was in. And, he described for you the dangerous conditions there, particularly the

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2 electrical problem that even, to this day, he's
3 concerned that he can't plug in a microwave oven.
4 And, when he and Mr. Bibb, who also testified
5 earlier, you know, who described getting out of
6 bed and there being bags all over the floor and
7 people sometimes on the floor, it's very clear
8 what the potential is here for a tragedy. And,
9 given the number of these three-quarter houses, or
10 illegal boarding houses, that we know now exist in
11 the City, I think it's clear that it's only a
12 matter of time before we have a tragedy unless
13 we're able to prevent them from continuing to do
14 this.

15 And, we commend your efforts, and
16 particularly today, I think you were able to force
17 them to do something that a lot of advocates in
18 this room and around the City have been trying to
19 do for a long time and have been unable to get
20 them to do, which is to admit that there's a
21 problem.

22 And, I see Mr. Bolder is coming
23 back up in the room. So, I'm just going to ask
24 him to come and sit with us. Mr. Bolder, we
25 represent Mr. Bolder and the other residents of

1
2 his house, if you could just pull up another
3 chair, Mr. Bolder. We represent Mr. Bolder and
4 the other residents of 3323 Seymour Avenue in an
5 action that he was talking about earlier, in which
6 even though the City agencies have come out and
7 said that building is unsafe, HPD has refused to
8 provide them with relocation assistance because it
9 says they aren't tenants. And, in fact, the
10 Department of Homeless Services filed-- made an
11 official statement in that case in which they said
12 that the residents of that building are not
13 tenants, which raises the question of what they
14 are if DHS will come here and say well, they're
15 not in our shelter system. They agreed to move
16 into this place. And, you know, we can't prevent
17 people from seeking out permanent housing that
18 they want to live in and then, they're going to go
19 to Court on the other hand and say well they're
20 not really tenants, so they're not entitled to
21 relocation assistance when City agencies show up
22 and find that the building is not safe to live in.

23 I think that Council Member
24 Ferreras was on exactly the right track in
25 identifying that the issue here is what is the

1
2 City's bright line? And, Assistant Commissioner
3 Nashak talked about there being-- they have said
4 the City, the Department of Homeless Services has
5 set forth what they believe to be a bright line
6 test. They have said that they have given
7 guidance to the workers that you can't send
8 someone to a place that is not safe. But, the
9 question is how do they define what is safe. And,
10 they have taken the worst case scenario; they have
11 taken the position that the only building that you
12 can't refer someone to is a place that everyone
13 agrees is unsafe because it has already been
14 violated.

15 But, they don't have, as they
16 admitted, they don't have a list. They have no
17 idea how many of these places exist. But, they
18 could figure it out through records that they
19 already have. As Council Member Ferreras got to
20 the heart of the matter that they know which
21 buildings from Department of Buildings' records
22 are one and two-family houses. They know how many
23 people they've sent there. And, it should be very
24 easy for them to put two and two together. We've
25 already referred however many people to this

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2 address. It's a one or two-family house. It's
3 not safe to refer anyone else there.

4 It shouldn't be the burden of the
5 clients, as the Deputy Commissioner suggested. It
6 shouldn't be the burden of Coalition for the
7 Homeless. It shouldn't be the burden of the City
8 Council. It shouldn't be the burden of the
9 neighbor of this facility to call 311 and start a
10 process then of inspection. They should be able
11 to look in available public records and determine
12 from the start whether it is appropriate to refer
13 someone to live in a one and two-family house that
14 they know that they have just referred-- that they
15 have seen exits from 12 other people to in the
16 last month. It's just not acceptable when we have
17 one City and when we have this level of
18 technological sophistication that the City has
19 committed itself to, to information sharing that
20 they can plead ignorance of whether or not an
21 address is an appropriate place to refer people
22 to.

23 The Deputy Commissioner also
24 suggested that people could request fair hearings.
25 As he well knows, the people don't have any

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2 counsel in those fair hearings. These are very
3 complicated legal issues, technical issues. And,
4 I will just tell you that we currently represent
5 two clients in those hearings; one of whom has, in
6 fact, been sanctioned for a single case of what
7 they claim to be turning down an apartment,
8 contrary to what the testimony was.

9 And, we have another client who has
10 a positive result for TB. We represented him in a
11 hearing where they alleged that he had missed some
12 appointments. That was the only reason they were
13 throwing him out of shelter. And, when I said to
14 him what are you going to do if we lose this
15 hearing. He said well, I'll just go to a three-
16 quarter house. So, that's what's understood by
17 the clients as the availability of these places is
18 that it is, in fact, a shadow shelter system.

19 And, in closing, I just want to
20 say, again, that what we are looking to avoid here
21 is a tragedy that it's very simple, I think, for
22 these agencies to develop a brighter line
23 standard, a standard that makes it easier to
24 identify the tragedy before it happens, rather
25 than waiting for the judgment of all of the City

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2 agencies that, in fact, a particular location has
3 to be vacated. They could be more proactive even
4 with the information that they have. They don't
5 have to send out inspectors. They don't have to
6 personally go and look at each one of these
7 places. The information is there. At the very
8 least, they could require the landlord to send
9 them a document that certifies that the place is
10 safe. That it's not occupied by more people than
11 the C of O permits. And, it would be very simple
12 for them to comply with the requirements that you
13 set forth in your legislation. Thank you.

14 CHAIRPERSON de BLASIO: Thank you
15 very much. And, thanks for all the work you're
16 doing on this issue. We appreciate. Go ahead,
17 Bill.

18 BILL LIENHART: Thank you very much
19 for, Mr. Chairman, for addressing this important
20 issue that's I think gone unaddressed for far too
21 long. My name is Bill Lienhart. I'm from the
22 Mental Health Project at the Urban Justice Center.
23 And, I am here with Mr. Anserula [phonetic].
24 Mr. Anserula is not actually a client of the Urban
25 Justice Center. In fact, we just met this

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2 morning. But, I think when you hear from him,
3 you're going to understand why I asked him to come
4 to the hearing.

5 I'm going to shorten my remarks a
6 bit. If you ever want to hear the bizarre and
7 fascinating, I think, story of how I got involved
8 in this issue as a Housing Court attorney, ten
9 years ago, well, my contact information is in my
10 testimony.

11 So, I wholeheartedly, and Urban
12 Justice Center wholeheartedly supports this
13 legislation and also, endorses everything that the
14 Coalition and that Legal Aid have said. There's a
15 few points that I want to address.

16 I think the legislation is a good
17 step. It doesn't go far enough. On the issue of
18 the C of O, like Josh said, actually the burden
19 should be on DHS to, rather than just not
20 referring people to places that have vacate orders
21 and violations and such, rather the DHS, if
22 they're going to be providing information about
23 shelter residents to home operators or providing
24 information about homes to shelter residents, they
25 ought to actually make sure that the place is--

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2 has a C of O and that it's in accord with its C of
3 O. And, that should include a visit to the place
4 before they start having their employees or their
5 subcontractors talk about it to shelter residents
6 and recommend it to shelter residents.

7 Also, there's a point which hasn't-
8 - that isn't addressed in the legislation. And, I
9 don't think has been made directly here. And,
10 that is, or, not made forcefully enough anyhow,
11 and that is that even if these places are
12 operating in accordance with building codes and
13 they have C of Os, etcetera, they may still be
14 violating the law. It's illegal to operate a home
15 for people with mental illness or for people with
16 substance use problems or for people who are
17 unable to care for themselves and need services
18 without a license from the appropriate State
19 agency.

20 And, many of these places basically
21 go around to shelters and say, okay, what needs do
22 your clients have. Oh, yeah, we definitely do
23 that. Oh, we provide mental health services.
24 Yeah, sure, we provide recovery-oriented services.
25 And, they don't. Or, they do, but they don't have

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2 any license to do so. And, it would be very easy
3 for DHS to determine, not just sort of prevent
4 referrals to the worst homes, but what they should
5 be doing is looking at those homes and asking
6 them, do you have a license to provide the
7 services that you say you provide. It would be
8 very simple for DHS to contact the appropriate
9 State agencies, Department of Health, OASAS, the
10 State Office of Mental Health, and find out (a)
11 does this-- this place says it provides these
12 services, does it need a license to do that. And,
13 if so, where's the license? If there's no
14 license, they shouldn't be providing information
15 about residents to the home operators. And, they
16 shouldn't be providing information about the homes
17 to residents.

18 I think that the bill should spell
19 out more clearly what does referral mean, because
20 the way this industry has mushroomed is through a
21 lot of low-level contacts and connections between
22 DHS employees and DHS' contractors' employees and
23 the home operators. There's a lot of informal
24 information being passed back and forth. And, I
25 think that the legislation should spell out that

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2 that has to stop.

3 And, like I said, I don't think DHS
4 should be providing information about its
5 residents, its shelter residents, to the home
6 operators. And, I don't think they should be
7 providing information the other way around. I
8 don't see any reason why a home operator that
9 hasn't proven to DHS, DHS has no reason to believe
10 it is, in fact, in accordance with building codes
11 and other licensing laws and regulations. I don't
12 see why there should be any communication going on
13 there at all. There just seems to be no
14 legitimate reason for that.

15 So, I think the legislation needs
16 to be very clear about what does referral mean
17 because if you say they can't refer. Well, does
18 that mean they can say well, I can't refer you
19 here, but I can tell you that it exists? That's
20 basically going to achieve exactly the same thing
21 that a referral might.

22 And, I think the last thing I want
23 to say is that DHS has responded, it often says on
24 this issue that it can't control where people
25 decide to go after they leave the shelter. That's

1
2 true. But, they can control their own employees
3 and their contractors and subcontractors. And,
4 they've got to exercise that control to stop them
5 from enabling illegal adult home operators to
6 profit from breaking the law.

7 And now, I'm going to turn the
8 microphone over to Mr. Anserula.

9 MR. ANSERULA: My name is - -
10 Anserula. I was in Ward's Island. And, I had
11 left out of Ward's Island in-- well, last year.
12 No, it was 2007. And, throughout leaving the
13 facility, I wanted it back-- well, I went to a
14 drop-in center on Staten Island, Project
15 Hospitality. I was referred to Top of the Hub on
16 Picken, 2359 Picken Avenue off of Warwick. And,
17 well, I had a two-day bed leave to be off my feet
18 because of my foot. And, the guy act like, you
19 know, because I wasn't going to the drug treatment
20 that they make you go to in order to stay there,
21 that it was a problem. I couldn't rest because,
22 you know, I couldn't go and get, I guess, the
23 money that he wanted for me going to the program.

24 So, after being there for two
25 weeks, I had got stabbed up seven times. I had

1
2 surgery on my stomach. I had got 27 staples
3 'cause the guy just, he really hurt me. So, when
4 I got back, which was-- I got stabbed on the 7th of
5 February. When I got out, it was 17th of February.
6 I went back to Top of the Hub. And, they going to
7 tell me I'm suspended. I say for what, you know.
8 You just suspended, with no explanation, no
9 nothing, no where to go. And, throughout my
10 leaving, I had guys help me to the subway. Once I
11 got on the subway, I had to lift this bag and that
12 bag up and down steps. My stomach bust open. So,
13 I got an infection from my wounds because I had to
14 move all my stuff around.

15 But, in that facility, they was
16 already coded because they had to close out two
17 rooms and make it into a living room, right,
18 'cause they said I don't know if it was a fire
19 violation or what. But, they said that they had
20 too many rooms and they had to open it up. And
21 then, I was just told they close that building
22 down. So, I felt as though I almost lost my life
23 in this building and there was no cameras, no
24 security. It's unsafe.

25 People, the clients, steal and

1
2 also, the staff steal because I had DVD player,
3 DVD locked in the staff office with my phones and
4 other belongings and some of my DVD players are
5 missing. Other stuff was missing while I got
6 stabbed up and I'm sitting in the hospital. So,
7 it was basically there's no safety. There's no
8 safety for your belongings. There's no safety for
9 yourself being in these three-quarter house.

10 CHAIRPERSON de BLASIO: I'm very
11 sorry to hear that you had a very painful, very
12 difficult experience. I'm glad you're here with
13 us still, 'cause that could have been life-
14 threatening, obviously. And, I'm glad you
15 persevered and I glad that you, you know, came
16 forward to tell people about this, 'cause, again,
17 this is very dramatic example of just what these
18 three-quarters houses actually mean for people and
19 the dangers of them. So, thank you.

20 I want to thank this whole panel.
21 Thank you again for your testimony.

22 BILL LIENHART: Excuse me,
23 Mr. Chairman, can I--

24 CHAIRPERSON de BLASIO: Yeah,
25 please.

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2 BILL LIENHART: I just want to add
3 one--

4 CHAIRPERSON de BLASIO: Yeah.

5 BILL LIENHART: --one thing that
6 occurred to me about trying to figure out what DHS
7 could do to try to figure out whether a home is an
8 unlicensed board and care facility. Most of the
9 people, most of the residents, of these homes are
10 getting the rents being paid through-- it's a
11 shelter check from Welfare. Or, they're on Social
12 Security. And, a lot of times the owners will
13 require the residents, who are on Social Security,
14 to make the owner the representative payee, which
15 is abuse of that, as well.

16 So, one thing that could be done is
17 to simply look up, when the C of O, you know, when
18 DHS gets the C of O, as it should before it makes
19 a referral, look up the address in the Welfare
20 Management System or in the State Data Exchange
21 System. That can be done by HRA. And, they
22 should be able to see how many checks are going to
23 that address. If you have 50 checks going to an
24 address that has a C of O for a two-family, you
25 know you have a problem. And, it would be a very

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2 easy way to do it. It's not failsafe because some
3 of the owners will use a P. O. Box or use their
4 sister's address or what have you. But, it would
5 certainly be one easy way for DHS to be able to
6 see how many people appear to be living in a
7 certain address.

8 CHAIRPERSON de BLASIO: I
9 appreciate that. I think it's a very good
10 suggestion. We will formally ask DHS to start
11 doing that as another way of trying to identify
12 once and for all where these houses are and stop
13 referrals to them. So, again, just to say I want
14 to thank everyone. Again, this is the only way we
15 get to change things is if people tell their
16 stories and help us, you know, help us change the
17 policies of the government. All I can say is,
18 again, I'm glad you're here with us today. And, I
19 hope you're, you know, in a much better, safer
20 place now. And, thank you. Thank you, both you
21 and thank you to the rest of the panel for being
22 here. Appreciate it.

23 JOSH GOLDFEIN: Thank you,
24 Mr. Chairman.

25 CHAIRPERSON de BLASIO: And now,

1
2 last panel, hold on one second, Christy Parque and
3 Ted Houghton. Please step forward. We have one
4 person signed up for public testimony. So, I'll
5 ask them to come up with this panel, as well, just
6 in the interest of efficiency, since we're about
7 to close down the hearing, Karen Jorgensen, come
8 on up. Okay. Who would like to begin?

9 CHRISTY PARQUE: Sure. First of
10 all, I want to say thanks for this opportunity and
11 thank you for addressing this issue. My name is
12 Christy Parque. I'm the Executive Director of
13 Homeless Services United. It's a coalition of 60
14 nonprofit agencies serving homeless and at-risk
15 adults and families in New York City. We provide
16 advocacy, information, training to member agencies
17 to expand their capacity to deliver high-quality
18 services. One of the big things we do is we push
19 for the expansion of affordable housing and
20 prevention services and access to immediate safe,
21 decent, emergency and transitional housing. I
22 want to say that I'm really honored to be on this
23 panel because I'm with two of the smartest people
24 who are working on this. And, Karen Jorgensen
25 happens to be one of our members and her parent

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2 agency happens to be one of Ted Houghton.

3 So, you have my testimony. I know
4 that it's late. And, I always promise I'm going
5 to go short. So, I want to hit a couple of
6 things. The way we've looked at this issue is
7 that there's, at least from the provider
8 perspective, there's really two things going on
9 from the provider perspective that it's the lack
10 of affordable, safe, accessible housing for our
11 clients. And, we've talked about that. Everybody
12 knows that issue in New York City. There's just
13 not enough supportive housing, and Ted will speak
14 to that I am sure, for our clients because the
15 vast majority of our clients are really suffering
16 from mental illness and other issues, substance
17 abuse, things like that. That's a really
18 important key and everybody knows that. And, I'll
19 let Ted speak to that.

20 I want to talk about the financial
21 limitations that are put on the shelters and what
22 they're suffering from. The City has largely
23 delegated its responsibility for placing homeless
24 individuals and really taking care of them to
25 nonprofit shelters, who are my members.

1
2 We've been successful in the past
3 in reducing numbers of single homeless adults.
4 And, entrusted with this enormous task, providers
5 have sought and actively placed clients in the
6 safest and appropriate settings available. You
7 know, we take it very serious the clients that
8 we're serving from the minute that they come in
9 and the minute they leave, you know, even the
10 unfunded mandate of looking after our clients in
11 something called After Care. We don't get fund to
12 do, but if a client's in trouble, they're going to
13 come to the shelter that helped them. So, you
14 know, just because they leave the facility doesn't
15 mean that they leave the care. And, also, just as
16 a point of fact that if that client returns to the
17 homeless system within a year, they go back to
18 that shelter. So, there's a real mandate that
19 they get placed in a good setting. And, I do want
20 to-- I'll touch on that momentarily.

21 But, basically shelter contracts
22 with the City require providers to meet housing
23 placement targets. And, up to 10% of our budget
24 is at-risk for that. So, if we don't meet those
25 housing targets, there's a financial penalty for

1
2 that shelter, which, in turn, affects the ability
3 for that shelter to meet their mission to help, to
4 further help, clients.

5 At the urging of our members and in
6 negotiations with DHS, we sat down and looked at
7 how the system is set up. There's basically four
8 indicators that measures the success of a single
9 adult shelter in their ability to meet their
10 targets. We recently asked, and DHS agreed and
11 thought it was a good idea, we asked them to
12 increase the importance of recidivism in targets.
13 So, they increased the weight of it in the
14 breakdown. And, that really shows-- basically it
15 creates an incentive for providers to make lasting
16 good targets, good placements. So, it really
17 shows their commitment to-- it made it more
18 difficult for them, in some sense, if you're an
19 unethical provider, it would make it more
20 difficult. But, given, you know, I operate under
21 the assumption that my providers and the providers
22 in New York City are ethical people and they want
23 to take good care of their clients. And, it's in
24 their interest to help those clients have lasting
25 placements.

1
2 So, to that end, currently now, the
3 way that-- an indication in the performance
4 measurement has been increased so that recidivism,
5 the rate by which people are measured whether or
6 not they're coming back in, was increased. So,
7 it's a weightier component. So, providers really
8 are committed to this process of taking good care
9 of their clients.

10 That being said, again, under
11 financial limitations, the adult providers then,
12 forgive me here for going off target for a moment,
13 we're facing a \$5.4 million budget cut for FY '10
14 at a 4.3% budget cut. This means even fewer
15 resources with which to undertake the very
16 difficult job of operating a homeless shelter and
17 placing clients in safe permanent housing.
18 Shelters are already forced to combine roles such
19 as case managers and housing specialists, which
20 are both important distinctive roles in client
21 services. And, they do this in order to meet
22 scarce funding and budget reductions. This is in
23 advance of a budget that we're anticipating in FY
24 '10.

25 So, we really oppose these cuts.

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2 And, we oppose them not just because of what it's
3 doing to the budget, but what it will be doing to
4 the kinds of services New York City offers to some
5 of its most vulnerable residents. And, they are
6 residents regardless of whether or not they have a
7 home at that point. And, the homes are the
8 shelters that my members provide.

9 We ask the City Council and the
10 Mayor to recognize that we can't afford to back
11 down on our commitment to homelessness and
12 especially in these tough economic times, because,
13 you know, it's just the beginning. And, we fear
14 that we'll be seeing more people coming in to the
15 system with less resources to help them.

16 So, moving on to you, Chairman de
17 Blasio, you asked earlier on, you stated clearly
18 that we wanted to create a standard within this
19 law that really helps prevent the problem of
20 three-quarter houses. And so, I'm coming to my
21 recommendations. And, we support any effort to
22 reduce substandard housing, three-quarter housing,
23 housing that targets homeless folks coming out of
24 shelter. However, we do have some concerns about
25 the language within the law. And, in particular,

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2 what's important to us is that as the providers of
3 homeless services, it's going to be the shelters
4 who operationalize any law that goes into the
5 system.

6 So, we want to assure that the
7 operators and the shelter staff really have a good
8 understanding how to undertake the process of
9 evaluating a good placement. And, to back up for
10 a moment, HSU, Homeless Services United, has
11 undertaken, in the last year and a half, a
12 commitment to really address this issue. We
13 circulate the list that the Coalition makes
14 available to our membership. We provided training
15 to our membership how to look at the various
16 websites.

17 That being said, again, there are
18 scarce resources, meaning staff time is limited,
19 even down to the point of computers being
20 accessible to all staff. A good housing
21 specialist is on the road, taking people out to
22 look at sites. So, if we can make this process as
23 easy as possible and accessible as possible for
24 all levels of staff, I think that's really
25 something we have to take into consideration.

1
2 And, I hope that future versions of this bill will
3 include providers to give feedback about how this
4 could really work.

5 Specifically, we had some questions
6 in Section (a) and (b) of the proposal. It
7 doesn't give enough specific guidance to a shelter
8 to know how to interpret them. And, you know, I
9 went on to the website to take a look and it took
10 me a while to really understand and really
11 understand the differences between the various
12 violations, the ECB violations versus just a
13 regular violation, etcetera, etcetera. So, I
14 think that we need to be clear about what we're
15 asking people to look at and how do you measure
16 these things.

17 And, specifically in Section (c),
18 it's pretty vague. I'm not sure the intention of
19 what the statement you wrote, "Any dwelling where
20 occupancy by a homeless single adult would violate
21 the certificate of occupancy." As far as I know,
22 that would violate the rights of anybody. A
23 homeless person has a right to live anywhere. So,
24 I think it's a little vague. We need, with due
25 respect, I would hope that we could work with you

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2 to finesse that language a little bit more so it
3 has meaning.

4 CHAIRPERSON de BLASIO: We would
5 definitely be-- this is obviously a first step.
6 And, we would be happy to work with you and anyone
7 else who has suggestions. I do want to ask you to
8 sum up now because the hearing has gone on for a
9 while. But, please conclude and obviously, we
10 will pay attention to your written testimony, as
11 well.

12 CHRISTY PARQUE: Okay. I would
13 like to say that, just one last point, please be
14 careful of being overbroad in the legal sense of
15 creating this because we want to make sure that we
16 don't eliminate good housing placements because of
17 anomalies in the DOB website that there may be
18 multiple dwellings where there is one violation,
19 but the rest of the dwellings in there are safe
20 placements for homeless people. So, please be
21 prudent on that.

22 And, I just can't say how pleased I
23 am to hear that there has been a commitment, at
24 least from three agencies that they're working
25 together. And, again, we hope that the providers

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2 are taken into account for that, as well as
3 Councilwoman Brewer suggestion for everybody in
4 the room. And, I think there's room for many
5 other people to be involved in that. And, I think
6 there's been a lot of really great ideas. So,
7 thank you for this stimulus to get us going. And,
8 I really hope that that happens. And, we are
9 available to provide support to that group that
10 meets and hope that we're an integral part of
11 resolving this tough issue. Thank you very much.

12 CHAIRPERSON de BLASIO: Thank you.
13 Mr. Houghton.

14 TED HOUGHTON: Hi. My name is Ted
15 Houghton. I'm the Executive Director of the
16 Supportive Housing Network. And, we represent
17 over 180 different nonprofits that build and
18 operate supportive housing, many of whom also run
19 the shelters, transitional housing in the system.
20 I also, in a previous position, was the-- I
21 oversaw all housing placement for the Department
22 of Homeless Services, Adult Services Program. So,
23 I've got more than one perspective on this.

24 I will promise not to read my six
25 pages of testimony, if you promise to read it.

1

2 Promise?

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CHAIRPERSON de BLASIO: I will take
a oath with my Counsel right after...

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TED HOUGHTON: Right. Okay. Good.
In any case, very quickly, we have lost an
enormous amount of housing. We had about 176,000
units of SRO housing back in the '70s. We have
about less than 10,000 now. We've built about
24,000, or created about 24,000 units of
supportive housing in New York City. But, you can
see that we've got a long way to go.

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Now, we don't need to build
150,000. But, it gives you an idea of just how
bad the shortage is. And so, there is a real
pressure to place people into housing that we all
feel, and we all want to get people back into
housing, but it's very difficult in the New York
City housing market. I would say that this
emanates from a very much good faith effort from
DHS to get homeless people housed. And, I think
that the emphasis that they've made on housing
people is a good thing. And, our providers that
are running the shelters and our providers that
are building the housing, very much share that

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2 goal.

3 What's happened, though, is that
4 the immense pressure that's caused by the
5 performance incentives, which I actually created
6 back in 1995, at this point, it's very, very
7 difficult for providers to make those placements
8 without resorting to using three-quarter houses.
9 Some of them do so knowingly. Some of them don't.
10 I really don't know too much about the details.
11 But, obviously, hearing the testimony from various
12 providers, from the Legal Aid Society and
13 Coalition for the Homeless, it sounds to me like,
14 at some point, there's a breakdown. And, somebody
15 is placing people into places that we really
16 shouldn't be putting people into. And, it really
17 is time for that to stop.

18 We've talked about this for close
19 to three years. And, it worries me because I've
20 seen these places. They are fire traps. There's
21 going to be a tragedy. And, I remember back in
22 1997 there was a fire in a privately owned SRO
23 hotel that DHS contracted with a private owner to
24 provide housing for one plus ones, families
25 without children. And, nine people, I think, died

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2 in that. And, I wasn't part of the family side of
3 the shelter system. So, I didn't have anything to
4 do with it. But, I remember how people felt after
5 that fire happened and it was discovered that
6 doors were locked shut and there was no escape for
7 people. And, that they had not done their job in
8 making sure that they were placing people into
9 safe places to live.

10 And, this was a shelter that was
11 contracted by DHS, not a three-quarter house,
12 which is an arms length arrangement. But, when we
13 hear about vans being driven to places and people
14 being dropped off or people making presentations
15 in shelters about places, then we've crossed a
16 line where we really do need to take some
17 responsibility for the condition of those places.

18 I agree with Chris that there are a
19 number of things in this bill that concern me
20 about liability for nonprofits, for DHS and for a
21 variety of other people. I think the real
22 culpable people here are the unscrupulous
23 landlords. And, I'd like to concentrate on them.
24 But, I think that we could do an awful lot more to
25 track these places and to make sure that we don't

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2 make placements into them knowingly. I think we
3 need to be careful because there are an awful lot
4 of substandard marginal apartments throughout the
5 City that are more or less habitable. That's not
6 three-quarter houses. I mean, eight bunk beds in
7 a room, that's not what I'm talking about. But,
8 we don't want to initiate a blitz where we end up
9 making 100,000 people homeless, which very well
10 could happen when you really take a look at the
11 housing stock in the City.

12 In any case, I'll end right now
13 because Karen Jorgensen has a firsthand knowledge
14 of what's going on. But, if you'd like to ask any
15 questions [crosstalk]--

16 CHAIRPERSON de BLASIO:

17 [Interposing] No, I'd just like to make a comment
18 having reviewed the testimony, your written
19 testimony as well. I think the concerns are
20 valid. And, I don't see a scenario where this
21 legislation would lead to anything as wholesale as
22 you suggest. But, I do think that's a valid
23 instinct to say we don't want to hit the wrong
24 targets. And, we don't want to undermine
25 imperfect, but still legal and, you know, livable

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2 housing stock. So, you know, the points are well
3 taken. I think we are happy to keep talking to
4 folks, as we refine legislation. I do think,
5 honestly and respectfully, looking at some of the
6 other solutions you recommend, I think many of
7 them are wonderful. I'm not sure they're really
8 going to happen in the current economic
9 environment. Or, I think there's some areas where
10 you and I would agree. But, I'm not sure the
11 Administration would agree to move pieces, such as
12 Section 8.

13 With that being said, I think the
14 point here is we're offering (a) we're trying to
15 shine a light on the problem; (b) we're offering
16 one way to get at it. We can keep perfecting that
17 way. And, I agree with you, add some additional
18 penalties for folks who are the real perpetrators.
19 What's unacceptable to me is the status quo. So,
20 you know, I understand your concerns. I
21 understand some of your ideal solutions. I'd like
22 to take some your concerns and Ms. Parque's
23 concerns and work them into what we're doing in
24 some productive way. I'd love to get to the ideal
25 solutions. I think they're a ways off. But, I do

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2 not want to leave the status quo the way it is
3 right now.

4 TED HOUGHTON: No, I agree. I
5 think we need action now. I'll be glad to work
6 with you on that and work with DHS, because I
7 worry about liability, not just for the providers,
8 but for DHS because they're as much up against
9 this housing market as we are. And, while, you
10 know, it's difficult to run a very large shelter
11 system. And, people do the best job they can.
12 But, we've got to try to do better. So, we'll
13 work together on that.

14 CHAIRPERSON de BLASIO: Thank you.
15 Miss Jorgensen.

16 KAREN JORGENSEN: Okay. Well, I
17 just want to thank people, especially Chairman de
18 Blasio, for doing this. My name is Karen
19 Jorgensen. I'm the Director of Valley Lodge.
20 We're a contracted shelter for men and women over
21 the age of 50. And, as you mentioned at the press
22 conference earlier, at this time of economic
23 downturn when newly homeless adults are coming
24 into the shelter system in unprecedented numbers,
25 it is important to pass Intro 963 to prohibit

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2 referrals of homeless people to dwellings that
3 fail to meet occupancy standards.

4 I think in the City of New York, we
5 can be proud of the continuum of care we have
6 established to care for our homeless New Yorkers.
7 We have some of the best subsidized and supportive
8 housing in the nation. We just don't have enough
9 of it. And, this amendment will prevent us from
10 falling victim to the quick fix. It will prevent
11 us from sending people to housing that is far
12 below the minimum standards for New York City
13 shelters set by the Callahan Consent Decree.

14 In my 21 years at Valley Lodge, I
15 have met many men, and a few women, who are
16 refugees from three-quarter houses. They have
17 preferred to sit in a chair in a drop-in center or
18 sleep on the subways or return to the shelter
19 system rather than live in one of these places.
20 If you look at the minimum standards set by the
21 Callahan Consent decree for shelters, you can see
22 why. Because Callahan requires that all shelter
23 beds are to be at least 3 feet apart from one
24 another. And, we've heard testimony in most of
25 these three-quarter houses, people sleep in bunk

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2 beds, sometimes eight to ten people in a room with
3 only enough space between bunk beds for one person
4 to climb down from the top bunk at a time.

5 Callahan requires all mattresses to
6 be clean, well constructed, and comfortable, and,
7 the Coalition inspects the shelters yearly, not
8 dirty, urine-soaked, and inhabited by fourth
9 generation bed bugs, as in many of the three-
10 quarter houses. Callahan is very strict on the
11 minimum number of working toilets and working
12 showers; one working toilet for every ten
13 residents, for example, is the minimum. Many
14 residents of these three-quarter houses I have
15 spoken to say that there were just two or three
16 small bathrooms in a building housing 60 to 80
17 individuals and that they were filthy and ill-
18 maintained.

19 The operators of these three-
20 quarter houses create professional looking
21 brochures describing a myriad of services and
22 amenities. At Valley Lodge, we once received such
23 a brochure from the now infamous Alberta's House
24 in Brooklyn, whose operator has since been
25 indicted on various fraud charges. We were

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2 thinking about sending one of our clients for a
3 look-see when we received a late night voicemail
4 message from an Alberta's House staff member
5 warning us not to send anyone there as "management
6 lies about conditions and services." Not too long
7 ago, we received a detailed brochure from Miracle
8 House. Somehow it arrived and got placed in my
9 box, probably by someone who just brought it in to
10 Valley Lodge. Now, I personally know several
11 individuals who had lived in my shelter who
12 considered it a miracle to have escaped Miracle
13 House and are very happy to now be living in
14 supportive SROs, where their monthly rent is \$228
15 a month, rather than the \$400 charged at Miracle
16 House and they get to keep their food stamps.

17 This amendment to the law will
18 hopefully prevent shelters from diverting clients
19 to three-quarter houses when they enter the
20 shelter system, which happened to an 82-year old
21 former client, a World War II Veteran, who was
22 sent to St. Paul's House in Brooklyn by one of the
23 assessment shelters. There they tried to get
24 control of his Social Security check and his food
25 stamps, as you've heard. Conditions were abysmal.

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2 So, he walked out and spent time in a chair at a
3 drop-in center before coming to Valley Lodge where
4 we were able to place him in a quality SRO for
5 seniors where he still resides.

6 So, thank you, thank you, thank you
7 for the opportunity to speak about this and thank
8 you for doing something about it.

9 CHAIRPERSON de BLASIO: Wow, what a
10 good note to end on. Thank you. Thank you for
11 the work you do and your passionate advocacy.
12 Thanks everyone for being here today. And, we
13 will continue to work on this problem and make
14 some progress on it. And, this meeting of General
15 Welfare Committee is now adjourned.

16 JULISSA FERRERAS: Save the best
17 for last, didn't you?

18 CHAIRPERSON DE BLASIO: That's
19 right.
20

C E R T I F I C A T E

I, DeeDee E. Tataseo certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature DeeDee E. Tataseo

Date May 24, 2009