



Testimony of Commissioner Molly Wasow Park
Commissioner, NYC Department of Social Services

Before the New York City Council Committees on Oversight & Investigations, General
Welfare, Finance, and Contracts
Oversight Hearing: Examining the Mayoral Administration's Oversight of City-Funded
Homeless Shelter Providers

December 17, 2024

Good morning, I want to thank the City Council's committees on Oversight & Investigations, General Welfare, Finance, and Contracts, Chairs Brewer, Ayala, Brannan, and Won, for organizing today's hearing on administration oversight of city-funded homeless shelter providers. My name is Molly Wasow Park and I serve as the Commissioner of the Department of Social Services (DSS), which is made up of the Human Resources Administration (HRA) and the Department of Homeless Services (DHS). I am joined today by Bedros Leon Boodanian, Chief Accountability Officer at the Department of Social Services, and Charles Diamond, Special Counsel at the Mayor's Office of Contract Services.

The New York City Department of Social Services is the nation's largest social services agency and DHS is the nation's largest and most comprehensive municipal shelter system. DHS serves individuals and families experiencing homelessness, and through our shelters and programs we support people through a traumatic and challenging moment in their lives. Working to prevent homelessness and provide shelter to adults and families, we partner with providers to deliver housing, support, and help in the transition towards safe permanent housing.

The Mayor's Office of Contract Services (MOCS) is dedicated to optimizing existing operations and transforming processes to make it easier to do business with the City. MOCS' mission is to lead procurement transformation by leveraging expertise, innovation, and a results-oriented mindset. DSS works with MOCS to strengthen transparency and accountability in the procurement process.

I appreciate the opportunity to review our oversight of city-funded homeless shelter providers with you today.

The overwhelming majority of DHS shelters are operated by a network of experienced temporary housing providers under contract with the agency. Each of these contracted providers has been selected and vetted through our Open-Ended RFP process that factors in capacity, experience, and site location, among other things. During the course of the provider contract, DSS Agency Chief Contracting Officer (ACCO) and Accountability Office (AO), along with DHS Shelter Operations

regularly engage with the shelter provider to ensure compliance with contract terms, and quality of services.

Serving those experiencing homelessness is incredibly important human services work and the overwhelming majority of non-profit partners and community organizations – made up of countless social workers, housing specialists, lawyers, clinicians, public servants, and many more –are engaged in this work for the right reasons. We want to lift our fellow New Yorkers up, deliver assistance through a vulnerable moment, and help our neighbors.

At DSS, we recognize the importance of accountability. In most instances, providers are trying to do the right thing and we understand that compliance is complex. Our goal and our approach to compliance is to support providers and, where necessary, help serve as a constructive partner in getting them to a place where they can succeed through remediation. Our structure of proactive contract monitoring focuses on three key compliance tenets: evaluate, monitor, and remediate.

DSS uses and has expanded the scope of evaluation strategies to include audits, risk assessments, performance reporting, research, and investigations. DSS is expanding the evaluation strategy to include real-time secondary invoice review for high-risk categories. This expanded evaluation strategy includes review by executive staff and contract managers, including the Vendor Management Committee.

On monitoring, DSS recently created a Corrective Action Planning Office (CAPO), designed to monitor and evaluate corrective actions stemming from internal and external audits, investigations, and reviews. This includes tracking compliance for DHS vendors that have been placed on Corrective Action Plans (CAPS). CAPO tracks issues, ensuring completion and compliance and notes repeat issues across providers or programs.

DSS utilizes policies and procedures, direct memos to providers, and training as remediation strategies. In 2025, compliance related issues will be incorporated into provider trainings. Recent trainings include the comprehensive MOCS Standard Invoice Review Policy training for all contract managers. Recent policies and guidance include the citywide anti-nepotism policy, timekeeping requirements, allocation methodology and more. Also in 2025, the agency will be creating a new unit of field staff to assist high-risk providers on various compliance related matters.

The Department of Investigation commenced its investigation of the DHS provider contract process in 2021. During the multi-year investigation, DSS/DHS made every effort to work with DOI to ensure the investigation factored in the most accurate and current information. In fact, DSS/DHS served as a partner in presenting the processes we undertake to scrutinize vendors, flag problems, and follow-up where standards are not being met. In October 2024 DOI published its *Shelter Provider Report*. While the report highlights much of the multi-year engagement between our agencies, I believe the report did not wholly convey the operational and regulatory context DSS operates within, delineate changes over time so as to reflect current DSS/DHS operations, or present the proactive role DSS plays in detecting, investigating, and holding vendors to account.

With respect to the operational and regulatory context within which DSS operates, I will share that the larger landscape of oversight and regulation feeds into DOI observations in ways that are not taken into account in the report. For instance, in discussing nonprofit executive salaries two points are particularly salient. First, DSS does not directly pay not-for-profit executive salaries. Agency leadership is considered an overhead cost that is paid out of the provider's indirect rate. That indirect cost reimbursement goes towards central staff cost as well as other costs like office space and supplies. Second, some providers may have operations that extend well beyond the contracts they hold with DSS, which means the agency cannot issue unilateral directives on executive compensation.

The DOI report also failed to take account of New York State's shared role in oversight and enforcement. New York State has broad oversight authority over nonprofits and State-level actors can play a constructive role in ensuring nonprofits meet their legal obligations exercising State authority to enjoin, void, or rescind a related party transaction.

With respect to current DSS operations, DSS had already taken steps to address problematic providers the DOI report identifies. Well before the report was released – or in some instances before the investigation was started - DHS had completely ceased doing business with some providers (e.g. CORE, CCS, SoBro), and has placed other providers on closely monitored corrective action plans (e.g. Bronx Parent, Acacia). DSS places vendors on Corrective Action Plans (CAPS) when the vendor is experiencing serious challenges, which could be related to organizational structure, fiscal compliance, or other compliance issues. These CAPs are specifically drafted to address each vendor's unique issues. Vendors are required to immediately address the problems that led to the CAP and must submit quarterly reporting demonstrating CAP compliance for up to five years. DSS closely monitors CAP quarterly submissions and communicates with the vendor to remedy any failures of CAP compliance.

With respect to the proactive role DSS plays in detecting, investigating, and holding vendors to account, the DOI report does not acknowledge the manifold ways that DSS has been integral to this process. DSS may flag potential fiscal mismanagement or malfeasance, initiate investigations, or demand forensic audits, all of which comprise essential elements of bringing problems to light and holding providers who fail to meet their legal obligations accountable. DSS has been a proactive participant in enforcing compliance, up to and including making referrals to DOI for further investigation.

Beyond identifying bad actors, DSS works to foster and build the City's capacity to engage with vendors who uphold the rules. DSS is an active part of the Vendor Compliance Cabinet -- sharing best practices, developing risk metrics, and constructively partnering to advance Citywide policies to advance contract monitoring and oversight Citywide. We understand that working across our City, with fellow public procurement and contracting professionals, we contribute to building more robust ecosystem of reliable vendors.

Turning our attention to the legislation being heard today, Introduction 979 would require annual reports for five years as to shelter food consumption. The proposed study would include assessing the quality of food for each shelter, calculating the percent of food consumed relative to the amount of food served at each shelter and at shelters in the aggregate, providing recommendations for more cost-effective food provision, and providing recommendations on improving the quality of food at shelters.

We share the Council's goal of ensuring clients are served nutritious, healthy food that meets New York City Food Standards, but do not feel the proposed legislation as drafted would be a productive use of City resources to assist in meeting our shared goal. We would like to engage in a more in-depth discussion on the work underway at DSS to upgrade our monitoring of food quality and how this legislation can potentially complement those efforts. Operationally, we want to ensure we can deliver reliable data; the parameters the legislation sets out around calculating food consumed by shelter site would be particularly challenging to operationalize. There are also important technical modifications that we would highlight, in addition to making sure the metrics can be operationalized by providers, we would seek to include appropriate provisions for New York State laws on privacy and avoiding identifying locations of residential programs for victims of domestic violence.

I will conclude by saying that DSS aims for providers to comply with all their contractual, legal, and regulatory obligations and, more broadly, to nurture a culture of ethics and accountability. At DSS, we understand the need for our partners to deliver for our clients.

Thank you for the opportunity to testify today. We are happy to take your questions.



PUBLIC ADVOCATE FOR THE CITY OF NEW YORK

Jumaane D. Williams

**STATEMENT OF PUBLIC ADVOCATE JUMAANE D. WILLIAMS
TO THE NEW YORK CITY COUNCIL
COMMITTEES ON OVERSIGHT & INVESTIGATIONS, CONTRACTS, FINANCE,
AND GENERAL WELFARE
DECEMBER 17, 2024**

Good Morning,

My name is Jumaane D. Williams, the Public Advocate for the City of New York. Thank you to Chairs Brewer, Ayala, Won, and Brannan and committee members for holding this crucial hearing.

In October of this year, the Department of Investigation released an extremely troubling report that detailed a widespread culture of misconduct and corruption amongst the providers of city-funded homeless shelters.¹ Examples of the waste, fraud, and abuse found in this report include heinous misappropriations of billions of dollars of city funds, conflict of interest violations, and possible criminal activity.² Of the 51 providers covered, it was found that more than a dozen shelter executives received over \$500,000 in annual salary, with over five executives receiving more than \$700,000 annually.³ These outrageous salaries are coming largely from the wallets of New York City taxpayers and represent a deep flaw in the oversight and transparency of city funds, funds which are supposed to care for our city's most vulnerable populations.

This report outlines a culture of collusion and exploitation, with multimillion dollar contracts being awarded to for-profit companies closely associated with shelter executives. There are reports of executive level nepotism and a broad failure to follow competitive bidding rules on contracts funded by public money. This is an outrage to the houseless population of New York, who desperately deserve adequate services, and to taxpayers, who deserve to pay into a system that attends to the city's needs.

The mayor and the Mayor's Office of Contract Services have a fiduciary responsibility to ensure that the city's providers behave ethically and transparently. While the mayor has made a point of blaming migrants for the stresses set on the city's budget, it seems that city-approved contractors are gladly making off with money that was appropriated for helping homeless New Yorkers.

¹ <https://www.nyc.gov/assets/doi/press-releases/2024/October/39DHSRptRelease10.17.2024.pdf>

² Ibid.

³ Ibid.

In addition, The Mayor’s Office of Contract Services has consistently failed to fulfill on-time contract payments to non-profits and badly needed city service providers. This system not only encourages predatory and cost-cutting financial practices, it actively discourages organizations that are providing ethical and efficient services from partnering with the city. This is what happened to “Sheltering Arms,” a homeless services institution which had been operating for 200 hundred years. When it shut down in 2023, it left nearly 17,000 families without critical services.⁴

There are more than 86,000 homeless New Yorkers currently in city-shelter systems.⁵ We have a responsibility to protect and help restore the lives of those in need. The killing of Jordan Neely is just one example of the complete lack of humanity that our most vulnerable populations must face each day. People who should be receiving adequate care and attention are threatened by stigmas that result in state-sanctioned and vigilante violence. The solution to this problem is not by reducing shelters to their bare minimum, or by encouraging vigilantism, it is by creating places of refuge that restore our humanity as a city. The notion that bad actors would pursue opportunities to unjustly profit off of this mission is shameful and we must demand that immediate actions are taken to eliminate these abuses.

New Yorkers must have a safety net to rely on when times get tough. In a city that is increasingly unaffordable, a city that is in the middle of a housing crisis, and a city that may soon be threatened by an influx of federal law enforcement, we must ensure that our shelter system is transparent, ethical, and serves the people. It is essential that the Mayor’s Office of Contract Services, the Department of Social Services, and the Department of Homeless Services commit to the 32 recommendations outlined in the report. Taxpayers must have transparency, bad actors must face accountability, and our brothers and sisters in need must be protected.

Thank you.

4

<https://imprintnews.org/top-stories/one-of-new-york-citys-oldest-nonprofits-serving-children-and-families-to-shut-its-doors/239238>

⁵ <https://www.nytimes.com/2024/10/17/nyregion/nyc-homeless-shelters.html>



**Testimony submitted to the NYC Council Committees on Oversight and Investigations, Finance,
General Welfare, and Contracts**

Oversight: The Mayoral Administration's Oversight of City-Funded Homeless Shelter Providers

December 17th, 2024

Introduction and Thanks: My name is Eric Lee, and I am the Director of Public Policy for Volunteers of America- Greater New York (VOA-GNY). We are a local affiliate of the national organization, Volunteers of America, Inc (VOA). I would like to thank Deputy Speaker Ayala and Chairs Brannan, Brewer, and Won for the opportunity to submit testimony for this hearing.

About Us: VOA-GNY is an anti-poverty organization that aims to end homelessness in Greater New York through housing, health and wealth building services. We are one of the region's largest human service providers, impacting more than 12,000 adults and children annually through 70+ programs in New York City, Northern New Jersey, and Westchester. We are also an active nonprofit developer of supportive and affordable housing, with a robust portfolio permanent supportive housing, affordable and senior housing properties—with more in the pipeline.

Int 979: VOA-GNY appreciates the Council's attention to the issue of food waste and the quality of food in NYC shelters. We agree that all shelter residents deserve access to appetizing, healthy meals. It is challenging for shelter providers to meet residents' preferences and special dietary needs given DHS' current subcontractor approval process, the restrictions of the NYC Food Standards, limits of the existing pool of vendors, and limitations on the ability to heat and prepare food inherent to certain types of shelters. Given the complicated nature of City contracting and uniqueness of each shelter facility and community served, a timelier way to achieve the shared goal of ensuring access to high quality food while minimizing waste is through fostering collaboration between DHS and non-profit shelter providers and the people residing within their programs. Longer-term, the city should prioritize the creation of more purpose-built shelter to reduce its reliance on hotels and other repurposed shelter spaces which lack cooking facilities and personal kitchens capable of providing freshly cooked meals on-site.

Recommendations:

- 1. Improving food quality in shelters is predominantly contingent on modifying DSS' subcontractor approval process to allow providers to select vendors who offer the best**



product, not just the lowest prices. Accordingly, allowable rates for food costs should be moving towards the median rate, rather than the lowest possible cost to allow providers to select the best possible product for our clients. Shelter providers may not always be permitted to utilize their first choice for food vendor, instead having to select the least expensive option because of rules regarding subcontractor selection set by DSS. Food costs are negotiated between DHS and the shelter provider during contract negotiations and the agency is often reluctant to agree to higher rates if a lower cost option is available. Rationales for setting food rates should inherently reflect the quality of the food and satisfaction of the client as well as the ratings/reviews of the vendor, because cost-rates in vacuum will not result in securing the best food options available. And as overall food costs have risen, shelter food budgets have not increased in response.

While high amounts of food waste could indicate an oversupply of meals relative to the number of people served within a shelter, high numbers of uneaten meals could also mean the food is so unappetizing that people refuse to eat it. Selecting the lowest priced (and perhaps lowest quality vendor) results in a waste of resources if the products supplied are not being used.

2. **Revise the NYC Food Standards for DHS programs to better meet the needs and expectations of people living in DHS shelters.** Our programs would like to serve more appetizing food with portion sizes which can more appropriately meet the nutritional needs of individual shelter residents but are prevented by the overly restrictive NYC Food Standards put in place by Mayor Bloomberg's Executive Order in 2008.

The Executive Order made dietary guidelines into firm mandates. For example, guidelines around maintaining a low-sodium diet morphed into a maximum restriction of less than 2,300 mg of sodium daily. As a result, people complain the food is bland.

Similarly, the 2,000-calorie-per-day dietary guideline became a mandatory caloric restriction which providers must not exceed when providing three meals to people in shelter¹, regardless of their individual needs. For example, a physically active growing teenager burns significantly more calories per day than a senior citizen, but shelter providers are generally prohibited from providing additional food beyond the 2,000-calorie limit, should someone still be hungry.

While nutritional recommendations are helpful guidelines for crafting a balanced diet, the NYC Food Standards should be revised to allow greater flexibility to better meet the needs and expectations of New Yorkers within shelter. The stringent food standards also limit participation by small businesses that offer culturally specific foods our clients find most palatable because they struggle to navigate calorie count and sodium requirements.

¹ Generally, food served in shelter cannot exceed 2,000 calorie-per-day, but food for adult males in shelter has a slightly higher limit of 2,600 calories-per-day.



- a. **Shelter providers should be permitted to submit budget amendments for food services to address feedback concerns submitted by shelter residents.** While NYC Food Standards requires providers to solicit annual client feedback regarding meals and snacks, including cultural preferences, taste, and food quality, this feedback is not tied to additional resources to address concerns or deficiencies.
3. **A client-centered collaborative workgroup comprised of people living in DHS shelters, DHS and shelter provider staff should be established to discuss challenges and preferences for food within shelter. Recommendations generated by the workgroup can inform how DHS and shelters can better engage clients for their feedback when selecting prospective food vendors, creating menus and recipes, and monitoring quality.** By establishing more collaborative ways to collect feedback from people residing in shelters, providers can identify more culturally appropriate and appetizing meal options. Food quality is subjective, but the opinion which matters the most is the person eating the food.
4. **MOC, DSS, and DHS should streamline the business certification process for small businesses like local restaurants and catering companies and completely overhaul the Form 65A subcontractor process for DHS subcontractors, to widen access to locally prepared food options for shelters.** The City should ease the certification process for food services businesses like local restaurants to widen the number of businesses who can bid on food services contracts for shelters. Likewise, DSS must revamp its Form 65A subcontractor approval process which does not have a clear timeline and throughput to approval. Currently, subcontracted vendors *wait months to years* for DSS to approve their business, which precludes their ability to be reimbursed by DHS for goods and services provided. This baked-in delay in the ability to issue payment limits the pool of vendors that can afford to supply food to shelters in general and limits participation by culturally specific small businesses who may be best poised to offer palatable meals.
5. **Fund a one-time quality assessment study to measure the reasons why food in shelters may not be consumed to draft recommendations on how the City can address the root causes of food waste.** We think this is a more beneficial option than the proposed mandatory reporting which could create an unfunded mandate for shelter staff and not aid the Council in addressing the core issues contributing to food waste. While DHS monitors food consumption and discard rates, a more nuanced examination of the underlying causes why food is discarded is necessary to solve the issue and can best be accomplished through a funded study.
6. **Shelter addresses should be excluded from any report to protect the lives and wellbeing of people residing in shelter.** Domestic Violence (DV) and HASA shelter addresses are protected by Social Service law to prevent harm to people residing in them, but reporting of any shelter



addresses has unintended consequences that could invite harm to clients in their care. Survivors of domestic may have been stalked by their abuser, and that risk does not go away when “timing out” of an HRA DV shelter and transitioning into a DHS family shelter. People residing in shelter have been confronted by protests and angry rhetoric when shelter addresses became publicly known, and no one should face harassment or stigmatization because of their housing status.

- 7. To maintain Quality Assurance of prepackaged foods for all New Yorkers, the NYS Department of Agriculture and Markets needs sufficient staffing to conduct regular inspections of food vendors Statewide.** The NYS Department of Agriculture and Markets has approximately only 115 food inspectors statewide, to inspect approximately 28,000 food establishments, including 2,800 food processing facilities.² (That’s an average of over 240 establishments per inspector.) Sufficient state inspectors ensure timely inspections of vendors making premade meals for people in shelters as well as other residential settings.

Closing:

Thank you for the opportunity to submit testimony. If you have any questions, please contact me at elee@voa-gny.org.

Respectfully submitted by Eric Lee, Director of Public Policy, Volunteers of America- Greater New York.

² <https://agriculture.ny.gov/food-safety/food-safety-inspections>



Testimony of

Coalition for the Homeless

and

The Legal Aid Society

before the Committees on Oversight and Investigations,
General Welfare, Finance, and Contracts
of the New York City Council

on

Oversight - Examining the Mayoral Administration's Oversight of City-Funded
Homeless Shelter Providers

submitted by

Alison Wilkey, Esq.
Director of Government Affairs and Strategic Campaigns
The Coalition for the Homeless

December 17, 2024

The Coalition for the Homeless (“Coalition”) and The Legal Aid Society (“Legal Aid”) welcome this opportunity to testify before the New York City Council’s Committees on Oversight and Investigations, General Welfare, Finance, and Contracts. We are the court- and City-appointed independent monitor of the DHS shelter system and counsel in the historic *Callahan*, *Eldredge*, and *Boston* cases that created the right to shelter in NYC. Accordingly, we are uniquely situated to provide insight about the issues discussed below.

Compliance Risks at City-Funded Shelter Providers

The New York City Department of Investigation’s report “DOI’s Examination of Compliance Risks at City-Funded Homeless Shelter Providers and the City’s Oversight of Shelter Providers” raised troubling concerns.¹

Unlike other major cities with limited shelter capacity and sprawling tent encampments, New York’s legal right to shelter provides a crucial safety net. While not a substitute for permanent stable housing, the right to shelter has given more than one million homeless New Yorkers a safe place to sleep that is protected from the elements since 1981. As of October 2024, there are over 130,000 people sleeping each night in shelters who might otherwise be on the street if the right to shelter did not exist.

Effectuating this right requires the City to be nimble in opening shelter capacity when the number of people in need of shelter increases. However, the fluctuating need and complexity of managing a large shelter network does not abrogate the City or its contractors of their responsibility to ensure that the City’s resources are being used appropriately to meet the needs of people who are seeking shelter. There must be sufficient controls to ensure that the City’s investment in shelter is being used to meet the immediate needs of those entering the shelter system and provide the services they need to find stability and permanent housing.

Intro. 979-2024 – Reporting on Shelter Food Consumption

One of the most frequent complaints made to the Coalition by shelter residents concerns the poor quality of the food being served in shelters, food that often makes them sick. Residents report moldy and spoiled food, food served while still frozen, and food that is nutritionally inadequate. People with health conditions or religious beliefs who require special diets are often unable to have their needs accommodated, even after they are granted a reasonable accommodation under the Americans with Disabilities Act and the City’s obligations under *Butler v. City of New York*. Food served often doesn’t match the labels or signs, so people are unable to tell what they are being served. At shelters that serve frozen meals intended to be heated in the microwave, the

¹ New York City Department of Investigation. *DOI’s Examination of Compliance Risks at City-Funded Homeless Shelter Providers and the City’s Oversight of Shelter Providers*. October 2024.
<https://www.nyc.gov/assets/doi/press-releases/2024/October/39DHSRptRelease10.17.2024.pdf>

meals are served in black plastic packaging that warps when heated, raising concerns about toxins leaching from the plastic into foods.²

People living in shelters that provide meals often do not have another food option. Those who are on Cash Assistance receive a reduced amount if they are living in a shelter that provides meals, thus they do not have resources to purchase food on their own. Even if a person were able to afford to purchase their own food, shelter rules often prohibit bringing in outside food and lack facilities to prepare or cook food.

We support the intention of Intro 979-2024 to bring awareness to shelter food being a serious and long-standing issue but suggest that the bill be amended to ensure that it is not just identifying the extent of shelter food waste but that it addresses its root cause. Shelter food is being thrown away because it is inedible or because it does not meet the dietary needs of residents. Simply requiring the City to report on a count of food consumed relative to the amount of food provided on a yearly basis is a superficial quantitative exercise that does not fully capture this fact or any of the food issues described above. Further, Department of Homeless Services (DHS) policy already requires that provider record the number of meals prepared, served, and discarded.³

We recommend that the bill be amended to require a report that assesses of the quality of the food being provided at shelters based on:

- Spoilage rates, including whether the food arrived at the shelter in a spoiled state, or whether it spoils after delivery but prior to being served;
- The caloric and nutritional sufficiency of the meals served;
- Compliance with dietary reasonable accommodations and availability of options for those with dietary preferences, including religious dietary preferences;
- Resident surveys of the quality of the food, including the amount served, freshness, sufficiency of cooking or heating, taste, dietary accommodation, and variety.

All the above quality indicators should be examined by vendor, alongside an analysis of entities who are contracted or sub-contracted to provide food services, the number of shelters served by each entity, the amount of each contract, and the number of meals served over the contract period.

The assessment of food in shelters should also review City policies that place strict limitations on the food that can be served. For example, the New York City Food Standards, which govern meals and snacks served by all city contractors, require that any contractor serving three meals per day limit total caloric content of those meals to 1,800 to 2,200 calories.⁴ That is less than the

² LaMotte, Sandee. “Black-colored plastic used for kitchen utensils and toys linked to banned toxic flame retardants.” *CNN*, 1 Oct 2024. <https://www.cnn.com/2024/10/01/health/flame-retardant-black-plastic-wellness/index.html>

³ Department of Homeless Services Office of Policy, Procedure and Training. *Food and Nutrition Policies for Providing Safe and Nutritious Meals in the DHS Shelter System*. DHS-PB-2019-023.

⁴ New York City Department of Health. *New York City Food Standards*. <https://www.nyc.gov/assets/doh/downloads/pdf/cardio/cardio-meals-snacks-standards.pdf>

recommended daily calories for some categories of people, such as those who are physically active and growing adolescents.⁵ These prescriptive standards, while they may be well intentioned, limit the number of vendors that can meet those standards. The standards may also be the source of issues of caloric insufficiency and palatability raised by shelter residents.

Further, the report should examine DHS contract requirements to understand the role those policies play in food quality. For example, the subcontract approval process requires that shelter providers select the lowest bidder, without regard to the quality of the food provided. While providers can select a bidder that is not the lowest if they have sufficient justification, that selection must be approved by DHS. An analysis of how often DHS approved these requests is important to understanding whether providers are realistically able to use subcontractors that provide higher quality food and food that satisfies various religious and other dietary accommodations.

We also strongly urge that the language requiring the report to “identify the locations of all shelters used in the study” be removed. Listing locations of shelters too often results in local opposition and increased scrutiny of shelter residents. Given the current political and social climate, public disclosure of shelter locations could also put shelter residents at risk of harm. It also poses risks to people living in shelter who have experienced domestic or interpersonal violence.⁶

We look forward to working more with Councilmember Won and the rest of the council to address food quality issues in shelters.

About The Legal Aid Society and Coalition for the Homeless

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

Legal Aid has performed this role in City, State, and federal courts since 1876. It does so by capitalizing on the diverse expertise, experience, and capabilities of more than 2,000 attorneys,

⁵ Office of Disease Prevention and Health Promotion, U.S. Department of Health & Human Services. *Dietary Guidelines for Americans (Dietary Guidelines), 2020 – 2025*. Appendix 2. https://www.dietaryguidelines.gov/sites/default/files/2021-03/Dietary_Guidelines_for_Americans-2020-2025.pdf

⁶ State law prohibits the disclosure of the location of residential domestic violence programs but does not protect people living in other shelters systems who may be equally vulnerable if shelter locations are published. 18 NYCRR 452.10.

social workers, paralegals, and support and administrative staff. Through a network of borough, neighborhood, and courthouse offices in 26 locations in New York City, Legal Aid provides comprehensive legal services in all five boroughs of New York City for clients who cannot afford to pay for private counsel.

Legal Aid's legal program operates three major practices — Civil, Criminal, and Juvenile Rights — and receives volunteer help from law firms, corporate law departments and expert consultants that is coordinated by Legal Aid's Pro Bono program. With its annual caseload of nearly 200,000 legal matters, Legal Aid takes on more cases for more clients than any other legal services organization in the United States. And it brings a depth and breadth of perspective that is unmatched in the legal profession.

Legal Aid's unique value is an ability to go beyond any one case to create more equitable outcomes for individuals and broader, more powerful systemic change for society as a whole. In addition to the annual caseload of nearly 200,000 individual cases and legal matters, Legal Aid's law reform representation for clients benefits more than 1.5 million low-income families and individuals in New York City and the landmark rulings in many of these cases have a State-wide and national impact.

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

Coalition for the Homeless: Coalition, founded in 1981, is a not-for-profit advocacy and direct services organization that assists more than 3,500 homeless and at-risk New Yorkers each day. The Coalition advocates for proven, cost-effective solutions to address the crisis of modern homelessness, which is now in its fifth decade. The Coalition also protects the rights of homeless people through litigation involving the right to emergency shelter, the right to vote, the right to reasonable accommodations for those with disabilities, and life-saving housing and services for homeless people living with mental illnesses and HIV/AIDS.

The Coalition operates 11 direct-services programs that offer vital services to homeless, at-risk, and low-income New Yorkers. These programs also demonstrate effective, long-term, scalable solutions and include: permanent housing for formerly homeless families and individuals

living with HIV/AIDS; job-training for homeless and low-income women; and permanent housing for formerly homeless families and individuals. Our summer sleep-away camp and after-school program help hundreds of homeless children each year. The Coalition's mobile soup kitchen distributed nearly 400,000 hot, nutritious meals to homeless and hungry people on the streets of the city this past year – up from our usual 320,000. Finally, our Crisis Services Department assists more than 1,000 homeless and at-risk households each month with eviction prevention, individual advocacy, referrals for shelter and emergency food programs, and assistance with public benefits as well as basic necessities such as diapers, formula, work uniforms, and money for medications and groceries. In response to the pandemic, we are operating a special Crisis Hotline (1-888-358-2384) for homeless individuals who need immediate help finding shelter or meeting other critical needs.

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

Council Testimony by Jim Francis, Friends of the Upper West Side (FUWS)
*Committee on Oversight and Investigations Jointly with the Committee on General Welfare, the
Committee on Finance and the Committee on Contracts.*
Tuesday, December 17, 2024

My name is Jim Francis and I have resided on West 74th Street since 1989. I am a member of [The Friends of the Upper West Side](#), a group of neighbors who joined together through shared outrage and shock after attending a meeting in January of 2024 when of the Landmarks Committee of Community Board 7 obfuscated facts and were reluctant to share public information and answer basic questions when we learned about a back room deal that transferred the sale of the historic Calhoun School property by Cushman and Wakefield to a private equity firm Bayrock Capital with no community input to run a homeless shelter. At a time when our city is in desperate need of additional classroom space as well as permanent housing, Bayrock is planning to convert Calhoun into a temporary homeless shelter.

We met with our local Council Member Gale Brewer to learn more, and she too was kept in the dark after repeatedly requesting to see the contract between the City and the private equity firm Bayrock.

When a relatively unknown and untested Private Equity Firm, Bayrock Capital, plans to profit from poverty and is given the opportunity to do so by City officials, it is time for greater oversight and we commend City Council Members Gale Brewer and Justin Brannan for investigating this issue.

The Upper West Side is not alone and through our research, private equity firm Bayrock stands to profit in Manhattan, Brooklyn, Queens and close to a dozen other locations.

It is public record that since the formation of Bayrock Capital LLC in 2016, it has formed at least 30 companies within New York, many of which subsequently purchased properties that have been converted into shelters or are being considered for use as such. Their investment thesis has been that real estate purchases for emergency shelter projects are more lucrative investment opportunities than market-rate housing and commercial real estate purchases.

However, this thesis only works because of a lack of transparency and oversight in the City's emergency contract system, which has led to a broken procurement system. As an example, the city could have purchased the Calhoun building for \$14 million instead of spending nearly \$80 million to operate it as a shelter which the private equity firm Bayrock will make millions off of during the first four years of the City's contract.

All of this has led to the recent Crain's September 2024 report on a "Shadow Government" of nonprofits and private firms profiting from lack of transparency and oversight.

We ask the City Council and the Mayor to place an immediate moratorium on these questionable contracts while DOI, the AG or the State Attorney General investigate who is profiting and why it is at the expense of taxpayers and the unhoused.

###



HOMELESS SERVICES UNITED

307 W. 38TH STREET, 4TH FLOOR
NEW YORK, NY 10018
T 212-367-1589
www.HSUnited.org

**Homeless Services United’s Written Testimony for
The NYC Council Committees on General Welfare, Oversight and Investigation, Contracts and
Finance’s Joint Hearing on the DOI Report and Intro**

December 17th, 2024

My name is Kristin Miller and I’m the Executive Director of Homeless Services United. Homeless Services United (HSU) is a coalition representing fifty mission-driven, homeless service providers in New York City. HSU advocates for the expansion of affordable housing and prevention services and for immediate access to safe, decent, emergency and transitional housing, outreach and drop-in services for homeless New Yorkers. Members also provide a wide range of wrap around services including psychiatric, clinical intervention, social services, and employment support services – to name a few. Thank you, Deputy Speaker Ayala and Chairs Brewer, Won, Brannan and members of the committees, for inviting me to testify today.

HSU is grateful to the leadership and members of the Council for your steadfast commitment to assisting New Yorkers at risk of eviction or currently experiencing the trauma of homelessness. We are also grateful for your ongoing support of the nonprofit organizations that provide crucial, life-saving services to individuals and families experiencing homelessness in New York City.

Today, the Council is looking back into the NYC Department of Investigation’s report examining the risk of corruption in nonprofits contracted with the NYC Department of Homeless Services (DHS). The examination for this report began almost 4 years ago. Our members strive to operate top-notch programs that operate in full compliance with the multitude of oversight required of them. This includes annual audits, random audits, financial filings with the city, state and federal government, reporting to all funders whether private or government and of course the IRS.

Audits serve an important purpose- to root out nefarious activities. In fact, the DOI report did find some bad actors – which were not members of ours and are no longer doing business with the City. And that’s how it should be. However, this 101-page report then went on at length to engage in hypotheticals, pointing out *possible areas of risk* for corruption – not corrupt activities – and areas in which the City must provider clearer reporting guidelines. My members welcome clear, succinct guidelines, policies and procedures so they are easily able to comply with the oversight required of them. Much of this has happened since 2021 and my members continue to work with DHS in areas still needing further clarification.

The alarming issue, however, is the amount of money owed to nonprofits often due to the inability of the Department of Social Services to process budget actions in a consistent and timely manner. I last testified to the Council in June on this matter. At that time, I reported my members were owed

up to \$31million. Today I am sad to say that some members are now owed \$50m for work already completed. This situation is simply not sustainable.

I am calling on the City Council to demand that the City provide resources to DSS so that the mountain of back-logged invoices, budget amendments, WEI/COLA, new needs and other budget actions can quickly be processed. Some of these actions date as far back as 2022, precluding organizations from closing out past fiscal years. And these pending actions have a ripple effect as one pending modification obstructs the ability to submit invoices for both past and future work. Nothing can move until it is approved. And yet the nonprofits continue to operate, providing crucial services to those experiencing homelessness like housing placements, referrals to medical care and safe haven beds.

Until the City puts more resources into processing the paperwork needed for approvals, we will never dig our way out of this hole. And this dysfunction has far reaching implications on the City's ability to serve and support some of its residents most in need of assistance.

All of this is taking place within the context of new requirements being placed on our organizations. [Introduction 979](#) is a bill that would require an agency or office designated by the Mayor to report annually for five years information regarding shelter food consumption. The report would provide a percentage of food consumption at shelters, and recommendations on providing shelter food in a more cost-effective way. We are not clear who would be responsible for calculating the percentage of food consumed relative to the amount of food served, for each shelter, and in the aggregate. If this is to be completed by shelter staff, new personnel resources must be added to their DHS contracts. If not, this bill would be an unfunded mandate for staff that are currently overburdened.

HSU also strongly urges that the language requiring the report to "identify the locations of all shelters used in the study" be removed. Listing locations of shelters too often results in increased local scrutiny of shelter residents. Given the current political and social climate, public disclosure of shelter locations could also put shelter residents at risk of harm. It also poses risks to people living in shelter who have experienced domestic or interpersonal violence.

Another section of the bill requires recommended actions the City could take to improve quality of food for shelters and identify cost effective methods of providing food to shelters. HSU members want to provide the highest quality of food to their clients, many of whom struggle to find nutritious, quality meals. But this is nearly impossible with the level of funding currently allocated for food in their contract budgets.

Shelter providers may be operating with budgets that are eight years old, depending on when they signed their original contract with DHS. Yet, **in 2021, all food prices increased 3.9 percent**, as prices began accelerating in the second half of the year. **No food categories**



HOMELESS SERVICES UNITED

307 W. 38TH STREET, 4TH FLOOR
NEW YORK, NY 10018
T 212-367-1589
www.HSUnited.org

tracked by USDA, Economic Research Service (ERS) decreased in price in 2021 compared with their prices in 2020¹.

In 2022, food prices increased by 9.9 percent, faster than in any year since 1979. Food-at-home prices increased by 11.4 percent, while food-away-from-home prices increased by 7.7 percent².

Items like cereals and bakery products are up 26%. Meats, poultry, fish and eggs are up nearly 25%, and fruits and vegetables are up 16%³.

According to our membership, shelter contracts allow between \$5-\$12 per day per client. Given the drastic increase in food costs, can you imagine serving nutritious quality meals with just \$5 allotted for an entire day's worth of food?

We encourage the council to advocate for better resources so that shelter food is of the highest quality, and therefore little is wasted. Measuring the food will not correct the current imbalance.

These are just a few of the challenges our members face. Outlining the true breadth and scope would greatly exceed the time we have allotted today. But let me leave you with this – the non-profit sector that serves NYC's homeless residents is in crisis and, without substantive and immediate intervention, many of our agencies will be forced to make some extremely difficult decisions in the near future.

Thank you for the opportunity to testify. If you have any questions, please contact me at kmiller@hsunited.org.

¹ USDA ERS - Summary Findings. (n.d.). <https://www.ers.usda.gov/data-products/food-price-outlook/summary-findings/>

² Ibid

³ More New Yorkers struggling with rising food prices as costs outpace income, poll says. (2024, April 24). ABC7 New York. <https://abc7ny.com/more-new-yorkers-struggling-with-rising-food-prices-poll-from-no-kid-hungry-says/14721428/>

Testimony by the New York Legal Assistance Group on
Oversight – Examining the Mayoral Administration’s Oversight of City-Funded Homeless
Shelter Providers and Int. 0979-2024

Before the New York City Council Committees on General Welfare, Oversight and
Investigations, Contracts and Finance

December 17, 2024

Deputy Speaker Ayala, Chair Brewer, Chair Won, Chair Brannan, Council Members, and staff, good morning and thank you for the opportunity to speak to the New York City Council on the mayoral administration’s oversight of city-funded homeless shelter providers and Int. 0979-2024. My name is Graham Horn, and I am a Staff Attorney with the Shelter and Economic Stability Project in the Public Benefits Unit at the New York Legal Assistance Group (“NYLAG”).

NYLAG uses the power of the law to help New Yorkers experiencing poverty or in crisis combat economic, racial, and social injustices. We address emerging and urgent needs with comprehensive, free civil legal services, financial empowerment, impact litigation, policy advocacy, and community partnerships. We aim to disrupt systemic racism by serving clients, whose legal and financial crises are often rooted in racial inequality.

The Shelter and Economic Stability Project at NYLAG provides free legal services and advocacy to low-income people in and trying to access public shelter in New York City, and those having trouble accessing or maintaining Public Assistance and SNAP (food stamp) benefits. We work to ensure that every New Yorker has a safe place to sleep by offering legal advice and representation throughout each step of the shelter application process, assist and advocate for clients who are already in shelter as they navigate the transfer process, and seek

adequate facility conditions and resources for their needs. We also represent clients at Administrative Fair Hearings, conduct advocacy with the Department of Social Services (“DSS”), Benefits Access Centers and SNAP centers, and bring impact litigation to ensure that our clients are obtaining and maintaining an adequate level of shelter and benefits.

I have worked with numerous single adults and families residing in public shelters in New York City. I have heard extensive first-hand accounts of their experiences in shelter, including about the conditions of the shelter facilities, their treatment by the staff, and the food (or lack thereof). Based on this information, I offer the following testimony.

I- The City Must Provide Greater Oversight Over Contracted Shelter Providers and Create an Effective Oversight Mechanism to Investigate Complaints and to Enforce Compliance with Conduct Policies

The City fails to provide adequate oversight of its shelter system in numerous ways. There is no clear, effective process to investigate and resolve shelter residents’ complaints, whether they concern City-run shelters or those operated by non-profit organizations under contract with the City. This lack of oversight has led to excessive deference to shelter providers, often at the expense of our clients' rights. The City must implement stronger oversight mechanisms and ensure that shelter providers are held accountable.

A. Physical Conditions at Shelters are Uninhabitable

The physical conditions in many City shelters are, quite simply, abysmal. Clients frequently report filthy environments, including being provided with beds that lack sheets or have dirty sheets previously used by other occupants. Infestations of roaches, mice, and even rats are widespread. In some cases, clients’ doctors and social workers have contacted us to report severe medical issues caused by these conditions, including rodent bites and chewed medical equipment tubing.

Conditions in the new shelters created exclusively for newly arrived immigrants are even worse. These facilities fail to meet New York City's minimum shelter guidelines. Some are not even proper buildings but tents erected in empty fields, cruise terminals, school gymnasiums, and other inadequate spaces that cannot meet residents' basic needs. Families report a lack of sufficient beds, with small children often forced to sleep on the floor. In addition to these challenges, some shelters fail to provide adequate food, showers, or bathing facilities.

B. Shelter Staff Harass and Steal From Clients

Unfortunately, NYLAG clients routinely report negative and harmful experiences with staff at intake centers and shelters. Many of my clients have endured extreme physical or emotional trauma, as well as discrimination. These facilities are heavily policed, and clients overwhelmingly describe their interactions with intake and shelter staff as emotionally or physically aggressive. There is a glaring lack of cultural competency among staff working with diverse populations and no effective recourse for these marginalized individuals.

At shelter intake sites, clients report particularly aggressive treatment. Many of my clients remain street homeless not because they refuse to seek shelter, but because they are unable to navigate the difficult and hostile intake process. Staff at AFIC and PATH intake centers have been described as rude, intimidating, and, in some cases, physically threatening. Clients report being dissuaded from applying for shelter altogether through threats or false information about their eligibility. Some believe they were denied shelter because security guards or front desk staff told them they were ineligible before they could even apply.

Once in shelter, many clients continue to face hostile and aggressive behavior from staff. This is especially harmful for clients living with severe mental illnesses, which can make

adhering to rigid shelter rules particularly challenging. Clients describe the shelter environment as “a police state” that fails to accommodate individuals with different abilities or needs.

In addition, clients frequently report theft committed by shelter staff themselves. When individuals and families enter shelter, they often have no choice but to bring in with them as many of their lives' possessions as they can fit in their two-bag allotment. These possessions are exposed to theft in a living space without locks on the doors and often even without padlocks on the provided lockers. Client reports of theft committed by shelter staff reveal the extent to which oversight and accountability are absent in the City's shelters. The absence of these guardrails allows a climate of retaliation and retribution to fester, punishing my clients further for their efforts to enforce their property rights by: seeking to transfer residents to alternate facilities; preventing clients from meeting with their assigned case workers; and holding up their housing voucher applications.

The City must establish and maintain a robust complaint system where reports of abuse are recorded, thoroughly investigated, and where appropriate, penalties are imposed on individuals found to have violated policies. Without accountability, the cycle of mistreatment will persist.

C. The City Provides No Process To Adjudicate Complaints

So many of my clients have experienced mistreatment at the hands of shelter staff or security, or live with dangerous conditions in their shelter, but do not know how to report it or are afraid to do so because of potential backlash. There does not appear to be a method to investigate and adjudicate shelter residents' complaints against shelters. Many of the shelters are run by non-profit organizations that contract with the City. The City is excessively deferential to these organizations, at the expense of our clients' rights. While for those in Department of Homeless

Services (“DHS”) shelter, there is a DHS Office of the Ombudsman to address complaints, seeking their assistance rarely leads to a resolution that addresses our clients’ needs. The City must provide oversight and shelter providers must have accountability. This could possibly be accomplished through a New York City Civilian Complaint Review Board (“CCRB”) type organization. The CCRB is an independent agency empowered to receive, investigate, mediate, hear, make findings, and recommend action on complaints against New York City police officers alleging the use of excessive or unnecessary force, abuse of authority, discourtesy, or the use of offensive language. A similar system should be set up for shelter residents.

II- Int 0979-2024, Mandating Reporting on Shelter Food Consumption, is a Necessary First Step to Ensuring Nutrition Security for Shelter Residents

The most common complaint from NYLAG clients in shelters is hunger. This is not only due to insufficient food, but also because meals are served at limited times, may be spoiled, lack flavor, and are not culturally appropriate.

1. Meals Are Too Small

NYLAG clients frequently report that the meals they are served in shelter are too small to abate their hunger. They say they are only allowed to have one serving of each item per meal, and that the serving sizes themselves are very small. As a result, clients in shelter are left perpetually hungry. As we are sure that this Council is already aware, such practices are inevitably damaging to the physical health of shelter residents; food insecurity is disproportionately linked to chronic diseases such as high blood pressure and diabetes.¹ For children, the consequences are particularly devastating. Research shows an association between food insecurity and delayed development in young children; risk of chronic illnesses like asthma

¹ <https://www.feedingamerica.org/hunger-in-america/impact-of-hunger>

and anemia; and behavioral problems like hyperactivity, anxiety and aggression in school-age children.² Hunger has a direct impact on children's academic achievement and ensuing economic prosperity.³ Inadequately feeding shelter residents only further disenfranchises them. "Providing food" is not the same as providing enough food.

2. Residents Who Have Jobs Don't Have Access to Meals

Shelter residents with a job are often faced with an impossible choice: work or eat. NYLAG clients who are employed or have work assignments report difficulty accessing food served by their shelters. This is due to the fact that shelter meals are served at specific times and if the residents are not present at those times, they cannot get a meal. Additionally, they cannot get a meal when they return to shelter and are not allowed to take their meals early. Thus, if an employed resident wants to eat, he or she cannot go to work, and vice versa. This is further complicated by the fact that recipients of cash public assistance are not awarded the "restaurant allowance" supplement if they reside in a shelter that serves meals. As such, job hours preclude residents from accessing food at their shelter, but their public assistance also and additionally leaves them without a means to purchase food. New policies need to be put into place whereby residents who work or have other commitments can be provided with food at times that work with their schedules. Working shelter residents should not be punished with hunger for being employed.

3. Residents are Not Permitted to Bring in Outside Food

The problem of shelter resident hunger is further amplified by shelter policies that prevent residents from bringing in outside food. When residents miss meals and are prevented from bringing in and/or storing outside food, they are left with no option but to skip a meal. This

² *Id.*

³ *Id.*

is particularly harmful for residents with health issues or disabilities that need to eat between meals for their wellbeing or to safely take medication. While residents can be granted reasonable accommodations, the reasonable accommodation process can take months to approve and requires the active cooperation of the resident's health care provider. A system must be put into place where residents can eat at non-mealtimes.

These problems with the provision of food in shelters are further exacerbated by the fact that individuals and families who reside in shelters that purport to provide meals, have their public assistance benefits reduced based on the fiction of readily available food. For the reasons outlined above, that equation does not represent the lived reality of NYLAG clients in shelter.

4. Recent Immigrants in Emergency Shelter Have Insufficient Access to Food

Among numerous other problems, NYLAG clients residing in shelters for new immigrants report that they are not being provided with adequate food, that they are not being served hot food, and that the food is not culturally appropriate so their children will not eat it. Compounding the difficulty for our new immigrant neighbors, most new immigrant shelter residents are not eligible for SNAP benefits.⁴ Though many can achieve classification as Permanently Residing Under Color of Law ("PRUCOL"), most commonly by applying for asylum or being paroled into the country, which grants access to Public Assistance benefits through the Office of Temporary and Disability Assistance, SNAP benefits are largely unavailable to new immigrants in shelter, and their public assistance grants are reduced based on the alleged availability of meals in shelter. Our clients consistently report anxiety about food security and must turn to community groups for gap-filling services to address their persistent hunger.

⁴ <https://www.fns.usda.gov/snap/eligibility/citizen/non-citizen-policy>

We thank the Committees on General Welfare and Immigration for the work you have done to facilitate services for vulnerable New Yorkers, and for taking this opportunity to continue to improve the conditions for our clients. We hope we can continue to be a resource for you going forward.

Respectfully submitted,

New York Legal Assistance Group

Testimony from Matt Jozwiak, CEO of Rethink Food

Re: Int. 979-2024 at Committee on Oversight and Investigations, General Welfare, Finance and Contracts Hearing - Examining the Mayoral Administration's Oversight of City-Funded Homeless Shelter Providers

Tuesday, December 17, 2024

Dear Chairs Gale Brewer, Justin Brannan, Diana Ayala, and Julie Won,

My name is Matt Jozwiak, and I am the Founder and Chief Executive Officer of Rethink Food, a New York City-based nonprofit committed to creating a more equitable and sustainable food system where every New Yorker has access to dignified, nutritious, and culturally competent meals.

I am proud to testify today in support of Intro 979, sponsored by Chair Won, which aims to get a better understanding of shelter food contracts and examines how the City, nonprofits, and small businesses can better work together to ensure homeless New Yorkers are served high quality, culturally competent meals.

We've seen firsthand exactly how the parallel crises of food waste and food insecurity are deeply interconnected throughout the United States, and New York City is no exception.

The City of New York throws away nearly \$200 million in food annually - an amount equivalent to the entire operating budget for the city of Albany.

Recent investigations have highlighted instances of food that falls far short of acceptable standards - meals that are unappetizing, culturally inappropriate, or sometimes even spoiled. Many of our most vulnerable residents - including asylum seekers and shelter inhabitants - are receiving meals that don't reflect their cultural or religious dietary needs, leading to both waste and human dignity concerns.

Our partnership with the City of New York demonstrates the immense potential for government agencies to address these challenges. Through our work at four HERRCs, we delivered over 5.4 million meals in just ten months. Of the meals available for food rescue, we successfully redirected 41% - nearly 34,000 complete meals - to community-based organizations.

Through staff retraining and implementing more efficient ordering systems, we've achieved real results: at our NYCEM sites alone, we've seen a 192% decrease in discarded meals in just the past month.

We believe this is only the beginning. To continue investing in this model, it's essential that the City provides nonprofits with adequate contracts that reflect the rising costs of food and labor, minimize nonprofit payment delays, and empower partnerships with MWBE small businesses.

By doing so, I strongly believe we can not only fight food insecurity but also support local economies—and create a sustainable and impactful food system that our City and neediest neighbors deserve.

**Barbara Hughes, Executive Director of City Beet Kitchens, Project Renewal's
Testimony for December 17 Oversight and Investigations, General Welfare, Contracts,
Finance Committees Hearing**

My name is Barbara Hughes, and I am the Executive Director of City Beet Kitchens at Project Renewal, a New York City homeless services nonprofit agency. Thank you to Chair Brewer and the City Council for convening this hearing.

For over 55 years, Project Renewal has provided shelter, housing, health care, and employment services to New Yorkers experiencing homelessness. We are grateful to the City Council for supporting our programs.

Our social enterprise catering company City Beet Kitchens is unique because it employs many graduates of Project Renewal's Culinary Arts Training Program. This workforce development program provides New Yorkers facing barriers to employment—including veterans—with a world-class culinary education and a pathway to a fulfilling career.

City Beet Kitchens prepares high-quality food for providers across the city—to the tune of nearly 2,500 daily meals for 18 nonprofit sites, and 2,800 daily meals for Project Renewal's 7 shelters. We also cater private and corporate events. Profits from the business are reinvested in our culinary training program to provide even more employment opportunities.

Intro. 979 could place undue burden on nonprofit caterers like us. In recent years, food prices have risen by 20%, paper products by 25%, gas by 54%, and van repairs by 43%—yet the food budget for shelter meals has remained the same. Requiring nonprofit providers—who are obligated to provide a meal for all of our shelter residents—to document food consumption and waste will add another costly layer of administrative burden. We are deeply concerned about an unfunded mandate at a time when the city has been chronically late to pay nonprofit providers for our work.

The best way to reduce food waste in shelters is to simply improve the quality of food. Think about it: If you had an unappetizing meal placed in front of you, would you force yourself to eat it, or would you try going to a nearby soup kitchen or pantry for something better? When poor quality food is wasted, the City is paying twice over—first for the wasted meal and then for the outside resources that shelter residents turn to.

At City Beet Kitchens, we take pride in crafting quality dishes and diverse menus for shelter residents. The City Council should consider prioritizing social enterprise caterers like us over for-profit food contracts. The return on investment with caterers like us is strong. We provide high-quality meals for New Yorkers in need, which reduces food waste, while supporting workforce development to create opportunities for those who face barriers to employment.

Thank you for the opportunity to testify today.

Testimony from Elena Ristovski, Marlow Bistro

Re: Int. 979-2024 at Committee on Oversight and Investigations, General Welfare, Finance and Contracts Hearing - Examining the Mayoral Administration's Oversight of City-Funded Homeless Shelter Providers

Tuesday, December 17, 2024

Dear Chairs,

Thank you for the opportunity to testify today. My name is Elena Ristovski, and I am the Director of Operations & Programs at Marlow Bistro, an independent Mediterranean restaurant located on the Upper West Side.

I am proud to testify in support of Intro 979, sponsored by Chair Won. This important legislation aims to improve our understanding of shelter food contracts and explore how the City, nonprofits, and small businesses can collaborate more effectively to deliver high-quality, culturally relevant meals to homeless New Yorkers.

We want to share with you today how our participation in the City's shelter food contracts has allowed us to optimize our infrastructure, minimize food waste, and not only retain but grow our workforce during challenging periods. Even more, we reinforced our ties in the community and proven the values of applying a "pay it forward" culture. Because of this support we in return are able to give forward by supporting our local soup kitchens, food banks, and neighbors in need—whether through donating nutritious meals or hiring local staff.

Furthermore, our partnership with Rethink Food and the City of New York has enabled Marlow Bistro to expand our team by 15 employees and generate over \$1 million in revenue, contributing meaningfully to the local economy.

By facilitating more thoughtful and adaptive food procurement practices, this legislation has the power to significantly improve the quality and cultural relevance of meals served in New York City's homeless shelters and at the same time support the small restaurants reinforcing their importance as cultural and economic cornerstones.

Thank you for your time and consideration.

My name is Elliot Schildkrout. I reside on West 74th Street since 2019 and am a member of The Friends of the Upper West Side. My wife, Terry Rosenberg and I, joined together about a year ago when our neighborhood was outraged by the bait and switch in converting the landmark Calhoun school at 160 W. 74th St, to housing, and then without community input or notice, turned into the homeless shelter. At a series of meetings, the city obfuscated any relevant information about the switch, the timing, the backroom deals, or the identity of the private equity firm developer. One of the meetings was presided over by someone who we are told owns two homeless shelters, a clear conflict of interest. We had to work hard to obtain any information about the private equity firm, Bayrock Capital, who bought the Calhoun school. As it turns out, which the City would not tell us, Bayrock Capital has dozens of LLCs that own and massively profit from homeless shelters all over NYC. Clearly this deal was made long before the false announcement that this would be a market rate condo development brokered by Cushman and Wakefield. The City must have known about this.

It was soon very clear homeless shelters are a windfall for private equity firms, yielding profits with zero risk that are way beyond any other real estate development. In addition, our understanding is that Bayrock is also the non-union contractor for the conversion. Although we don't have the exact numbers, it looks like close to 20% a year return on the Bayrock's investment over 9 years, after which they will recoup their full investment, receive millions in interest, and own the building. Who pays for this? We do, the taxpayers of New York City. We met with Gale Brewer, who was also kept in the dark, and we strongly support her initiative to convert the Calhoun School to either much needed affordable housing or a public school.

An important part of this is that we are not against shelters, but this is a massive rip-off of New York City taxpayers. West 74th is a very quiet narrow street, which cannot handle the 160 plus homeless women and staff stuffed into this relatively small building in addition to all the street services that will be required like food delivery and garbage pickup. It would make a perfect affordable housing location, and take no more effort than the current construction project. Equally needed in the UWS is additional classroom space, so why not keep the building as a school?

The City has hidden all the backroom dealing that allows a private equity firm, Bayrock Capital, to massively profit from the homeless shelter business on the backs of NYC taxpayers. We strongly support City Council Members Gale Brewer, Justin Brannan and others for investigating this issue.

We ask the Mayor and the City Council to place a moratorium on any further construction at 160 W. 74th, until DOI, the AG or the State Attorney General can determine specifically who is profiting from taxpayer dollars. How is it that a homeless person's food allotment per diem is \$6.00 and a private equity's per diem interest payment is \$10,000???

We much appreciate your attention to this issue.

Elliot Schildkrout

December 19th, 2024

Dear Council Member Brewer,

Thank you, and CM Brennan, and others on the Committee on Oversight and Investigations for your Oversight – Examining the Mayoral Administration’s, Oversight of City-Funded Homeless Shelter Providers. Jointly with the Committee on General Welfare, the Committee on Finance and the Committee on Contracts hearing on December 17th, 2025. I’m writing to continue from my oral comments at the hearing.

In my comments I asked the committee if it could expand its brief to look into the \$100M’s apparently, and inadvertently, flowing from DHS to private equity companies.

The issues raised in the hearing were equally heart-breaking and shocking. The gross mismanagement of \$4B in DSS/DHS is scandalous. As one public commentator said “the providers only receive \$5 to \$9 food allowance a day for each resident in a shelter...” and we heard many questions on excessive executive compensation, and delays in payments to the providers - the whole thing is a mess! I was surprised that Commissioner Wasow Park was unable to answer many questions on the budget she is responsible for. If this was a department in the private sector she would lose her job for fiscal mismanagement.


As to the private equity companies in the shelter business, a few bad apples have engineered a very lucrative business. There is more money to be made in leasing to the shelter industry than in conversions to affordable housing. As I see it the issue is arms length transactions.

1. From DHS to Shelter Non-Profits, Real Estate companies and anonymous private companies are siphoning \$100s of million dollars of city taxes into private hands. The city has been outsourcing services for years - the argument being private companies will do a better, cost effective job. In a specific case in my neighborhood, Cushman Wakefield handled the sale of Calhoun School on W74th Street. Bayrock bought the building for \$5M down and a mortgage for \$9.6M. Volunteers of America are leasing the building from Bayrock for 9 years. Bayrock stands to make approximately \$23M return on the \$5M investment - nearly a 500% return, and at the end of the 9 years they will still own the building. Apparently Bayrock, a private equity firm, have several LLCs and have used these anonymous vehicles to purchase multiple properties around the city and stand to make \$100sM from city taxpayers. It’s a very lucrative business for this private equity firm.
2. The CEO’s, senior partners and managing directors of these companies are profiteering on the homeless population.
3. Further on contract prices. I’ve lived and worked in the city for over 41 years. I worked in technology and finance for many of those years. In banking, outsource contracts have

an “open kimono” policy. Every dollar given to the outsourced partner has to be accounted for, and some firms dictate what they will pay for what component. Why aren't there people in the city with the skills to effectively negotiate and manage outsourced contracts?

4. This is happening in every borough and community board district. The vice-chair of CB 7's Housing & Land Use Committee operates a homeless shelter. The foxes are in the hen house.
5. There are few pathways out of homelessness due to high rents and the lack of affordable housing.
6. The City needs to stop all inadvertent funding of private equity firms.

In closing, thank you again for looking into problems in shelter business. I ask the committee to expand its inquiry into the private equity firms taking advantage of the city, and to suspend all contracts for new shelters until greater transparency and oversight can be put in place.

Sincerely,
J. Pat O'Connell

New York, NY 10023

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: John Francis

Address: 170 W 74th St 10023

I represent: Friends of the U.S.

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 999 Res. No. _____

in favor in opposition

Date: 12-17-24

(PLEASE PRINT)

Name: Kristin Miller

Address: 307 W. 38th St.

I represent: Homeless Services United

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 999 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: ELENA RISTOVSKI

Address: 108 AMSTERDAM AVENUE, 10025

I represent: "MAPLOW BISTRO" RETHINK FOOD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Timothy Pena

Address: 257 W. 29th St.

I represent: Veterans Justice Project

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: BARBARA HUGHES, DIRECTOR

Address: CITY BEET KITCHENS,

I represent: PROJECT RENEWAL

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 979 Res. No. _____

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: MATT JOZWIAK, CEO RETHINK

Address: FOOD

I represent: _____

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Molly Wasow Park, Commissioner

Address: _____

I represent: DSS

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Bedros Leon Boodarian,

Address: Chief Accountability Officer

I represent: DSS

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Charles Diamond, Deputy Chief of Staff

Address: _____

I represent: MOCS

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

Date: _____

(PLEASE PRINT)

Name: IMAM RAFIQ UMAR

Address: _____

I represent: HALAL WATCH WORLD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 2814 Res. No. _____
 in favor in opposition

Date: 12/17/2024

(PLEASE PRINT)

Name: ELLIOT SCHWENKOWITZ

Address: 164 W 74th St

I represent: Friends of the UWS

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

Date: 12/17/24

(PLEASE PRINT)

Name: Terry Imola

Address: ~~100 Park Ave~~ 47 Scribner Ave ^{SENY} 10301

I represent: Project Hospitality

Address: 100 Park Ave ^{SENY} 10302

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: RAT O'CONNELL

Address: 154 W 74th ST

I represent: ~~the~~ F U W S

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 0979-24 Res. No. _____

in favor in opposition

Date: 12/17/2024

(PLEASE PRINT)

Name: Graham Horn

Address: 100 Pearl St, 19th Floor 10004

I represent: New York Legal Assistance Group

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

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

in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Mount Lacy

Address: 105 Washington St

I represent: The Prof

Address: _____

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

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

16

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

in favor in opposition

Date: 12/17/2024

(PLEASE PRINT)

Name: Sharon Brown Jeter

Address: 130-10 140 Street Suite 1

I represent: NY 11436 Jamaica South Ozone Park Queens
Base of Sharon Enterprises

Address: 43 Madison Street 3F

Brooklyn, N.Y. 11238
Please complete this card and return to the Sergeant-at-Arms