



OFFICE OF THE NEW YORK CITY COMPTROLLER

**TESTIMONY BY
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**Before the New York City Council's
General Welfare Committee**

**Hearing Room
250 Broadway, 14th Floor
New York, NY**

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1 PM**

Speaker Quinn, Chairman de Blasio, committee members and public observers, good afternoon. I would like to thank you for holding this hearing and allowing me to discuss the Department of Homeless Services' Family Income Contribution Requirement and Client Conduct and Responsibility Procedure.

I am here today to strongly support New York City Council Resolution No. 2002 calling on the New York State Legislature to pass legislation such as S.5605 and A.8353-A, which would amend the social services law in relation to financial contributions by recipients of temporary housing assistance.

As I'm sure you all know, this legislation, if enacted, would effectively put an end to the Mayor's unconscionable plan to charge homeless people *rent* to stay in New York City shelters.

I am one of many New Yorkers who is deeply troubled by this plan, which comes, incomprehensibly, during the worst economic crisis since the Great Depression. If ever there was a time to *support* our city's homeless families—a population that is sadly at record levels today in New York City—it is now. Instead, the Mayor has chosen this moment to enforce a law that has been compassionately *unenforced* since the mid-1990s.

Make no mistake: People living in our shelters want desperately to move into a real home. They often earn less than 10 dollars an hour, close to minimum wage. What little money they have is spent on food, clothing, and basic necessities for their families.

If our State does *not* pass legislation to countermand this law, many homeless New Yorkers will be forced to hand over to the City almost half their income, making it impossible for them to save money for long-term housing and creating a dependence on City shelters for months or years to come.

Enforcing this law would also create a troubling relationship between homeless families and shelter service providers, whose job duties would essentially shift from service providers to landlords overnight.

As many of you may know, under the Mayor's plan, if the organizations that manage these shelters do not collect the rent due, the City will not make up the difference. In some instances, this may create a perverse incentive, leading to a situation where families are harassed or worse. In other instances, the dedicated and compassionate service providers who are committed to *helping* the homeless will have the harrowing responsibility of turning fathers, mothers, and children out onto the streets of New York.

Indeed, it has already been reported that the City was forced to temporarily stop charging homeless families rent after only three weeks because the implementation of this policy resulted in large rent overcharges and unwarranted eviction threats. Incredibly, it is my understanding that—despite these problems—the City is now considering allowing evictions from the shelter system for a minimum of thirty days for families that have been sanctioned under the Public Assistance program for minor violations such as a missed appointment.

Of course, as New York City Comptroller, I know better than anyone that our city today is facing tough financial choices. But let me be clear: Charging rent to homeless people is *not* the solution. Instead, we must work to find solutions that will *work* and will not compromise the values and compassion of New York City.

For example, instead of charging homeless families rent money they will never see again, why don't we open savings accounts for these New Yorkers? Any money the City would charge for rent could instead be put into these savings accounts, which the families could only use toward permanent housing.

In the end, I am extremely disappointed that the Mayor's answer to our budget woes seems increasingly to fall on our city's most vulnerable residents—the people who are suffering the most in this economy.

In this case, we must look for solutions that *benefit* these families, get them out of public shelters, and on the road to recovery.

That is why I strongly support this resolution to stop the Mayor's impractical and heartless plan—a plan that, if enacted, would be an embarrassment and a shame to our great City.

Thank you.

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