

Tuesday, March 6, 2007

**Testimony of Public Advocate Betsy Gotbaum for City Council Hearing on  
Department of Housing Preservation & Development Budget for Fiscal Year 2008**

Thank you, Chair Dilan, for holding this important hearing. The budget process represents a critical opportunity to strengthen services for the city's underserved populations. Today, I urge the Council to make funding available to HPD to hire additional housing litigation attorneys.

As of June 2006, HPD had fewer than 40 attorneys in its Housing Litigation Division to deal with the 12,662 cases it initiated in Fiscal Year 2005. The fact is, despite the best intentions, HPD is overwhelmed by its responsibility to enforce housing maintenance code violations and protect tenants from irresponsible landlords. The result is that the deck is stacked against tenants who rely on the city to take their landlords to court. My office has encountered example after example in which families have no choice but to go on living in unsanitary and dangerous conditions: leaky ceilings, broken doors, rats scurrying across the floor.

This is not a new problem. In 1986, the Citywide Task Force on Housing Court issued the first comprehensive study of the New York City Housing Court. The Task Force called its study "Five Minute Justice" because it found that almost 50 percent of pre-trial hearings were over in just five minutes. Approximately 80 percent of pre-trial hearings and half of all trials lasted less than 15 minutes. Not surprisingly, the study also showed that tenants were more likely to appear in court without attorneys than landlords.

Seven years later, the Task Force issued what is referred to as the Donaldson Report, which found that less than 12 percent of tenants were able to afford private attorneys. By contrast, nearly 98 percent of landlords were represented by attorneys in Housing Court. The report also found that 60 percent of tenants were financially eligible for free legal representation and that providing this representation could save the city approximately \$67 million spent on services for the homeless.

Despite these stark statistics, the city's ability to deal effectively with deadbeat landlords has continued to erode. In its revenue and cost-saving recommendations for FY 2005, the Budget for a Livable NYC Coalition noted that HPD collected just \$2.7 million from code-enforcement violations in FY 2004, compared to \$7 million collected in FY 1990, in large part because of enormous reductions in the number of housing inspectors and housing litigation attorneys that occurred during the last decade. For the record, in FY 2005, HPD collected approximately \$3.6 million in judgments and settlements, still just over half of what it was able to collect more than a decade ago.

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The Coalition pointed out that getting the collection rate back up to at least the same level as in the past would not only help families living in untenable conditions but also help preserve the existing affordable housing stock and pay for housing and anti-eviction

programs that prevent homelessness and housing deterioration—problems that ultimately cost the city many times more.

At the end of the day, however, this is a question of telling the minority of unscrupulous landlords that they are not above the law. In a 2003 report, my office, along with the Association for Neighborhood and Housing Development, argued that, “the attorneys in [the Housing Litigation Division] are crucial in providing teeth to a weak enforcement process. Without the threat of penalties, landlords will have very little reason to comply with the housing maintenance code...To ensure that landlords are dealt with effectively, more resources need to be placed within HLD to allow attorneys to pursue more aggressively more housing code cases.”

This recommendation is as necessary today as it was four years ago. I look forward to working with the Council to ensure that this year’s budget reflects the need to protect the rights of tenants.

Thank you.

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