

A New Beginning



Maeve O'Connor
Board Chair

Thanks to your support and increased government commitment to provide free legal services to low-income New Yorkers, MFY has grown significantly over the past six years, doubling the size of our staff as well as the number of volunteers who provide valuable assistance to our clients.

In 2017 – our 54th year – MFY will have a new beginning with a new location and a new name!

We expect to move to a new home sometime after June 1, 2017. We will have more interview rooms to serve clients, more space for volunteers, and some breathing room to accommodate future growth.

That's not all.

MFY began in 1963 as the legal arm of Mobilization for Youth, a large anti-poverty initiative on the Lower East Side of Manhattan dedicated to providing opportunities for young people to break the cycle of poverty. In 1968, the legal arm became an independent organization and was incorporated as MFY Legal Services while continuing to work closely with Mobilization for Youth.

Mobilization for Youth closed its doors in the early '90s. While we have always held true to the values and principles of our parent organization, few people now remember what "MFY" stands for. So we will unveil our new and exciting name with appropriate fanfare in 2017.

We are changing our location and name but our mission to provide the highest quality legal services to low-income New Yorkers remains the same. We will continue to serve large numbers of clients while initiating impact litigation and advocating for policy changes that address the root causes of social inequities. With your continued help, our next 50 years will be even more successful than our first half century!

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Special thanks to our on-site volunteer attorneys:

Linda Clarke, John Gross, Jon Plasse,
Eric Roper, Sydney Smith, Martin Webb

Cover: Residents of two tenements in Chinatown rallied in September 2016 to bring attention to deplorable conditions in their buildings. Represented by MFY, the tenants have filed two group lawsuits to get basic repairs to make their apartments livable.

MFY Legal Services, Inc. 2016 Year-End Report



Mobilizing for Justice Since 1963

Mobilizing for Justice: 2016 Highlights

Direct Service and Advocacy to Protect Tenants' Rights



Protecting tenants' rights and preserving affordable housing account for more than half of MFY's direct legal services and a large portion of our policy advocacy. Over the past year we have greatly expanded our work in the Bronx, the city's poorest borough, and are representing groups of tenants in buildings throughout the city.

◆ **Tenants in a Brooklyn building** are suing their landlord for renting out individual rooms in apartments, generating three to four times the rent-stabilized rent, and creating an illegal single-room occupancy dwelling.

◆ Tenants in a Crown Heights building are **challenging harassment by construction**, demanding an end to almost two years of unbearable living conditions, including removal of walls and other illegal renovations, lack of heat and hot water, mold and rats.

◆ **Tenants on Suydam Street in Bushwick** have been living with hundreds of building violations, no cooking gas, broken plumbing, and plywood in place of doors. The previous owner was jailed after bribing two city inspectors to go door to door to get tenants to leave, claiming that the city had issued a vacate order.

Exposing Airbnb's Impact on the City's Housing Market

A growing number of landlords are cashing in on the popularity of Airbnb and other short-term rental services. In June, MFY released a report with Housing Conservation Coordinators showing that 55% of Airbnb's New York City listings are illegal and that 8,000 housing units lost to Airbnb in 2015 reduced available housing by 10%. The report generated widespread attention in the media, and MFY continues to work in coalition with other providers to preserve affordable housing and end illegal rentals.

Disability & Aging Rights

After a two-year battle, **residents of the Prospect Park Residence** in Brooklyn, who refused to leave when the new owner abruptly announced the facility's closure in 2014, won a \$3.35 million settlement that will allow them to relocate to appropriate housing. Among MFY's other cases on behalf of the elderly and people with disabilities is a class action lawsuit to help **people trapped in nursing homes**. With co-counsel Patterson Belknap Webb & Tyler LLP, MFY is suing the NYS Department of Health and others to challenge the illegal administration of a program that was designed, but failed, to facilitate plaintiffs' transition from nursing homes to their own homes.



MFY's **medical-legal partnerships for children with mental illness** now operate in Bellevue and Kings County hospitals, with a third project under development at Harlem Hospital. MFY's attorneys work hand-in-hand with medical personnel to identify and address legal issues that may impede a child's recovery. MFY attorneys, with help from pro bono partners, advocate for appropriate educational services from the NYC Department of Education and ensure that families have all benefits to which they are entitled.



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Focus on Racial Justice

A growing number of MFY's initiatives focus on seeking justice for those who are suffering the impact of systemic racial inequities.

◆ MFY Files Suit against HUD for Practices that Discriminate against African-American Homeowners

In August 2016 MFY and Emery Celli Brinckerhoff & Abady LLP filed a class action lawsuit that exposes the discriminatory impact of HUD's Note Sale Program, which is selling mortgages to predatory lenders without informing homeowners that they will lose government protections, or providing an opportunity for them to object to the sale or to inform HUD that they are in the midst of obtaining a loan modification.

◆ MFY Charges Discrimination against African-Americans and People with Rental Subsidies

After testing by the Fair Housing Justice Center showed a pattern of discrimination by a Bronx landlord who refused to rent to African-Americans and people with rental subsidies, MFY and Emery Celli Brinckerhoff & Abady LLP filed suit against the landlord for violation of the NYC Human Rights Law and the federal Fair Housing Act.

◆ Legislation to Protect Three-Quarter House Residents

MFY is working with City Council members to pass five bills that will preserve residents' rights. An overwhelming percentage of people leaving prisons and treatment programs are African-American and Latino men who wind up in abusive and exploitive three-quarter houses because no other housing options are available.

Class Action Victories Help Thousands

\$59 Million Settlement for Debt Collection Victims

In 2016, MFY won a \$59 million settlement for New Yorkers in a class action lawsuit filed in 2009 against a debt collection law firm, a debt-buying entity, and a process serving company that obtained default judgments against consumers in consumer credit transactions by not serving court papers and using fraudulent affidavits of merit. Some 300,000 New Yorkers were affected by the scheme. Approximately 75,000 are expected to receive monetary compensation, and 115,000 additional default judgments will be vacated. Emery Celli Brinckerhoff & Abady LLP and the New Economy Project co-counseled the case. The suit is the culmination of years of work by MFY to battle the practice of "sewer service," and was accompanied by a major legislative initiative led by MFY and the New Economy Project to change the regulations governing the service of process in New York City.

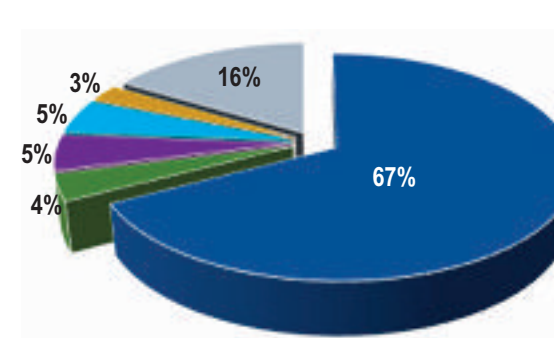
NYC Transit Agrees to Change Unfair Access-A-Ride Policies

In September, a federal judge approved a settlement of a class action lawsuit against NYC Transit (NYCT), challenging the unconstitutional policies of Access-A-Ride, the City's paratransit system for people with disabilities. Thousands of people with disabilities have been denied Access-A-Ride services with little opportunity to appeal. Now, instead of sending a generic letter denying services, NYCT must detail reasons for a denial, provide clients with a copy of their file at no cost, continue services while the appeal process goes forward and must inform applicants of their right to further appeal a denial in court. The case was co-counseled by Pillsbury Winthrop Shaw Pittman LLP.

2016 Audited Financial Overview

Revenue Sources

July 1, 2015 - June 30, 2016

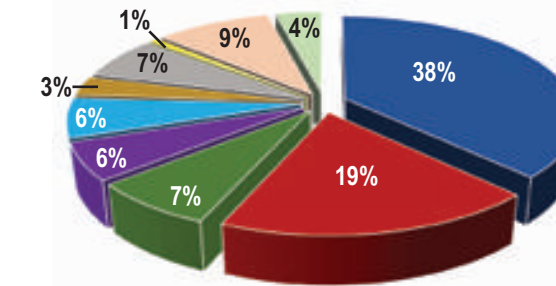


Total Revenue: \$12,189,705

- Government: \$8,204,455
- Foundations & Corporations: \$459,350
- Special Event: \$624,495
- Donated Services: \$600,000
- Individuals: \$299,842
- Cy Pres/Attorney's Fees/Other: \$2,001,563

Program Expenses

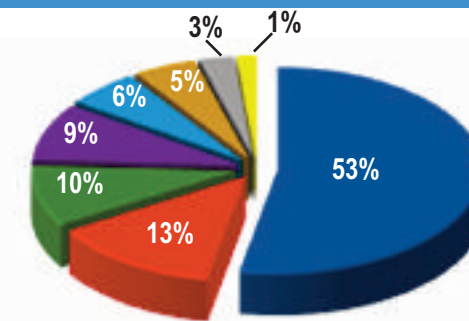
July 1, 2015 - June 30, 2016



Total Program Expenses: \$10,316,308

- Legal programs for tenants and homeowners (38%)
- Legal programs for people with disabilities (19%)
- Legal programs for the elderly (7%)
- Legal programs for low-wage workers (6%)
- Legal programs for low-income consumers (6%)
- Legal programs for kinship caregivers (3%)
- Legal programs for public benefits recipients (7%)
- Legal programs for disaster victims (1%)
- General/administrative expenses (9%)
- Fundraising & Special Event (4%)

2016 Cases



- Housing, Foreclosure (53%)
- Public Benefits (13%)
- Consumer (10%)
- Employment (9%)
- Family (6%)
- Health & Educ. (5%)
- Immigration/other (3%)
- Individual Rights (1%)

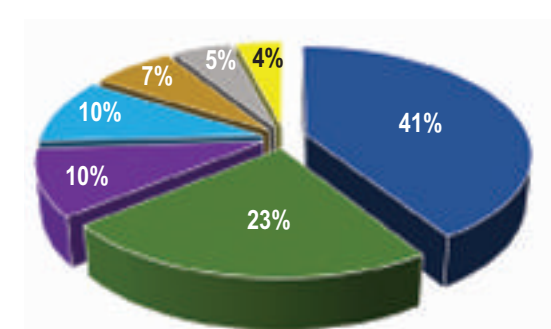
Benefits to Clients in FY 2016

- MFY handled **10,624 cases** benefitting over 20,000 people.
- MFY secured **\$2.8 million** in affirmative judgments and savings for tenants and homeowners.
- MFY secured **\$63 million** in judgments and savings for consumers.
- MFY secured **\$2.3 million** in public benefits for people with disabilities and low-income residents.
- More than **360 pro bono attorneys** and other volunteers worked on 2,000 individual cases and class action cases benefitting more than 300,000 New Yorkers.

Our Clients

Client Income Sources

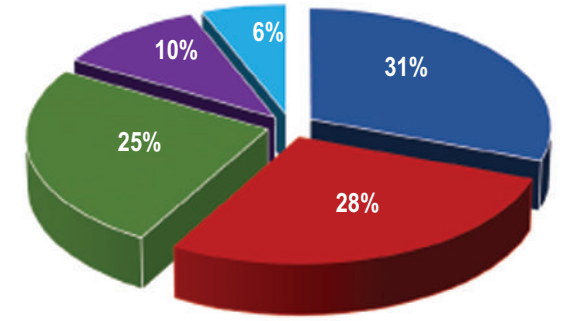
July 1, 2015 - June 30, 2016



- Public Assistance, SSI, SSD (41%)
- Employment (23%)
- Social Security only (10%)
- Pension / Social Security (10%)
- Other Benefits (7%)
- Unemployment Ins. & Workers' Comp. (5%)
- No Income (4%)

Client Ethnicity

July 1, 2015 - June 30, 2016



- African-American (31%)
- Hispanic (28%)
- White (25%)
- Mixed Race / Other (10%)
- Asian (6%)