

LEGAL SERVICES FOR THE WORKING POOR

TESTIMONY

ON

BUDGET—FIRE AND CRIMINAL JUSTICE SERVICES

PRESENTED BEFORE:

THE NEW YORK CITY COUNCIL
COMMITTEE ON FIRE AND CRIMINAL JUSTICE SERVICES

PRESENTED BY:

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Good afternoon. My name is Jeanette Zelhof and I am the Executive Director of MFY Legal Services, a member of the Legal Services for the Working Poor coalition. Thank you for the opportunity to testify this afternoon.

The Legal Services for the Working Poor coalition is made up of five civil legal services providers--CAMBA Legal Services, Housing Conservation Coordinators, MFY Legal Services, Northern Manhattan Improvement Corporation Legal Services and the Urban Justice Center. We provide comprehensive civil legal services to working New Yorkers who otherwise could not afford an attorney. Together we have a combined history of serving New Yorkers for over 125 years. Annually, we help over 30,000 New Yorkers.

Our coalition was created five years ago with support from the City Council to help address the civil legal services needs of working poor and other low income New Yorkers whose financial situations are slightly better than our poorest citizens, but who cannot afford an attorney when they are faced with a legal problem such as a foreclosure, unpaid wages, bank account seizure, a denial of government benefits such as unemployment compensation or food stamps, or a non-payment petition from a landlord. Problems like these threaten to send struggling New Yorkers into downward spirals of need and crisis that some may never escape.

I don't use the term "crisis" lightly. When tenants of a six-story walk-up in Little Italy found themselves out on the street after the building suffered extensive damage from an accidental fire, they were desperate for legal assistance after the landlord failed to make

timely repairs as promised. The tenants and their families were out of possession, displaced from their community and their children's schools. Many of the tenants spoke only Spanish, which put them at further disadvantage in being able to advocate. MFY immediately initiated a Housing Part (HP) proceeding to force action, after which the landlord began a series of maneuvers to delay the process, including filing for bankruptcy on the eve of trial, which generated an automatic stay of the HP case. MFY appeared in Bankruptcy Court and made a motion to lift the stay, which was granted, after which the landlord settled the HP proceeding by agreeing to a repair schedule which we closely monitored. After more than a year of litigation in multiple forums, the tenants were restored to their apartments. As a result of our appearing in the bankruptcy proceeding, we were also able to obtain property damage settlements for the tenants who lost property in the fire in the collective amount of approximately \$60,000.

When an undocumented immigrant found her way to the Urban Justice Center (UJC), she had been working over 60 hours a week for over five years to take care of a child with special needs. During that time, her employer failed to pay her minimum wage and overtime. She developed health issues and was fired by her employer claiming she was "lazy." She then fell behind in her rent, putting her family, including her daughter and granddaughter, at risk of eviction. UJC demanded outstanding payment from the employer, who refused, so UJC commenced litigation. The litigation was quickly resolved with an agreement to pay the client outstanding wages, and the client was able to negotiate with her landlord to pay all outstanding rent which saved her housing and created more financial stability for her and her family.

Last fall, Chief Judge Lippman reconvened a task force comprised of bar, business, and labor leaders that looked at the problem of unmet need for civil legal services in New York State, and found that even with current funding, legal services organizations meet no more than 20% of the need of low and moderate income for civil legal services. In response, Judge Lippman again has proposed new funding in the state judiciary budget to continue to address the unmet need but, in the meantime, much of our existing funding base is under siege.

This year, as he does every year, the mayor has proposed a budget with no funding for civil legal services. In response, in past years, the Council has added money to the budget for civil legal services through the civil legal services initiative, although in recent years there have been cuts in this funding. It is important to recognize that this Council funding for Legal Services for the Working Poor is the only funding that specifically targets the civil legal needs of working people to ensure continued self-sufficiency for families struggling to survive in New York City.

Needless to say, when we are already unable to meet the legal services needs of many of the people who seek our help, cuts in funding serve only to increase the gap between the demand for our assistance and the help we can actually provide. The human consequences of our inability to meet the demand are dire: children whose families have been wrongly denied unemployment benefits, or public assistance, or food stamps go hungry; families whose homes could be saved through aggressive foreclosure or eviction defense become homeless; people with disabilities are denied access to the disability benefits they need to

live in dignity; and workers who have been cheated of wages by unscrupulous employers go without redress.

Moreover, the Chief Judge's task force continues to document that funding for civil legal services is a good investment in purely fiscal terms. Relying on comprehensive data compiled by the State's Interest on Lawyers' Accounts (IOLA) Fund, the task force concluded that civil legal services representation brings over \$300 million in federal benefits into New York's economy each year and that it saves state and local government over \$100 million in avoided social services costs.

In light of a need that increases to grow as New Yorkers try to cope with this economic crisis, in light of the human toll when civil legal services needs go unmet, and in light of the positive benefits of civil legal services funding for the city's budget and its economy, we urge the Council to once again step in to restore and increase funding for the civil legal services initiative overall and for the Legal Services for the Working Poor allocation within that initiative in particular.

Once again, thank you for the opportunity to testify.