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**\*\*\*FOR IMMEDIATE RELEASE\*\*\***

***Legal Aid Responds to Mayor Eric Adams' Comments on the City's Broken Contracting and Payment Process, Which is Pushing Non-Profits to the Brink of Collapse, Jeopardizing Low-Income New Yorkers' Access to Critical Legal Services***

(NEW YORK, NY) - The Legal Aid Society released the following statement in response to Mayor Eric Adams' [comments](#) on the City's broken contracting and payment process, which is [pushing non-profits to the brink of collapse](#) and [jeopardizing low-income New Yorkers' access to critical legal services](#):

“We appreciate Mayor Adams’ efforts to improve the City’s longstanding broken contracting and payment process, but the system remains deeply flawed and urgently requires a comprehensive overhaul as non-profits are not able to receive payment for services delivered.

“It is completely unacceptable that New York City’s non-profits, who perform essential work for low-income New Yorkers on a wide range of issues, including housing and immigration, are forced to risk making payroll and to take out loans—and bear the interest—because of the City’s ongoing failure to provide the funding they are owed on contracts registered for payment.

“If City Hall truly values the safety net we provide to our most vulnerable neighbors, Mayor Adams and his Administration must meaningfully and permanently address these glaring issues that have non-profits on the brink of collapse.”

**Background:**

Earlier this month, The Legal Aid Society, Brooklyn Legal Services Corporation A, NMIC, the New York Legal Assistance Group, Legal Services NYC, CAMBA Legal Services, Brooklyn Defender Services, the Human Services Council, Neighborhood Defender Service of Harlem, The Bronx Defenders, TakeRoot Justice, Mobilization for Justice, the Urban Justice Center, and BronxWorks sent a [letter](#) to Mayor Eric Adams urging

him to immediately correct the payment issues and delays currently threatening non-profits' ability to provide critical housing and immigration services to hundreds of thousands of New Yorkers in need.

Legal service providers are currently facing major delays in payments on registered contracts with the Human Resources Administration (HRA), the department in charge of the majority of the City's social services programs. These include contracts for the anti-eviction Right to Counsel (RTC) program, Anti-Harassment Tenant Protection (AHTP), and the Immigrant Opportunities Initiative (IOI) — critical programs that help keep New Yorkers housed, as well as protect the rights of migrants and new arrivals.

Despite these contracts being registered on-time for Fiscal Year 2025, none of the non-profit legal service providers have been able to submit invoices to HRA for payment because the agency has not yet approved their Fiscal Year 2025 budgets, meaning all providers are currently in month five of not being able to invoice and receive any payments outside of a previous one-time advance payment. These payment delays threaten the ability of non-profits, particularly smaller organizations, to maintain basic operations — including making payroll — resulting in fewer New Yorkers having access to the critical legal services they need and deserve.

The letter also urges the City to halt the implementation of a plan to pay non-profits only 90 percent of their invoices on the anti-eviction Right to Counsel contracts, whether they are meeting performance targets or not. This is a punitive, counter-productive approach to implement new performance-based payment provisions in FY25 housing contracts. This payment model is typically used with for-profit organizations that contract with the City; however, it will be detrimental to non-profits who only receive payment for the actual costs they incur. Essentially, the City will be holding back vital funding to providers, exacerbating already crushing cash flow challenges.

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*The Legal Aid Society exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For over 145 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities. <https://www.legalaidnyc.org>*