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Statement on Mayor Adams Appointing Michael Sedillo to Head of Office of Nonprofit Services, Efforts to Improve the City’s Fraught Contract and Payment Process

(NEW YORK, NY) - **The Legal Aid Society** released the following statement in response to Mayor Eric Adams appointing Michael Sedillo as the executive director of the New York City Mayor’s Office of Nonprofit Services and the City’s efforts to improve the City’s fraught contract and payment process:

“We welcome Michael Sedillo to this position and look forward to collaborating with him to address the City’s long-standing issues with its contract and payment processes, which are [pushing](#) nonprofits to the brink of collapse and [jeopardizing](#) low-income New Yorkers’ access to essential legal services.

“While we appreciate the Administration’s efforts to improve this process and clear a significant backlog from previous fiscal years, the measures highlighted today still fall short. Many nonprofits — especially those with contracts through the Human Resources Administration (HRA) – are still experiencing unnecessary and unjustified payment delays since they are unable to submit current invoices for payment on all registered contracts, and the requirements for budget submissions change frequently, causing more delays and confusion. This inefficient and problematic system must change immediately.

“These payment delays jeopardize the basic operations of nonprofits, especially smaller ones, affecting their ability to meet payroll and ultimately reducing access to critical legal services for New Yorkers who rely on them.

“If City Hall genuinely values the vital safety net nonprofits provide for our most vulnerable residents, Mayor Adams and his Administration must take decisive, long-term action to address the systemic issues pushing these organizations to the brink of collapse.”

Background:

This past November, 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 immigrants 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 previous advance payments. These payment delays threaten the ability of nonprofits, 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>