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Legal Aid, in Partnership with Coalition for the Homeless, Women In Need, Neighbors Together, Files Lawsuit to Halt Abrupt Termination of Citywide “Unit Hold” Policy

Critical Housing Incentive Helps Thousands of New Yorkers Exit Homelessness

(NEW YORK, NY) – The Legal Aid Society, together with Coalition for the Homeless, Women In Need, Neighbors Together, and individual plaintiffs, filed a class action [lawsuit](#) today in New York County Supreme Court to stop the New York City Department of Social Services (DSS) from eliminating a key incentive that helps homeless New Yorkers secure permanent housing.

The lawsuit challenges DSS’s sudden decision to end its longstanding “unit hold” incentive—a payment to landlords that ensures apartments are held for prospective tenants while CityFHEPS housing voucher paperwork is processed. The litigation seeks to block DSS from implementing the policy change and requests a preliminary injunction to require continued payment of unit hold incentives while the case is litigated. The Petitioners argue that, with over 85,000 New Yorkers in shelter—including 31,000 children—the stakes could not be higher.

“For years, DSS’s unit hold incentive has played a critical role in moving thousands of homeless New Yorkers out of shelter and into stable homes,” said **Pavita Krishnaswamy, Supervising Attorney in the Civil Law Reform Unit at The Legal Aid Society**. “Eliminating it without notice or explanation not only defies the law—it defies basic common sense and compassion. This abrupt policy change will extend shelter stays, break up families, disrupt education, and cost the City far more in the long run.”

“The City’s plan to end the “Unit Hold” policy just makes no rational sense, especially at a time when the number of New Yorkers in shelters keeps going up and up” said **Dave Giffen, Executive Director of the Coalition for the Homeless**. “Rather than undercut one of the few programs that actually works to help homeless families and individuals leave homelessness behind, the City should instead be implementing the fixes to and expansions of CityFHEPS that will help even more New Yorkers find housing and stability. This is definitely not the time to be going backward.”

“We are proud to join the Legal Aid Society, Coalition for the Homeless, and Neighbors Together in a class-action lawsuit to stop the Adams Administration from eliminating a critical tool in our fight against New York’s unprecedented homelessness crisis,” said **Christine C. Quinn, President & CEO of Win**. “The Unit Hold Incentive is crucial to moving New Yorkers out of shelter and into permanent homes of their own. With over 125,000 households in New York City facing eviction, and more than 100,000 people living in city homeless shelters, we are proud to stand together on behalf of the most vulnerable New Yorkers to force the Adams Administration to reverse this callous cut.”

“Neighbors Together’s low-income members already struggle to find housing with their rental assistance vouchers due to source-of-income discrimination and the extreme scarcity of affordable housing in New York City. Eliminating the unit hold incentive will cause incredible harm to homeless New Yorkers by further reducing their ability to secure housing and extending their time in homelessness. This change in housing policy is both short-sighted and counterproductive,” said **Denny Marsh, Executive Director of Neighbors Together**.

DSS’s decision, announced via email on May 30, 2025, would terminate unit hold payments effective June 30, with tight deadlines that effectively gut access to the benefit. Petitioners argue the change violates the City Administrative Procedure Act (CAPA) by bypassing the legally required public notice and comment process. The lawsuit also argues the change is arbitrary and capricious, lacking any rational justification and undermining the City’s own fiscal and humanitarian goals.

The organizational plaintiffs—Coalition for the Homeless, Women In Need, and Neighbors Together—have all reported a spike in landlords withdrawing apartment offers and voucher holders remaining trapped in shelter since the announcement. Without unit holds, their staff are forced to repeat housing searches and triage crises for clients at risk of eviction or prolonged homelessness.

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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 almost 150 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>