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

***Legal Aid Society, City Council Reach Settlement with Mamdani Administration to Expand Rental Assistance for New Yorkers in Shelter and at Risk of Homelessness***

***Settlement Includes \$175 Million Appropriation, Establishes a New HPD-Administered Rental Assistance Program, Ends the City's Appeal, and Creates Ongoing Budget and Reporting Requirements***

(NEW YORK, NY) — **The Legal Aid Society**, along with the New York City Council, today announced a [settlement](#) with the Mamdani Administration resolving litigation over the implementation of the CityFHEPS rental assistance program. The agreement secures a \$175 million appropriation in the FY2027 budget and establishes a framework for expanding rental assistance to New Yorkers at risk of eviction and homelessness.

“Today’s settlement is a major victory for New Yorkers in shelters and those facing eviction and homelessness, bringing an end to years of unnecessary litigation and clearing the way for more families to access life-saving rental assistance,” said **Robert Desir, Staff Attorney with the Civil Law Reform Unit at The Legal Aid Society**. “We are especially grateful to Speaker Julie Menin, Chair of the Committee on Housing and Buildings, Council Member Pierina Sanchez, and the other members of the City Council who stood firm in defending these reforms and ensuring that expanding rental assistance remained a budget priority. This agreement secures a \$175 million appropriation, modernizes the City’s rental assistance framework, and brings this needless litigation to a close. More New Yorkers will now be able to access the support they need before losing their homes, reaffirming what we’ve long known: investing in rental assistance is both the humane choice and the fiscally responsible one.”

The settlement:

- Expands access to rental assistance by establishing a new City-funded rental assistance program administered by the Department of Housing Preservation and Development, supported by a \$175 million appropriation in the FY2027 budget.
- Will benefit the following populations: rent-regulated tenants; youth in Department of Youth and Community Development shelters; households in Department of Housing Preservation and Development shelters; people residing in shelters operated by the Mayor’s Office of Criminal Justice following their release from incarceration; and Department of Homeless Services shelter residents who earn too much to qualify under the current rules but not enough to secure permanent housing, as

well as those who are unable to meet the program's work requirements. These populations currently have no access to CityFHEPS, leaving many with no viable pathway to exit shelter or remain stably housed.

- Increases transparency and accountability by requiring regular public reporting on CityFHEPS participation and program expenditures through the Mayor's Management Report.
- Creates budget transparency by requiring the Administration to include a separate funding line for the rental assistance program in future preliminary and executive budgets.
- Provides a framework for future expansion by requiring the Mayor and the City Council to consider additional eligibility expansions during each annual budget process.
- Ends the appeal pending before the New York Court of Appeals once the agreed-upon legislation is enacted and the FY2027 budget is adopted. The settlement leaves in place the landmark Appellate decision upholding the City Council's power to enact social services legislation.

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*The Legal Aid Society is a nonprofit law firm that exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For 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 the people we serve and helps improve our communities.*

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