

APL-2025-00188

**COURT OF APPEALS
STATE OF NEW YORK**

In the Matter of the Application of

MARIE VINCENT, CAROLINA TEJEDA, MARY CRONNEIT,
SUSAN ACKS, on behalf of themselves
and all others similarly situated,

Petitioners-Respondents,

For a Judgment Pursuant to Article 78 of the Civil Practice Law and Rules

-against-

MAYOR ERIC ADAMS, in his official capacity
as Mayor of the City of New York, THE CITY OF NEW YORK,

Respondents-Appellants.

THE COUNCIL OF THE CITY OF NEW YORK,

Petitioner-Plaintiff-Respondent,

-against-

MAYOR ERIC ADAMS, in his official capacity
as Mayor of the City of New York,

Respondent-Defendant-Appellant.

STIPULATION OF SETTLEMENT

IT IS HEREBY STIPULATED AND AGREED, by and between the above-captioned Parties, through their respective attorneys, as follows:

1. Based on the New York City Council's enactment of the legislation attached hereto as Exhibit A and described in paragraph 2 herein on June 30, 2026, which the Mayor will not veto; the New York City Council's adoption of the Fiscal Year 2027 Budget, including appropriations authorizing expenditures totaling \$161,875,000 for other than personal service and \$13,125,000 for personal service exclusively for the implementation of such legislation (provided however that the Mayor may transfer funds and/or make modifications between other than personal service and personal service in accordance with the budget process for such transfers and/or modifications so as to fund administrative costs of up to 10 percent of the appropriated funds); and the terms agreed to herein, the City is hereby withdrawing the pending appeal in this case (APL-2025-00188).
2. The enactment of the legislation attached hereto as Exhibit A:
 - a. Establishes a new New York City rental assistance program for families and individuals that is not an entitlement program, is subject to appropriation as part of the annual City budget process set forth in the New York City Charter, and is operated by the Department of Housing Preservation and Development, which intends to operate the program as a component of the Housing Access Voucher program.
 - b. Amends section 21-145 of the Administrative Code to (i) remove the requirements of Local Laws 99, 100, 101, and 102 of 2023 that have not been approved by the New York State Office of Temporary and Disability Assistance and (ii) codify the method of calculating the tenant's contribution with the method approved by the New York State Office of Temporary and Disability Assistance, which factors in a utility allowance

credit where it is appropriate, and that the Department of Social Services is currently using for such calculations and will codify in chapter 10 of title 68 of the rules of the city of New York.

3. In addition to reporting for the new rental assistance program that is described in the legislation attached hereto as Exhibit A and described in paragraph 2 herein, the Mayor's Preliminary Management Report and the Mayor's Management Report will report data for the number of families and individuals provided with rental assistance in and the associated expenditures for the CityFHEPS program set forth in chapter 10 of title 68 of the rules of the city of New York.
4. The Mayor agrees to include in the preliminary expense and executive expense budgets a single unit of appropriation representing the amount requested for personal service and a single unit of appropriation representing the amount requested for other than personal service exclusively for the purpose of implementing the rental assistance voucher program established by the legislation attached hereto as Exhibit A and described in paragraph 2 herein. During Fiscal Year 2027, the City will make best efforts to issue as many rental assistance vouchers as possible within the appropriated funding level for Fiscal Year 2027.
5. The parties acknowledge that the implementation of the rental assistance voucher program established by the legislation attached hereto as Exhibit A and described in paragraph 2 herein is contingent upon the appropriation and availability of funds sufficient to administer such legislation in the adopted budget for the City of New York in future Fiscal Years after Fiscal Year 2027, as described in the legislation attached hereto as Exhibit A up to 10 percent of such appropriation shall be available for administrative expenses associated with implementing such legislation in Fiscal Year 2027 and in future Fiscal Years after Fiscal Year 2027. To baseline

funding for such program, beginning in 2027 the Mayor's executive budget shall propose appropriations exclusively for such program totaling no less than \$125,000,000.

6. Each year, during the budget adoption process for the next Fiscal Year, the Mayor and the Council shall consider whether eligibility for the rental assistance voucher program established by the legislation attached hereto as Exhibit A and described in paragraph 2 herein should be expanded to additional categories of households.
7. The City Council and the City acknowledge that pursuant to Section 227(a) of the New York City Charter, the City of New York has no independent legal authority to create an entitlement program (i.e., a program where eligible individuals have a legal right to receive the benefit and the City government is legally required to fund it regardless of available funds in the City's budget).
8. By executing this Stipulation, the undersigned counsel represent that their respective clients agree to all of the provisions set forth herein.

DATED: New York, New York
June 29, 2026

BY: Robert Desir
ROBERT DESIR

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EXHIBIT A

1 Shelter. The term “shelter” means temporary emergency housing provided to homeless
2 adults, adult families, families with children, and runaway and homeless youth by the city or a
3 provider under contract or similar agreement with the city.

4 Unit. The term “unit” means an apartment, room, or single room occupancy.

5 § 26-3902 Rental assistance voucher program. Subject to appropriations and as further set
6 forth in section 26-3906, there shall be a rental assistance voucher program which shall be
7 administered in accordance with this chapter. The application process for such rental assistance
8 voucher program shall begin within 180 days of the enactment of the local law that added this
9 section and eligibility determinations shall begin no later than 240 days after the enactment of such
10 local law.

11 § 26-3903 Eligibility. a. A household that meets the following criteria shall be eligible for
12 the rental assistance voucher program established pursuant to this chapter:

13 1. An income-eligible tenant or lawful occupant of a unit, who is named as a respondent in
14 a pending eviction proceeding for nonpayment of rent in housing court, provided that such unit is
15 subject to rent stabilization. A tenant or lawful occupant is not eligible if such unit is subject to a
16 regulatory agreement;

17 2. An income-eligible household who is residing in a shelter operated by or on behalf of an
18 agency other than the department of social services or human resources administration; or

19 3. An income-eligible household residing in a shelter operated by or on behalf of the
20 department of social services or human resources administration but whose income exceeds 200
21 percent of the federal poverty level or who does not work enough hours to meet the work
22 requirements set forth in clause (i) of subparagraph (A) of paragraph (8) of subdivision (a) of
23 section 10-04 of title 68 of the rules of the city of New York or successor provision.

1 b. The department shall verify that a household is income-eligible.

2 c. The department shall not consider whether a household is employed as a condition of
3 eligibility.

4 d. A household who receives a rental assistance voucher pursuant to this chapter shall
5 annually certify its income for the purpose of determining continued eligibility and any
6 adjustments to such rental assistance.

7 e. A household meeting the criteria in paragraph 1 of subdivision a of this section shall not
8 use such a rental assistance voucher to move from its current unit to a new unit except in cases
9 where such move (i) is necessary for a reasonable accommodation of a disability, (ii) is necessary
10 to enable the household to leave a situation of domestic violence, provided that the household
11 assisted by such voucher does not include the perpetrator of such violence, or (iii) in other
12 extraordinary health and safety circumstances as determined by the commissioner of housing
13 preservation and development.

14 § 26-3904 Maximum monthly rents. Maximum rental allowances shall be set in accordance
15 with section 982.503 of title 24 of the code of federal regulations, regarding voucher payment
16 standard amounts, or a successor provision, at the payment standard used for the housing choice
17 voucher program administered by the department pursuant to section 1437f of title 42 of the United
18 States code.

19 § 26-3905 Monthly rental assistance and rental contribution. a. The department shall
20 provide monthly rental assistance to an owner or a landlord on behalf of a household in receipt of
21 a rental assistance voucher in an amount equal to the actual monthly rent of the leased unit, up to
22 the maximum rental allowance, minus the household rent contribution as described in subdivision
23 b of this section.

1 b. The monthly rental contribution for a household receiving a rental assistance voucher
2 pursuant to this section shall be the greater of:

3 1. 30 percent of the monthly adjusted income of such household; or

4 2. if such household is receiving payments for public assistance as defined in section 21-
5 134, and a part of those payments, adjusted in accordance with the actual housing costs of the
6 family, is specifically designated to meet the housing costs of the family, the portion of those
7 payments that is so designated. These payments include, but are not limited to any shelter
8 assistance or housing assistance administered by any federal, state or local agency.

9 c. When a household rents a unit for less than the maximum rental allowance and all
10 utilities are not included in the rent, the household rent contribution shall be:

11 1. if such household is not receiving payments for public assistance, 30 percent of the
12 monthly adjusted income of the household minus the utility allowance. If the utility allowance
13 exceeds 30 percent of such household's monthly adjusted income, the department shall issue a
14 payment to the household in the amount of the difference to pay for utilities; or

15 2. if such household is receiving payments for public assistance as defined in section 21-
16 134 and a part of those payments, adjusted in accordance with the actual housing costs of the
17 family, is specifically designated by that agency to meet the housing costs of the family, the portion
18 of those payments that is so designated, plus 30 percent of the monthly adjusted non-public
19 assistance income of such household. If the utility allowance exceeds 30 percent of such
20 household's monthly adjusted income or such household's sole income is from cash assistance,
21 the department will issue a payment to the household in the amount of the difference to pay for
22 utilities.

1 § 26-3906 Funding and waiting list. The number of eligible households who receive a rental
2 assistance voucher pursuant to this chapter shall be limited by the amount of funding appropriated
3 for the program established pursuant to this chapter.

4 a. Upon expenditure of funding appropriated for such program, the department may place
5 an eligible household on a waiting list.

6 b. Notwithstanding subdivision a of this section, to maintain proper administration of such
7 program, the department may close such waiting list and stop accepting new applications.

8 c. Nothing in this section shall be construed to limit the department's authority to maintain
9 an internal waiting list to maintain proper administration of such program.

10 d. Up to 10 percent of the funds appropriated may be used by the department for
11 administrative expenses attributable to administering the rental assistance voucher program
12 established pursuant to this chapter.

13 § 26-3907 Rulemaking. The department shall promulgate rules as necessary for the
14 implementation of this section, including but not limited to:

15 1. Administration of the application process and waiting list for the rental assistance
16 voucher program established pursuant to this chapter;

17 2. Calculation of the maximum monthly rents, including any utility allowances;

18 3. The establishment of priorities for the distribution of rental assistance vouchers issued
19 pursuant to the program established by this chapter, provided that 50 percent of the available
20 funding in any fiscal year shall be used to provide vouchers to the households described in
21 paragraph 1 of subdivision a of section 26-3903 and 50 percent of the available funding in any
22 fiscal year shall be used to provide vouchers to the households described in paragraphs 2 and 3 of
23 such subdivision a. A substantial portion of the vouchers issued to households residing in shelter

1 shall be distributed to households in each type of shelter described in paragraphs 2 and 3 of such
2 subdivision.

3 4. Discontinuance and renewals of rental assistance provided pursuant to this chapter;

4 5. Landlord requirements and household obligations;

5 6. Housing quality standards and any inspection requirements;

6 7. Methods for calculating household income;

7 8. Occupancy standards; and

8 9. Requirements governing moves out of a unit that receives rental assistance pursuant to
9 this chapter.

10 § 26-3908 Report. Beginning on August 1, 2027, and annually thereafter, the department
11 shall submit to the speaker of the council and post on its website a report that includes the following
12 information:

13 1. the total number of households enrolled in the rental assistance voucher program
14 established pursuant to this chapter, disaggregated by the eligibility categories established by
15 subdivision a of section 26-3903;

16 2. the total number of households newly enrolled in the fiscal year prior to the submission
17 of such report, disaggregated by borough of residence, number of people in such households, and
18 primary language spoken in such households;

19 3. the average amount of rental assistance provided to households;

20 4. the total amount of rental assistance provided during the prior fiscal year, disaggregated
21 by administrative costs and the total amount paid as rental assistance; and

22 5. the total number of households on the waitlist as of the end of the prior fiscal year.

1 § 2. Section 21-145 of the administrative code of the city of New York, as amended by
2 local law number 100 for the year 2023, subdivision a as amended by local law number 176 for
3 the year 2025 and subdivision g as added by local law number 176 for the year 2025, is amended
4 to read as follows:

5 § 21-145 Use of rental assistance vouchers. a. Definitions. For purposes of this section, the
6 following terms have the following meanings:

7 Applicant. The term "applicant" means an individual or family applying for a rental
8 assistance voucher.

9 Drop-in center. The term "drop-in center" means a facility operated by the department of
10 homeless services or a provider under contract or similar agreement with such department that
11 provides single adults with hot meals, showers, laundry facilities, clothing, medical care,
12 recreational space, employment referrals, or housing placement services, but not overnight
13 housing.

14 Experiencing homelessness. The term "experiencing homelessness" means: (i) residing in
15 a city-administered shelter; (ii) working with a department of homeless services or department of
16 youth and community development outreach team while receiving services in a safe haven,
17 stabilization bed, drop-in center, or runaway and homeless youth services; or (iii) receiving case
18 management services from a provider under contract with the department of homeless services.

19 FHEPS. The term "FHEPS" means the family homelessness and eviction prevention
20 supplement program described in section 131-bb of the social services law.

21 Gross income. The term "gross income" has the same meaning as provided in subdivision
22 (t) of section 10-01 of title 68 of the rules of the city of New York.

1 Homeless young adult. The term "homeless young adult" has the same meaning as provided
2 in section 532-a of the executive law.

3 Homeless youth. The term "homeless youth" has the same meaning as provided in section
4 532-a of the executive law and includes homeless young adults.

5 Household. The term "household" means an individual or family in receipt of a rental
6 assistance voucher.

7 Household at risk of eviction. The term "household at risk of eviction" means an individual
8 or family that has received: (i) a written demand for rent payment or a predicate holdover notice
9 pursuant to sections 711 or 713 of the real property actions and proceedings law; or (ii) a notice of
10 non-renewal of residential tenancy pursuant to section 226-c of the real property law.

11 Household rent contribution. The term "household rent contribution" means the percent of
12 income that a household in receipt of a rental assistance voucher contributes toward the rent of an
13 apartment or a single room occupancy.

14 [Income eligible. The term "income eligible" means an applicant: (i) whose total gross
15 income does not exceed 50 percent of the area median income, as defined by the federal department
16 of housing and urban development; (ii) who, if eligible, has applied for public assistance and, if
17 approved for such assistance, is in receipt of such assistance; (iii) who is in compliance with public
18 assistance requirements, if applicable; (iv) who has applied for and accepted any federal or state
19 housing benefits for which such applicant is eligible, including section 8 or the rental assistance
20 program described in chapter 9 of title 68 of the rules of the city of New York, regarding the human
21 resources administration home tenant-based rental assistance program, or a successor provision;
22 (v) who is ineligible for FHEPS; and (vi) who has not previously received a rental assistance
23 voucher, except an applicant who meets the requirements of subdivision (d) of section 10-08 of

1 title 68 of the rules of the city of New York, regarding restoration of rental assistance vouchers for
2 certain households, or a successor provision.]

3 Maximum rental allowances. The term "maximum rental allowances" means the maximum
4 rent toward which rental assistance vouchers may be applied.

5 Public assistance. The term "public assistance" means benefits, including, but not limited
6 to, monthly grants and shelter allowances issued under the family assistance program pursuant to
7 section 349 of the social services law or the safety net assistance program pursuant to section 159
8 of the social services law.

9 Rental assistance voucher. The term "rental assistance voucher" means rent payments made
10 pursuant to chapter 10 of title 68 of the rules of the city of New York or any other city-initiated
11 rental housing subsidy for households at risk of eviction or families and individuals residing in
12 shelter.

13 Runaway youth. The term "runaway youth" has the same meaning as provided in section
14 532-a of the executive law.

15 Runaway and homeless youth services. The term "runaway and homeless youth services"
16 has the same meaning as provided in section 21-401.

17 Safe haven. The term "safe haven" means a facility operated by the department of homeless
18 services or a provider under contract or similar agreement with such department that provides low-
19 threshold, harm-reduction housing to chronic street homeless individuals, who are referred to such
20 facilities through a department of homeless services outreach program, without the obligation of
21 entering into other supportive and rehabilitative services in order to reduce barrier to temporary
22 housing.

1 Section 8. The term "section 8" means the housing choice voucher program administered
2 pursuant to section 982.1 of title 24 of the code of federal regulations.

3 Shelter. The term "shelter" means temporary emergency housing provided to homeless
4 adults, adult families, families with children, and runaway and homeless youth by the city or a
5 provider under contract or similar agreement with the city.

6 Shelter allowance. The term "shelter allowance" means financial assistance provided by
7 the department for the purposes of paying rent on an ongoing basis in accordance with section 131-
8 a of the social services law.

9 Stabilization beds. The term "stabilization bed" means city-administered facilities that
10 provide a short-term housing option for an individual experiencing homelessness while such
11 individual works with a department of homeless services outreach team to locate a more permanent
12 housing option.

13 Utility allowance. The term "utility allowance" means a monthly allowance for utility
14 services, excluding cable, internet, and telephone services, [paid by a subsidized housing tenant]
15 set yearly by the local public housing authority pursuant to section 982.517 of title 24 of the code
16 of federal regulations.

17 b. Eligibility. 1. Subject to appropriation, a household will continue to receive additional
18 annual renewals of their vouchers after their fifth year in the CityFHEPS rental assistance program
19 established pursuant to chapter 10 of title 68 of the rules of the city of New York, or a successor
20 program, if they continue to meet the requirements set forth in section 10-08 of title 68 the rules
21 of the city of New York, regarding renewals and restorations of CityFHEPS, or a successor
22 provision.

1 2. The department shall not [base eligibility for a rental assistance voucher on the
2 applicant's employment status or source of income, and shall not] require an applicant [to have
3 resided or reside in a shelter of any type] residing in a shelter operated by or on behalf of the
4 department of homeless services or human resources administration to have resided a specified
5 number of days in such shelter to be eligible for a rental assistance voucher, pursuant to title 10 of
6 chapter 68 of the rules of the city of New York.

7 [3. The department shall deem eligible for a rental assistance voucher any applicant who is
8 income eligible and is a household at risk of eviction or experiencing homelessness.]

9 c. Maximum rental allowances. Subject to appropriation, maximum rental allowances shall
10 be set in accordance with section 982.503 of title 24 of the code of federal regulations, regarding
11 voucher payment standard amounts, or a successor provision.

12 d. Amount of monthly rental assistance. The department shall provide monthly rental
13 assistance to an owner or a landlord on behalf of a household in receipt of a rental assistance
14 voucher in the amount equal to the actual monthly rent of the leased apartment or single room
15 occupancy, up to the maximum rental allowance, minus the household rent contribution. [The
16 department shall not deduct a utility allowance from such amount.]

17 e. Utility allowance deduction. [1. The department shall provide that when a household
18 rents an apartment or single room occupancy for less than the maximum rental allowance, the
19 household rent contribution shall be reduced by the difference between the maximum rental
20 allowance and the actual rent, up to the amount of the utility allowance.

21 2. If the amount by which the household rent contribution is reduced pursuant to paragraph
22 1 of this subdivision is greater than the household's rent contribution, the department shall issue a

1 check to the household in the amount of such excess within the month in which such excess is
2 accrued.

3 3. If the household receives a shelter allowance that is reduced by the amount allowed by
4 paragraph 1 of this subdivision, the department shall issue a check to the household in the amount
5 of such reduction within the month in which such reduction is accrued.] The department shall
6 provide that when a household rents a unit for less than the maximum rental allowance and all
7 utilities are not included in the rent, the household rent contribution shall be:

8 1. if the household is not receiving payments for public assistance, 30 percent of the
9 monthly gross income of the household minus the utility allowance. If the utility allowance
10 exceeds 30 percent of the household's monthly gross income, the department shall issue a payment
11 to the household in the amount of the difference to pay for utilities; or

12 2. if the household is receiving payments for public assistance and a part of those payments,
13 adjusted in accordance with the actual housing costs of the family, is specifically designated by
14 that agency to meet the housing costs of the family, the portion of those payments that is so
15 designated or 30 percent of the public assistance household's total monthly gross income,
16 whichever is greater, plus 30 percent of the monthly gross non-public assistance income of the
17 household. This amount shall be reduced by the amount that the utility allowance exceeds the
18 portion of the public assistance grant designated for utilities. If the utility allowance exceeds 30
19 percent of the household's monthly gross income or the household's sole income is from cash
20 assistance, the department shall issue a payment to the household in the amount of the difference
21 to pay for utilities.

22 f. Within 15 days of the effective date of the local law that added subdivision d, e, and f of
23 this section, and continuing thereafter, the commissioner, in consultation with the commissioner

1 of housing preservation and development, shall conduct culturally appropriate outreach on this
2 section to relevant agencies, stakeholders, landlords, and families and individuals experiencing
3 homelessness in the designated citywide languages, as defined in section 23-1101.

4 g. Household rent contribution amount. Household rent contribution shall not exceed 30
5 percent of the household's total monthly gross income at the time of approval or renewal,
6 regardless of whether such household receives public assistance, unless such household elects to
7 exceed 30 percent in accordance with subdivision b of section 10-06 of title 68 of the rules of the
8 city of New York.

9 § 3. This local law takes effect 180 days after it becomes law. Each year, during the budget
10 adoption process for the next fiscal year, the mayor and the council shall consider whether
11 eligibility for the rental assistance voucher program established pursuant to this chapter shall be
12 expanded to additional categories of households.