

FOR IMMEDIATE RELEASE
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ELMHURST UNITED CONDEMNS APPROVAL OF SIX-YEAR \$66.2M PAN AM CONTRACT

(ELMHURST, NY) Elmhurst United condemns Comptroller Scott Stringer's poor decision to register the Pan Am contract and Steven Banks, Commissioner of the Department of Homeless Services (DHS) for facilitating its approval. In spite of calls by elected officials, community leaders, and neighborhood residents to reject a renewal contract, the Comptroller not only registered a lucrative \$66.2M six-year contract but also approved payment of an additional \$9.2M to Samaritan Daytop Village (SDV), the operator of the Pan Am shelter. It is particularly disgraceful that at a community event on July 12th, Comptroller Stringer stated to one of our members that "They (SDV) are not getting a six-year extension." He continued with "My staff is following this closely." Two days later, the Comptroller registered the six-year \$66.2M contract.

Under the recently expired \$23.9M Pan Am agreement, SDV was contractually obligated to install kitchens in each unit, a daycare center and operate in accordance with New York State Tier II rules and regulations. Despite failing to meet any of these provisions, Comptroller Stringer authorized full payment on the contract. Even more appalling is Steven Banks' statement that SDV only had to "demonstrate" that kitchens would be built to receive payment of \$9.2M. He also stated that SDV will continue to be paid for rooms taken out of service while under construction for kitchens, even though no shelter or social services will be provided.

In a Community Advisory Board meeting for the Pan Am shelter, Samaritan Village's Chief Operating Officer, Douglas Apple, responding to questions about his failure to install kitchens by the contract deadline, remained skeptical that the kitchen construction could be completed even with the contract extension, stating that there may be a "delay" in construction if there are high placement demands by DHS or if Samaritan Village could not get their paperwork approved by the Department of Buildings.

NYC Administrative Code 21-124 requires kitchens to ensure safe and adequate facilities for families with young children. Additionally, this Code requires that "shelter units shall be such that they may be converted to be used for permanent housing with a minimum of structural change." Elmhurst United calls for SDV and the City to comply with the permanent housing and kitchen provisions of this law which was enacted to support and protect homeless families.

Community activists and homeless advocates have questioned the continual funneling of City money towards shelters even as Steven Banks acknowledges that affordable housing is the solution to the homeless crisis. With upwards of \$4,500 per room, per month that DHS pays Samaritan Daytop Village to house one family in the Pan Am hotel, three apartments can be leased to homeless families.

DHS is spending a substantial portion of its more than \$1B annual budget on maintaining and operating shelters alone. Since 2014, DHS has committed more than \$95M to Samaritan Daytop Village to operate the Pan Am shelter. This excludes the cost to construct kitchens and the day care center which will be funded with taxpayer funds. These dollars would have been better spent on repairing NYCHA apartments and locating rental units.

In order to better serve the homeless and restore the confidence of the public, city officials must ensure that providers comply with NYC Administrative Codes and focus efforts on converting hotels like the Pan Am into much needed affordable housing.

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