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COUNTY OF UNION

Plaintiff,

vs.

CITY OF NEW YORK, MAYOR BILL
DE BLASIO, in his official capacity, and
COMMISSIONER STEVEN BANKS, in
his official capacity,

Defendants.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION, UNION COUNTY

DOCKET NO.:

CIVIL ACTION

COMPLAINT

Plaintiff, County of Union, a body of politic of the State of New Jersey, by way of
Complaint against the Defendants says:

PARTIES

1. The County of Union (“County”) is a municipal corporation, established under the laws of New Jersey, with its principal business address located at 10 Elizabethtown Plaza, Elizabeth, New Jersey 07207. The County of Union, through the Department of Human Services, provides and administers publicly-funded human services to the citizens of Union County.
2. The Union County Department of Human Services (“UCDHS”) encompasses an array of programs and services which includes: Behavioral Health, Aging, Housing and Homeless

Prevention, Outreach and Advocacy, Social Services, Youth Services, American Job Center, Mental Health, and Accessible Transportation.

3. Additionally, the County offers an extensive range of support services which includes information exchange, prevention, early intervention, case management and crisis intervention.
4. Defendant, New York City (“NYC”), is a municipal corporation, established under the laws of New York, with its principal address at City Hall Park, New York, NY.
5. Defendant, Mayor Bill de Blasio is the Mayor of NYC, with a business address at City Hall Park, New York, NY.
6. Defendant, Steven Banks is the Commissioner of the Department of Social Services for NYC, which department is composed of the Department of Homeless Services and Human Resources Administration. Commissioner Banks’ business address is 150 Greenwich Street, New York, NY.

JURISDICTION AND VENUE

7. This court has personal jurisdiction over the Defendants because a substantial part of the events or omissions giving rise to the claims occurred in Union County and the Defendants has substantial contacts in New Jersey related to the claims set forth in the Complaint.
8. Venue is proper in Union County because a substantial part of the events or omissions giving rise to the claims occurred in the State of New Jersey.

GENERAL ALLEGATIONS COMMON TO ALL COUNTS

A. THE IMPLEMENTATION, REQUIREMENTS AND ELIGIBILITY OF THE SOTA PROGRAM.

9. Upon information and belief, on August 31, 2017, the New York City Human Resources Administration implemented the Special One-Time Assistance program (“SOTA”).

10. Upon information and belief, the SOTA program was a response to the unsuccessful Advantage program, a rental subsidy that provided households, who lived in shelters, up to two years of rent support on the condition of steady employment, or participation in job training.¹
11. Upon information and belief, nearly half of the participants of the Advantage program returned to the shelter system. In March of 2011, the Advantage program ceased.
12. Upon information and belief, the SOTA program slightly “mirrors” the Advantage program, as SOTA provides rental assistance to qualified City of New York Department of Homeless Services (“DHS”) clients to obtain permanent, stable housing. However, the SOTA program provides only one year of rental assistance.
13. Upon information and belief, an individual or household eligible for SOTA requires:
 - a. A household to have been living in a shelter for a minimum of ninety (90) days; and
 - b. A household to maintain enough income to make future rent payments, calculated based on rent not exceeding 50% of the household income.
14. Upon information and belief, Housing Specialists and Case Managers employed by DHS are responsible for assisting eligible clients to locate prospective housing.
15. Upon information and belief, subsequent to identifying possible permanent housing, Housing Specialists are responsible for conducting property walkthroughs to ensure the units are consistent with safety and habitability standards.
16. Upon information and belief, once a SOTA lease is executed, the New York City Human Resources Administration (“HRA”) pays a lump sum, satisfying a full year’s rent, directly to the landlord in addition to up to 15% of the applicable broker’s fees. By

¹ Markee, P. New Report: Half of “Advantage” Families Back in the NYC Shelter System available at <https://www.coalitionforthehomeless.org/new-report-half-of-advantage-families-back-in-the-nyc-shelter-system/>

utilizing this process, Defendants failed to provide a system that would hold participating landlords and real estate brokers accountable for illegal and/or uninhabitable housing.

17. On December 5, 2019, New York City's Department of Investigation ("DOI") released an investigative report on the SOTA program.

18. The DOI report revealed that New York City's implementation of the SOTA program left NYC residents in "squalor," and endorsed unscrupulous landlords who allowed families to live in subpar conditions without being held with any accountability.

19. The DOI's report detailed that SOTA recipients were placed in housing, sometimes illegal units, without valid occupancy certifications, without heat and/or with insect and vermin infestations.

20. The DOI's investigation showed that New York City's lack of proper oversight and their poorly designed paperwork were a direct cause of the coerced SOTA recipients living in poor conditions.

B. NEW YORK CITY'S FAILURE TO ADVISE THE COUNTY OF UNION AS TO SOTA RECIPIENTS RESIDING WITHIN THE COUNTY, AND THEIR FAILURE TO ENSURE ASSISTANCE TO SOTA RECIPIENTS.

21. Upon information and belief, the SOTA program only offers rental assistance to an eligible client once, regardless of their financial condition following the completion of their SOTA funding.

22. Upon information and belief, SOTA recipients that are relocated outside of the New York City are not provided with supplemental resources, services or guidance in regard to obtaining additional resources if required.

23. Upon information and belief, through the SOTA program, citizens of the City of New York have been placed throughout hundreds of communities across the country.

24. Upon information and belief, between September of 2017 and September of 2019, approximately 5,074 New York City DHS clients were placed into “permanent” housing.²
25. Upon information and belief, of the 5,074 clients, only 35% were placed within the City of New York, while nearly 65% were placed outside of NYC.
26. Upon information and belief, many of the municipalities outside of NYC were unaware that SOTA recipients were residing within their municipalities.
27. Plaintiff became aware through a combination of newspaper articles, the City of Newark’s federal lawsuit against New York City, the Department of Investigations December 5, 2019 report on the SOTA program, and New York City brochures about the SOTA program that a number of families have been relocated to Union County.
28. Upon learning that SOTA recipients reside in Union County, Plaintiffs have attempted to obtain the names and addresses of the SOTA recipients.
29. New York City has repeatedly refused to disclose the names and/or addresses of SOTA recipients residing in Union County.
30. On December 3, 2019, the County of Union submitted a Freedom of Information Law (“FOIL”) request to obtain a full listing of individuals who are in the SOTA program, housed within the County of Union.
31. On December 17, 2019, the Department of Social Services and Department of Homeless Services denied the request in part, and only submitted a general “SOTA exits by location lists.”
32. The FOIL response from the City of New York suggests approximately 56 families of SOTA recipients reside within the County of Union. The County has reason to believe there are well over 56 SOTA recipients in Union County.

² See, The City of New York’s Department of Investigation Report on SOTA (December 5, 2019).

33. As a result of NYC's repeated refusal to disclose SOTA recipients in Union County, the County has been prevented from contacting SOTA recipients to offer social services or alternatively, to assist recipients with issues that will inevitably arise.
34. Despite the SOTA program's primary goal to assist clients to secure housing, the function of the program has significantly undermined such efforts.
35. Upon information and belief, SOTA recipients are not properly guided as to County resources.
36. According to the SOTA program, the only resources available to SOTA recipients are for individuals or families who reside within the five boroughs of New York City.
37. New York City's current practices fail to provide for the necessary services for households relocating to Union County, outside of mere rent payments.
38. New York City thereby engages in differentiated treatment between recipients of the SOTA program within New York City, and those relocated to Union County.
39. New York City has also failed to coordinate with the County to ensure a continuum of services for SOTA recipients.
40. Ensuring decent housing with necessary support for our vulnerable population is a significant public interest for the County of Union.
41. According to the SOTA program, in the event a recipient is not able to pay their rent following the 12-month expiration due to loss of income, clients are referred to their local Homebase program for assistance. Again, this service is only available to those clients within New York.
42. The SOTA program fails to ensure that adequate services are available to the families in need who reside in communities outside of New York.
43. The County of Union currently has a homelessness issue.
 - a. More than 357 individuals are placed in shelters across the County of Union.

- b. Approximately 9,635 citizens of Union County have remained on the waiting list to obtain Section 8 housing.
44. Union County shelters are consistently full due to lack of apartment availability. As affordable housing is limited, the lack of apartment availability may be directly connected to the SOTA recipients taking up the affordable housing options.
45. Plaintiffs have to utilize county funding to place individuals in motels when the shelters are full because motel rates are over the state approved \$50.00 per night.
46. New York City's failure to guide SOTA recipients and advise the communities in which SOTA recipients reside risks:
- a. Families stranded in unfamiliar surroundings without knowledge or ability to get to the available resources;
 - b. Exposure to overpayments of services if they remain on programs for NYC residents, although they are now residents of Union County; and
 - c. Lack of transportation, communication, food security, medical services.
47. The County of Union will remain unaware of such circumstances until a crisis occurs.

COUNT I
PUBLIC NUISANCE

48. The County of Union repeats and realleges all of the paragraphs of the Complaint as though they were set forth herein in their entirety.
49. New York City's administration of the SOTA program creates an unreasonable interference with the public health, public safety, public peace, public comfort and the public convenience for the County of Union, its residents and businesses.
50. New York City's SOTA program unreasonably interferes with the County of Union's right to provide social services for all persons residing in Union County.
51. New York City's failure to ensure a continuum of support for SOTA recipients in Union County increases the likelihood that NYC's SOTA recipients will be returned to the shelter system after the SOTA grant ceases.

52. New York City's conduct is of a continuing nature, and will produce permanent or long-lasting effect, as the homeless population will inevitably increase in the County of Union.
53. The City of New York knows or has reason to know that their failure to ensure a continuum of support for SOTA recipients in Union County will increase and fail to address the homelessness problem based on the consequences of the unsuccessful Advantage program.
54. New York City has direct control over their conduct within the County of Union and that conduct has an adverse effect on the County's public rights. The City of New York has caused a public nuisance that has significantly harmed a considerable number of Union County's residents and the State of New Jersey residents.
55. New York City's conduct, if left unabated, will have a long-lasting, direct and proximate impact on the safety, health, peace and comfort of residents of Union County.
56. New York City's conduct, if left unabated, will also result in an increase of homeless population and extreme poverty for residents in the County of Union.

COUNT II
THE SOTA PROGRAM PLACES AN UNDUE BURDEN ON THE COUNTY OF UNION TO EXPEND ADDITIONAL FUNDS IN AN EFFORT TO PROVIDE SERVICES TO THE RECIPIENTS.

57. The County of Union repeats and realleges all of the paragraphs of the Complaint as though they were set forth herein in their entirety.
58. New York City's failure to coordinate with the County of Union as to incoming SOTA recipients interferes with the allocated funds and services utilized to address the homelessness problem faced by the County of Union.
59. New York City's failure to disclose information as to SOTA recipients interferes with the County's budgeting and efficient delivery of these services.

60. The County of Union's recent efforts in allocating funds to families on the verge of homelessness are measured based on current needs. As such, Defendants secretly placing additional families in the County not only harms SOTA recipients, as they are unaccounted for in the County's budgeting needs, but also harms families in need currently residing in Union County.
61. SOTA recipients relocated to Union County create a diminution of the County's ability to provide sufficient resources for the County's social services.
62. The potential failure of the SOTA program will force the County of Union to utilize local government funds to address New York City's homelessness problems.

COUNT III
SPECIFIC PERFORMANCE

63. The County of Union repeats and realleges all of the paragraphs of the Complaint as though they were set forth herein in their entirety.
64. For every individual impacted by the poor administration of SOTA, the County anticipates spending funds.
65. New York City's unreasonable conduct forces the County of Union to reprioritize its concerns and Union County residents and businesses as they suffer the direct cost of such conduct.
66. Aid, beyond rental assistance, is needed for SOTA recipients relocated to Union County by New York City.
67. The City of New York should be, at a minimum, responsible for assisting with the issues faced by SOTA recipients in Union County.
68. Aid is needed for New York City's SOTA recipients because the County of Union cannot afford an increase to homelessness.
69. New York City should thereby compensate the County of Union for such resources.

COUNT IV

CONSTITUTIONAL VIOLATION OF THE DORMANT COMMERCE CLAUSE

70. The County of Union repeats and realleges all of the paragraphs of the Complaint as though they were set forth herein in their entirety
71. Pursuant to the United States Constitution's Dormant Commerce Clause, discrimination against interstate commerce means a differential treatment of in-state and out-of-state economic interests that benefits the former and burdens the latter.
72. New York City's SOTA program, a program administered under the direction of Defendants Mayor de Blasio and Commissioner Banks, unlawfully and differentially burdens interstate commerce occurring wholly outside the boundaries of New York State, in violation of the Dormant Commerce Clause of the United States Constitution.
73. Defendant's SOTA program merely provides rental assistance for one year and fails to provide for future assistance in any manner for recipients residing outside of the City of New York.
74. Defendants recognize the need for aftercare resources, or services during the duration of SOTA's assistance.
75. According to the NYC's Department of Social Services, NYC families in need of aftercare resources, or resources while participating in SOTA, are referred to such services within New York City. In sharp contrast, Defendants fail to direct SOTA recipients residing in Union County as to any available services.
76. Defendant's SOTA Program, under the direction of Defendants Mayor De Blasio and Commissioner Banks, unlawfully refuse to disclose to the County the identities and locations of those SOTA recipients that the SOTA program directly placed within the County.

77. Defendant's conduct in concealing information from Union County, regarding SOTA recipients, unjustly deprives these families access to critical social services.
78. Defendants' actions constitute not only differentiated treatment among recipients in Union County from those residing within New York City without any justifications, but also critically fail to provide guidance to non-NYC SOTA recipients regarding much needed social services.
79. Defendant's SOTA Program violates the Dormant Commerce Clause by directly controlling commerce occurring wholly outside the boundaries of New York City and the State of New York, and thereby exceeds the inherent limits of NYC's authority and is therefore invalid regardless of whether the SOTA program's extraterritorial reach was intended by New York City's Mayor and City Council.

WHEREFORE, the County of Union requests that this court:

- (a) Enter a permanent injunction, restraining New York City from any further implementation of the SOTA program in the County of Union, until such time that Union County is availed of the names and locations where the SOTA recipients reside in Union County;
- (b) Order an accounting by New York City, and any and all entities created or controlled by Defendants, to enable the identification of all persons and families relocated to the County of Union through the SOTA program, of all inspections of residences within the County that were subjects of the SOTA program, of all amounts paid to landlords and real estate brokers in the County of Union through the SOTA program, and of all persons who returned to New York from the cities and townships within the County of Union after participation in the SOTA program;
- (c) Following the accounting, impose a constructive trust for the benefit of all participants in the SOTA program that wish to remain within the County of Union;
- (d) Specific performance requiring Defendants to facilitate the relocation of any families or persons who participated in the SOTA program, and wish to return to New York City; and
- (e) Awarding damages;
- (f) Awarding costs of suit, including reasonable attorney's fees and;

(g) Awarding such other relief as is just and equitable.

Plaintiff, County of Union, hereby designate Moshood Muftau, Esq., as trial counsel in this matter.

ROBERT E. BARRY, ESQ.
UNION COUNTY COUNSEL

Dated: January 13, 2020



Moshood Muftau, Esq.
Second Deputy County Counsel

DEMAND FOR JURY TRIAL

Plaintiff demands a jury trial on all issues unresolved herein.

RESERVATION OF RIGHTS

Plaintiff reserves the right to file such specific amendments and/or additional claims as are applicable here and after to this action and/or as they are subsequently discovered.

CERTIFICATION

I hereby certify in accordance with Rule 4:5-1 that there are no other proceedings pending or contemplated with respect to the matter in controversy and there are no other parties who should be joined in this action.

ROBERT E. BARRY, ESQ.
UNION COUNTY COUNSEL

Dated: January 13, 2020



Moshood Muftau, Esq.
Second Deputy County Counsel