



U.S. NEWS

FEMA yanks back \$80 million that New York City meant to cover hotel costs for migrants



1 of 4 | Bags containing bedding are placed on cots inside the dormitory tent during a tour of a shelter New York City that is setting up to house up to 1,000 migrants, in the Queens borough of New York, Aug. 15, 2023. (AP Photo/Mary Altaffer, File)

BY [MICHAEL CASEY](#) AND [JAKE OFFENHARTZ](#)

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NEW YORK (AP) — The Federal Emergency Management Agency has clawed back more than \$80 million from New York City, officials said Wednesday, escalating a dispute between the Trump administration and the nation's largest city over money for [sheltering migrants](#).

The move came as a federal judge said he wouldn't stop FEMA from reclaiming the funds.

Gone is a \$59 million grant that the administration challenged earlier in the week and another award

for \$21.5 million, City Comptroller Brad Lander said. The money was discovered to be missing overnight, and Lander said no one in his office had been aware that the federal government had access to the city's bank account.

Mayor Eric Adams, a Democrat, said city officials had contacted the White House about getting back the money, are seeking an emergency meeting with FEMA and exploring legal options. Adams said he would discuss the matter with President Donald Trump's border czar, Tom Homan, when they meet in New York on Thursday.

It's the first big test for Adams' relationship with Trump's team after the U.S. Justice Department on Monday directed federal prosecutors in Manhattan to drop corruption charges against the mayor, with a top official saying the administration wanted Adams free to aid the Republican president's immigration agenda.

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The grants were applied for and awarded during the administration of Democratic President Joe Biden but were not disbursed until last week, the city said.

Soon after, Trump adviser Elon Musk flagged \$59 million in payments, writing on X that his so-called Department of Government Efficiency had discovered the money was used to house migrants in "luxury hotels." Musk gave no evidence to support his claim.

In the last two years, New York City has leased several budget hotels and other vacant buildings, turning them into migrant shelters.

FEMA's acting administrator said in court documents filed Tuesday that the money was being clawed back over concerns about "illegal activities" at a hotel.

Lander questioned whether the move was legal, saying he had never seen a case where someone was "authorized to come into your bank accounts and take it back because of shifting political winds."

This is "the first critical test of whether we still have independent leadership at City Hall," said Lander, an Adams critic who is challenging him in June's Democratic primary.

White House press secretary Karoline Leavitt suggested at a briefing Wednesday that the administration felt paying for hotels for migrants in the city was not a worthy expense while FEMA deals with costly disasters elsewhere.

Homeland Security Secretary Kristi Noem wrote on X that she "has clawed back the full payment that FEMA deep state activists unilaterally gave to NYC migrant hotels."

A federal judge ruled Wednesday that the administration can [continue efforts](#) to withhold the FEMA money from the city. U.S. District Judge John McConnell in Rhode Island said that money was not subject to an order, still in effect, aimed at preventing [an administration pause on federal funding](#).

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Most of the former hotels leased by the city are occupied by families with children. None would be considered "luxury" by most traveler standards.

The city also began leasing the building that once housed the Roosevelt Hotel as an intake center for migrants seeking city services in 2023, after it closed in 2020 due to the COVID-19 pandemic. That hotel has a grand past, though in the years before its closure it was an affordable option for travelers to the city.

Under city law, New York must offer shelter to anyone who needs it, and at the time the regular homeless shelter system was overwhelmed with new arrivals. The hotel now serves as both a place where migrants must go to apply for services and as a temporary shelter for hundreds of families who can stay for only 60 days.

The Shelter and Services Program, with money coming from Congress and administered by FEMA, has become a flashpoint for criticism by Republicans, who incorrectly claim it's taking funds from people hit by hurricanes or floods.

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