

Ending Homelessness **How Mayor de Blasio and Governor Cuomo Can Do It**

A Report from Homes for Every New Yorker April 2015

Overview: The Affordability Crisis and the Homelessness Epidemic

It is no secret that New York City is in the midst of a housing crisis that affects people in every neighborhood throughout the five boroughs. The cost of housing continues to skyrocket. A recent Census Bureau survey found that, since 2011 alone, median New York City apartment rents rose more than 3 percent faster than the rate of inflation, while median renter incomes barely increased at all. And over the same period, the number of apartments affordable to low-income renters fell by 13 percent.

But by far the most disturbing toll of New York City's worsening affordability crisis – and its greatest cost in human terms – is the highest level of homelessness since the Great Depression. A record 60,000 homeless New Yorkers, including more than 25,000 children, sleep each night in municipal shelters. During the Bloomberg administration, the homeless shelter population rose a shocking 71 percent and the number of homeless families increased by 83 percent. During the last fiscal year, 1 of every 42 children in New York City slept in the homeless shelter system, including 1 of every 17 African-American children and 1 of every 34 Latino children.

The widening gap between housing costs and incomes is a major cause of New York City's record homelessness. As wages continue to stagnate and housing prices continue to rise, more and more New Yorkers find themselves in a more uncertain and precarious position. Many in our city are living one missed paycheck or one rent increase away from homelessness.

Moreover, NYC's unprecedented levels of homelessness stem directly from disastrous Bloomberg administration policies that eliminated permanent housing resources from homeless children and families.

This report shows specifically how Mayor Bill de Blasio and Governor Andrew Cuomo can literally end homelessness in New York City by 2020. What follows are key policy recommendations that – if enacted together – will have a transformative impact on homelessness over the next five years.

Our city must provide homes for every New Yorker in need. That is why a new campaign has come together to develop this report and ensure that the de Blasio and Cuomo administrations take action.

Homes for Every New Yorker includes the following organizations:

ALIGN: The Alliance for a Greater New York

CASA New Settlement Houses

Coalition for the Homeless

Community Voices Heard

District Council 9 New York IUPAT, Painters and Allied Trades

Legal Aid Society

Make the Road NY

Metropolitan Council on Housing

Mutual Housing Association of NY

New York Communities for Change

QUEEROCRACY

Real Affordability for All

VOCAL-NY

Recommendations: Nine Strategies for Ending Homelessness

This report brings together the best thinking and policy analysis on homeless solutions to show how the de Blasio and Cuomo administrations can eradicate mass homelessness by 2020. Below are nine key strategies that, if pursued together, can create homes for every New Yorker over the next five years. They are described in more detail in the next section of the report, which provides extensive background and a rationale for each proposed strategy.

- 1. Set Aside 10% of All New City-Assisted Housing for Homeless New Yorkers**
- 2. Target More NYCHA Public Housing Apartments to People in the Shelter System**
- 3. Renew a City-State Agreement to Create Permanent Supportive Housing**
- 4. Enhance City-State Rent Subsidies to Prevent Homelessness and Rehouse the Homeless**
- 5. Invest in Cost-Saving Programs to Prevent Homelessness**
- 6. Convert So-Called “Cluster-Site” Shelter Back to Permanent Housing**
- 7. Expand Rental Assistance to All Low-Income New Yorkers Living with HIV**
- 8. Raise the Minimum Wage to \$15 Per Hour in New York City**
- 9. Build Housing with Developers Who Use Local Hire Goals and Union Labor**

In Depth: How de Blasio and Cuomo Can End Mass Homelessness

1. Set Aside 10% of All New City-Assisted Housing for Homeless New Yorkers

The de Blasio administration should ensure that its affordable housing plan allocates at least 10% of all new housing units to homeless families and individuals. Through this allocation, the City will create and preserve at least 1,000 affordable apartments per year targeted specifically to homeless families. This is in addition to the estimated 1,000 supportive housing apartments per year that would be created under the Mayor’s housing plan.

The administration should also ensure that all City-subsidized apartments designated for homeless families, as per their regulatory agreements, are in fact currently housing homeless families, and that as they become vacant, such apartments are provided to homeless New Yorkers.

Background and Rationale:

Affordable housing created or preserved under Mayor de Blasio’s 10-year housing plan is a critical housing resource for homeless New Yorkers.

Indeed, in the late 1980s, City-assisted housing created under Mayor Koch’s “Housing New York” plan played a vital role in sharply reducing family homelessness. But under the Bloomberg administration, very little City-assisted housing was created for homeless families.

From 1990 through 2005, more than 11,000 homeless families with more than 20,000 children moved from shelters to City-subsidized apartments – most of them apartments created under Koch’s ten-year plan.

Under Koch’s “Housing New York” plan, 63.3% of all housing units – 95,420 of the total 150,682 units – went to low-income households; and 10.4% of all housing units (15,674 units) went to homeless households.

In contrast, under Bloomberg’s “New Housing Marketplace” plan, only 34.2% of all housing units – 42,513 units of the 124,418 units created or preserved as of 2014 – went to low-income households. And only 4% of all housing units – 4,816 units out of 120,629 completed as of 2012 – went to homeless households.

Mayor de Blasio’s housing plan aims to create or preserve 200,000 housing units over the next decade. But City officials say that only 8% of those units will be targeted to the poorest New Yorkers (those earning below 30% of Area Median Income [AMI]), and only an additional 12% will go to households earning under 50% of AMI. The Mayor’s own “Housing New York” plan needs to be improved and enhanced to address the needs of homeless families and individuals.

2. Target More NYCHA Public Housing Apartments to People in the Shelter System

The de Blasio administration should allocate at least 2,500 NYCHA public housing apartments each year to homeless families and individuals, including families residing in domestic violence shelters, and give at least one third of available Section 8 vouchers each year to homeless families and individuals.

Background and Rationale:

Previous New York City mayors – from Ed Koch to David Dinkins to Rudy Giuliani – targeted federal housing resources to move homeless families out of expensive, emergency shelters and into stable, permanent housing. Beginning with Mayor Koch, the City helped thousands of homeless families relocate to permanent housing by allocating a modest share of scarce federal public housing apartments (administered by the New York City Housing Authority, or NYCHA) and federal housing vouchers, known as Section 8 vouchers.

From 1990 through 2005, the City helped more than 53,000 homeless families – including more than 100,000 children – move to long-term, permanent housing using these federal housing programs. Research shows that the vast majority of those formerly homeless families and children remained stably housed and did not return to homelessness.

In 2005, the Bloomberg administration eliminated priority use of federal housing programs (public housing and Section 8 vouchers) for homeless children and families. In essence, Mayor Bloomberg cut off access to NYCHA public housing for homeless New Yorkers. The result over the past decade is clear to see: soaring family homelessness that is breaking records in New York City.

Mayor de Blasio and his administration reversed the Bloomberg-era cut-off policy. However, they are allocating only 750 NYCHA public housing apartments annually to homeless families. This represents only 12% of available NYCHA apartments each year and is far less than what the City provided even under the Giuliani administration, when roughly one-third of NYCHA public housing apartments and Section 8 vouchers were allocated to homeless families.

At the same time, the de Blasio administration has continued a misguided Giuliani-era policy that prioritizes NYCHA public housing apartments for households with no demonstrated housing needs, including some households with annual incomes over \$50,000. In the first six months of 2014, nearly 60% of NYCHA public housing apartments went to such households, despite record and rising homelessness.

3. Renew a City-State Agreement to Create Permanent Supportive Housing

Governor Cuomo and Mayor de Blasio should renew a City-State agreement to create and fully fund services for 30,000 units of supportive housing over the next ten years. There have been three City-State “New York/New York Agreements” to create permanent supportive housing – the first in 1990, the second in 1998, and the third in 2005. Combined, all three NY/NY agreements have created more than 14,000 new supportive housing units since 1990.

NY/NY supportive housing agreements have been successful in reducing the use of other public systems and have produced significant cost savings.

This renewed “New York/New York Agreement” would do the following:

- Create 30,000 units of permanent supportive housing over ten years for homeless individuals and families living with mental illness and other special needs, in particular homeless individuals residing on the streets and in other public spaces;
- Ensure that half of all new supportive housing units (15,000) are new construction, and half would be scattered-site apartments;
- Continue to prioritize those with long histories of homelessness and illness;
- Provide adequate funding to operate housing and provide support services; and
- Set aside two-thirds of the units (20,000 units) for individuals, with the remaining one-third of units for families (8,700 units) and youth (1,300 units).

Background and Rationale:

Permanent supportive housing combines affordable housing with support services to help people with disabilities like serious mental illness live with stability. Supportive housing has proven to be the most successful and cost-effective solution to ending homelessness for individuals and families otherwise at risk of cycling between homelessness, emergency and institutional systems without affordable permanent housing and support services.

A December 2013 analysis by the City's health department found that the "NY/NY III Agreement" reduced use of shelters, hospitals, psych centers and incarceration, for an average net public savings of \$10,100 per unit per year. Studies have also found significant cost savings from previous NY/NY agreements. NY/NY III also decreased chronic homelessness among single adults by 47% in first five years, and provided stability, with more than 75% of NY/NY III tenants remaining housed after two years.

It is estimated that at least two-thirds of the street homeless population; 30-to-40% of homeless adults without children in shelters; and 10-to-15% of homeless families with children are in need of permanent supportive housing.

There is a great need for new supportive housing resources. More than 20,000 households per year are found eligible for supportive housing, but there is currently only one housing unit available for every six eligible applicants. This ratio will only worsen if a new City-State supportive housing agreement is not reached soon. The "New York/New York III Agreement" is drawing to a close. There are no units available for new supportive housing projects, and there will be no operating or service dollars going forward unless we have an agreement.

The de Blasio administration has taken positive steps toward providing resources for a new NY/NY Agreement. Mayor de Blasio's capital budget includes funding for more than 12,000 supportive housing units over the next decade.

But Governor Cuomo's January 2015 executive budget proposal, and the recently completed 2015 State budget, fall far short of the resources needed to address record homelessness. The Governor's proposal for a NY/NY IV Agreement – which was not negotiated with the City – calls for only 3,900 supportive housing units over seven years in New York City, or only 560 units per year – far less than the NY/NY III Agreement.

4. Enhance City-State Rent Subsidies to Prevent Homelessness and Rehouse the Homeless

While new City-State rental assistance programs are a significant improvement on the deeply flawed rent subsidies of the Bloomberg era, they can be improved to better protect families

and ensure housing stability. The programs also need continued State funding and commitments in order to assist more homeless families and individuals in the coming years.

The City-State rental assistance programs can be enhanced through the following strategies:

- The State and City should increase Family Eviction Prevention Supplement (FEPS) rent levels to reflect federal “Fair Market Rent” levels, like those used in the successful Section 8 voucher program.
- The new Living in Communities (LINC) rental assistance programs must be improved to become more viable and effective. The programs should:
 - a. Establish a good-cause waiver allowing families to continue to receive rental assistance after five years upon demonstration of ongoing need;
 - b. Use more realistic work requirements, such as at least 20 hours per week, rather than 35 per week;
 - c. Include families, such as those with disabilities or receiving public assistance, who do not have employment income;
 - d. Allow those whose benefits may have been cut off in error into the program; and
 - e. Use Fair Market Rent levels as the benchmarks for the program.

Background and Rationale:

In 2005, the City initiated the Family Eviction Prevention Supplement (FEPS) to replace the old Jiggetts relief system, through which families with children who receive public assistance and were facing eviction can obtain a subsidy in addition to the welfare housing allowance to preserve housing stability and avoid evictions. Through the FEPS program, families on public assistance who are facing eviction or who have recently been evicted receive an additional subsidy above their welfare housing allowance based on their family size.

Rents in New York City have increased dramatically in the ten years since the FEPS program was approved. Many new and current FEPS recipients cannot find or maintain housing under the current inadequate rent levels. Unfortunately, the Cuomo administration has to date rejected efforts by advocates and City officials to enhance the FEPS program. In the recently completed 2015-2016 State budget, the State Assembly fought to include \$15 million for a demonstration program to enhance the FEPS program – but while this is a positive step forward, much more needs to be done.

After months of negotiations with the Cuomo administration, the de Blasio administration announced new City-State rent subsidy programs, called the Living in Communities (LINC) programs. These rental assistance programs, which are limited to five years, are designed to help approximately 4,000 homeless families – including working families, survivors of domestic violence, and families with multiple shelter stays – move from shelters to permanent housing.

The de Blasio administration has expanded the existing LINC programs to assist an additional 2,100 homeless single adults, including seniors, working individuals and people with serious medical problems.

However, the LINC programs can be improved. The State must not only continue its investments in the programs, but should share the costs of the programs. Currently, the City pays the total cost of three of the five existing LINC rental assistance programs and has had to pay the total cost for recent enhancements to the programs.

5. Invest in Cost-Saving Programs to Prevent Homelessness

Preventing homelessness is both effective and fiscally smart. The average annual cost of sheltering a homeless family in New York City is more than \$38,000, and the annual cost of sheltering an individual is \$24,000. In comparison, prevention programs like anti-eviction legal services or rent arrears grants cost a fraction of the cost of shelter.

To better prevent homelessness, the City should:

- Coordinate prevention services among prevention agencies so that at-risk families and individuals know where to go to get help;
- Create a “right to counsel” for low-income tenants facing eviction in housing court, and enhance funding for anti-eviction legal services to help many more low-income tenants;
- Increase funding for rent arrears, which will ensure that more families can avoid costly emergency shelter and remain in their own homes;
- Negotiate with the State to administer the Family Eviction Prevention Supplement (FEPS) program at neighborhood welfare offices and/or other sites, to make the FEPS benefit more widely available to at-risk families; and
- Seek immediate approval from the State to increase FEPS subsidy rent levels equivalent to those in the Section 8 program, as well as remove restrictions that prevent families from accessing the FEPS subsidies, such as the requirement that the family be sued in housing court, exposing them to inclusion on the "Black Lists" at tenant screening bureaus.

Background and Rationale:

New York City’s housing courts are fundamentally an unfair playing field tilted in favor of landlords. More than 90% of tenants in housing court do not have legal representation, while nearly all landlords do. And despite the efforts of legal services organizations and community groups, there are simply not enough resources to help all low-income tenants facing eviction in the city’s housing courts.

Eviction remains one of the major causes of family homelessness in New York City, and data on evictions show that the problem is growing more severe.

Over the past decade, the number of evictions in New York City rose from 22,000 per year to more than 27,000 – and that data accounts only for evictions actually completed by a City marshal, not the larger number of informal evictions.

At the same time, both the number and percentage of families who entered the NYC homeless shelter system directly after an eviction rose even more dramatically. From 2002 through 2012, the number of homeless families annually entering shelter after an eviction tripled, from 1,000 families (17% of the total) to more than 3,000 families (32% of the total). During 2014, around one-third of all homeless families entering the shelter system did so immediately after an eviction. Currently, according to City data, 32% of all homeless families enter the New York City shelter system directly after an eviction.

While the de Blasio administration has increased funding for anti-eviction legal services, both the City and State must do more. Fundamentally, what is needed is a “right to counsel” for low-income tenants facing eviction in housing court. In addition, the State should increase rent levels and make other improvements to the FEPS program, one of the major prevention programs in New York City, and increase funding for rent arrears grants.

6. Convert So-Called “Cluster-Site” Shelter Back to Permanent Housing

The City’s use of apartment buildings as costly temporary shelter – a disastrous policy begun under Giuliani but dramatically expanded under Bloomberg – is deeply misguided and illustrates the historic failure of the last administration’s approach to the problem of homelessness. Simply put, under the failed scatter-site/cluster-site shelter model, the City favors costly temporary shelter over cheaper permanent housing, ultimately contributing to rising and all-time record homelessness in New York City. The City should:

- Convert “cluster-site” shelter units back to permanent housing to help significantly reduce the number of homeless families;
- Provide City-State rent subsidies to allow families in “cluster-site” units that meet Section 8 quality standards to secure leases for the very apartments in which they already reside;
- Commit to a definitive public timeline to reduce – and ultimately eliminate – City reliance on “cluster-site” shelter while instituting strong deterrence measures to safeguard against the harassment of tenants in former “cluster-site” buildings by property owners; and
- Utilize aggressive code-enforcement to address code violations and hazardous conditions for tenants currently residing in these units while transitioning from this model.

Background and Rationale:

Instead of embracing cost-effective policies to reduce homelessness, the Bloomberg administration chose to expand the costly shelter system. And to increase family shelter capacity, the primary mechanism Bloomberg used was a dramatic expansion of the misguided scatter-site/cluster-site shelter model. From 2011 to 2013 alone – during the period when the administration eliminated all housing assistance for homeless families – the number of families sleeping each night in scatter-site/cluster-site shelter units increased by a remarkable 64%, from 1,577 to 2,587 families. The administration’s primary response to record and rising family homelessness was to use more and more apartments as costly temporary shelter.

The City pays an exorbitant rate for this model of shelter: more than \$3,000/month or nearly \$38,000/year, which is far more than the rent on these apartments for lease-holding tenants. Thus, the program provides enormous financial incentives for owners of the apartment buildings to displace lease-holding tenants in order to engage in lucrative deals with the City and its intermediary contractors. Moreover, the cluster-site program frequently uses apartment buildings with hazardous housing conditions and numerous code violations.

The de Blasio administration, to its credit, has sought to reduce the exorbitant rate paid to cluster-site landlords, and to recycle the savings from that lower rate to partially finance the LINC rental assistance programs. In addition, the de Blasio administration has pledged not to create new cluster-site shelter units. But more can and should be done.

7. Expand Rental Assistance to All Low-Income New Yorkers Living with HIV

An estimated 10,000 to 15,000 people living with HIV (including 800 to 1,000 people living with HIV residing in NYC homeless shelters on any given night) remain medically ineligible for housing assistance and benefits provided for persons with symptomatic HIV infection through HASA, and an estimated 2,000 to 6,000 people living with HIV in the balance of the state outside NYC have an unmet housing need.

- New York City must expand and update the enhanced rental assistance, transportation and nutrition programs and 30% rent cap, and expand the public benefits and services currently available to all persons living with AIDS or clinical symptomatic HIV illness to all income-eligible New Yorkers living with HIV.
- The rental assistance rate for the NYS HIV Enhanced Rental Assistance program must be updated and increased from \$480/month for single individuals and \$330 for additional household members. This is insufficient to support even a studio apartment in any part of New York. The rates linked to HIV-specific programs need to be updated to fair-market rental rates in localities.

Background and Rationale:

To achieve Governor Cuomo’s plan to end the AIDS epidemic in New York State by 2020, it will be necessary to solve the greatest unmet need of low-income New Yorkers living with HIV: lack of basic housing, nutrition and transportation benefits. Mayor de Blasio and Governor Cuomo must work together to get this done.

These services consist of case management and assistance in applying for public benefits and services, including: Medicaid, Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance, emergency transitional housing, non-emergency housing, rental assistance, home care and homemaking services, transportation assistance, Supplemental Security Income (SSI) or Social Security Disability (SSD) application and appeal, and information on and referrals to community-based organization services.

Since the 1980s, the NYC Human Resources Administration’s HIV/AIDS Services Administration (HASA) has provided a single point of entry for access to HIV-related enhanced rental assistance and other public benefits. This includes a \$190/month HIV-specific transportation allowance, which enables recipients to be food secure and able to travel to essential medical and support service appointments. The HASA system has been extremely effective at delivering coordinated benefits and services, but HASA eligibility is currently limited to people living with HIV who have had a diagnosis of AIDS or advanced HIV disease. That means that in order to be eligible for HASA services, a person needs to meet an out-of-date NYS Department of Health AIDS Institute definition of “clinical/symptomatic HIV infection.” In other words, people living with HIV have to get extremely sick before being granted access to critical enablers of effective HIV treatment, including a safe, stable place to live, adequate nutrition and the ability to travel to health care and supportive services.

Studies consistently show that people living with HIV who lack stable housing after an HIV diagnosis are more likely experience discontinuous care; are less likely to be on antiretroviral therapy (ART); and are less likely to achieve sustained viral suppression. Yet current NYS treatment guidelines and HIV prevention strategies recommend early treatment for people living with HIV, along with care and support to encourage viral suppression. Research shows that by dramatically increasing the number of New Yorkers with HIV who know their status, the number who are on treatment, and the number who are virally suppressed, it is possible to end the state’s AIDS epidemic. However, many New Yorkers living with HIV continue to have serious unmet subsistence needs that create barriers to effective HIV care and treatment.

Homeless people with asymptomatic HIV infection, including a high number of recently diagnosed LGBT youth, are forced into the impossible choice of initiating treatment and remaining homeless or delaying treatment until they qualify for rental assistance or supportive housing.

An enhanced rental assistance program for people living with HIV was introduced in the 1980s as part of New York's response to the AIDS epidemic. The program subsidizes clients' rents in private market apartments and is used by some supportive housing programs to cover a portion of operating costs.

Given the limited availability of supportive housing in NYS, the program is by far the most significant potential housing resource for low-income people living with HIV who face homelessness and housing insecurity.

However, the enhanced rental assistance program and the enhanced rental assistance rate both need to be updated and expanded to address today's HIV epidemic in New York City and throughout the state.

The rental assistance rate for the NYS HIV Enhanced Rental Assistance program has not been updated since it was established in the 1980s and is currently \$480/month for single individuals and \$330 for additional household members, which is insufficient to support even a studio apartment in any part of NYC. The rates linked to HIV-specific programs need to be updated to fair-market rental rates in localities.

Every new infection averted saves an estimated \$400,000 in lifetime health spending for a person living with HIV.

8. Raise the Minimum Wage to \$15 Per Hour in New York City

The Cuomo administration should raise the minimum wage for New York City to \$15 per hour to help reduce poverty and to provide the much-needed relief for working homeless families across the city. By December 31, 2015, the minimum will be \$9 per hour, which is not enough for families to survive on in New York City.

Background and Rationale:

Currently nearly one-third of homeless families sleeping each night in the New York City shelter system are working, some of them two jobs. But most are trapped in low-wage jobs, such as security guards, fast-food workers, home health aides and retail sales workers.

Under the current minimum wage, a full-time worker earns only \$1,400 per month, well below the monthly "Fair Market Rent" of \$1,480 for a two-bedroom apartment – and most low-wage workers' employers don't give them full-time work schedules.

A recent study about poverty in New York City shows that increasing the minimum wage to \$15 per hour can reduce the poverty rate by 17% across the city, by 18% among non-elderly adults and by 19% among children. It would also result in a \$3.322 billion reduction in government spending due to savings from government benefit programs and increased tax liabilities, since

fewer people would have to rely on safety net programs and more people would be paying taxes.

9. Build Housing with Developers Who Use Local Hire Goals and Union Labor

The administration should work in partnership with organized labor and the building trades to ensure that jobs for construction and building operations workers include decent wages, healthcare, retirement benefits and adequate safety training to make career paths in construction more viable. Additionally, the administration should prevent irresponsible, law-breaking contractors with records of wage and hour, minimum wage, prevailing wage and safety violations from working on subsidized housing. NYC can both meet our housing needs and help alleviate poverty by providing careers, not just jobs, like those provided by labor unions.

Background and Rationale:

When housing is constructed by workers who haven't been given the opportunity to participate in an apprenticeship program and are paid low wages, we know that we get housing that is more likely to be dangerous and to deteriorate more quickly. We also know that if people are in permanent jobs, like those provided by labor unions, then it is highly unlikely that they will remain in or return to homelessness.

Conclusion

Homelessness is not an intractable problem, but if the number of homeless individuals and families continues to grow at the pace it did over the past decade, it will become one. This report outlines a few recommendations that would go a long way toward actually ending mass homelessness in New York City. These policy changes require the action of both Governor Cuomo and Mayor de Blasio, who must do much more to target permanent housing resources to help the neediest families and individuals in New York.