



Testimony of
Coalition for the Homeless

on
the 2014-2015 Executive Budget

before the joint
Fiscal Committees
February 4, 2014

presented by

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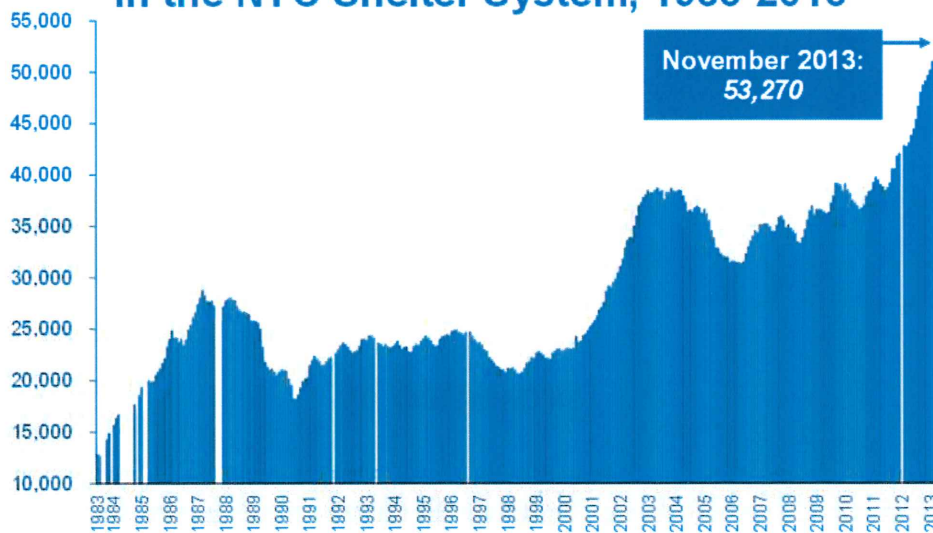
Good afternoon. Thank you for inviting us to testify at this important hearing. My name is Shelly Nortz, and for the last 26 years I have worked for the Coalition for the Homeless in Albany to secure State support for programs and policies that prevent and address homelessness and the socio-economic problems that cause homelessness.

Record Homelessness in NYC

More than 111,000 different homeless New Yorkers, including more than 40,000 children sleep in the NYC municipal shelter system each year, and this constitutes about 85 percent of the homeless population in all of New York State. It likely comes as no surprise to the members of these committees that the great majority of families and individuals who are homeless require some form of housing assistance in order to secure and retain stable permanent housing. As I will discuss, far too little is being done to address this need.

In 2012 I testified that we had reached a new record: There were over 41,000 homeless people staying each night in NYC homeless shelters, including 17,000 children. Today, that number exceeds 53,000 and over 22,500 children – 30 percent more homeless people in NYC shelters in just two years. Thousands more live on the streets or in makeshift arrangements underneath roadways or in abandoned buildings.

Number of Homeless People Each Night in the NYC Shelter System, 1983-2013



Source: NYC Department of Homeless Services and Human Resources Administration and NYCStat, shelter census reports

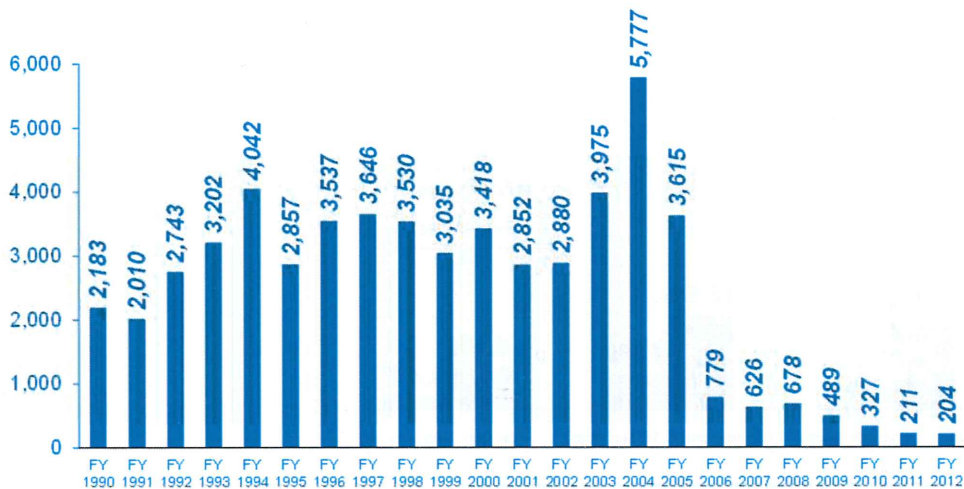
Still No Housing, Still No Exit from Shelter

Last year we talked about how little affordable housing there is in New York City, and how there is no exit from shelter for homeless families. With the exception of a trickle of housing that opens to help homeless people with disabilities and those being discharged from psychiatric facilities, there is no housing program.

Let me repeat: there is NO housing program to help homeless families leave shelter once they enter, thanks to the short-sighted policies of the Bloomberg Administration.

Fewer Homeless Families Helped by Federal Housing Aid, FY 1990-FY 2012

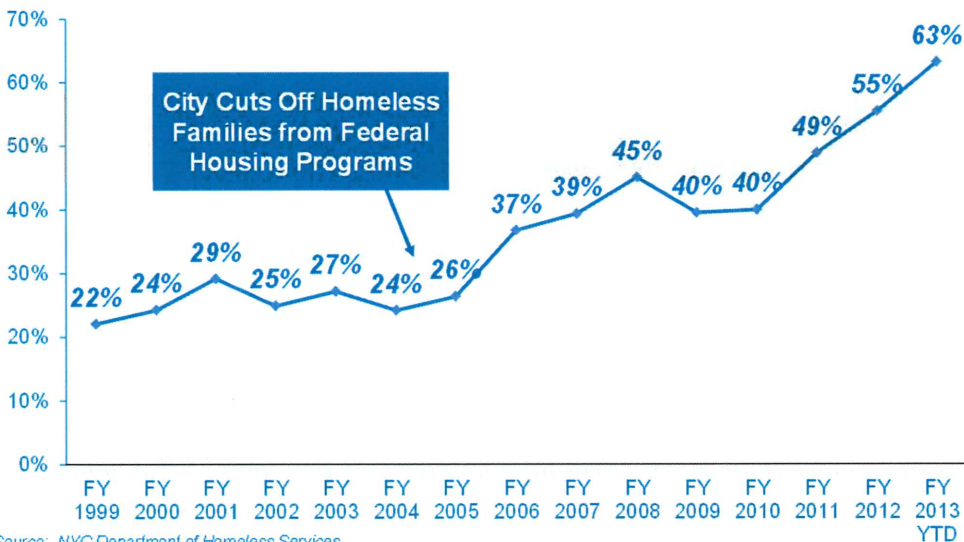
(No. Moved from Shelters with Public Housing and Sect 8 Vouchers)



Source: Mayor's Management Report and NYC Department of Homeless Services

As the charts in my testimony demonstrate, the shelter census began to climb when the Bloomberg Administration stopped referring homeless households to the NYC Housing Authority and eliminated the preference granted by prior mayoral administrations that provided roughly one in three Federally subsidized units for homeless households.

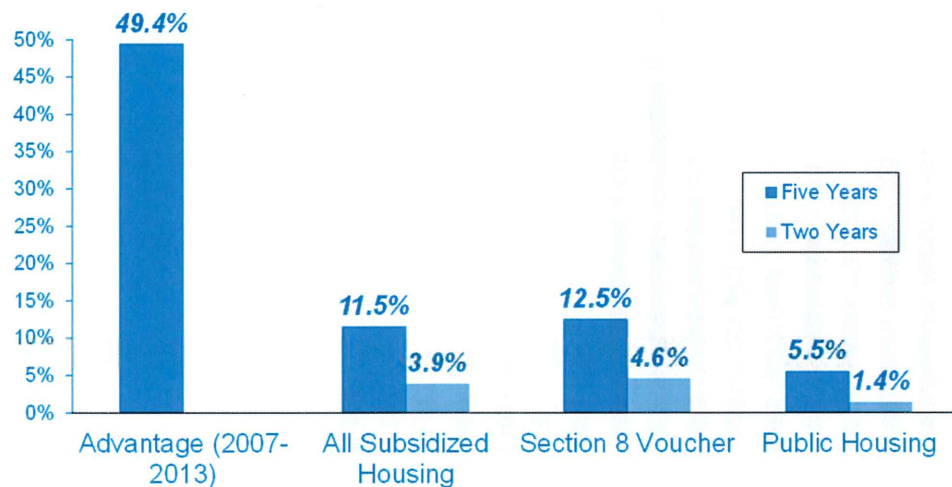
Percentage of All Families Entering NYC Shelters Who Were Formerly-Homeless



Source: NYC Department of Homeless Services

The failed series of experiments in time-limited rental assistance that were supposed to make up for the loss of Federally assisted units led only to a revolving door that returned families to shelter, and once they were canceled altogether, to a rapid increase in recidivism, particularly from the Advantage rent supplement program.

Shelter Return Rates for Long-Term and Short-Term Housing Subsidies



Source: NYC Department of Homeless Services (through Aug. 2013), and Vera Institute, "Understanding Family Homelessness" (2005)

The evidence is irrefutable:

- Homeless households exiting shelter through Advantage subsidies are 18 times more likely to return to shelter than those placed in public housing, and ten and a half times more likely than those exiting to apartments with Section 8 assistance.
- One-in-four shelter applicant households is a previously homeless family that has returned to shelter after participating in the failed Advantage housing subsidy program.
- Eight and a half years ago, when the Bloomberg administration cut off access to federal housing resources for homeless families, twenty-six percent of applicants had previously stayed in the shelter system, but today that figure is rapidly rising and is presently at 63 percent.
- As of August 2013, nearly half (49.4 percent) of all Advantage families whose housing subsidy expired had already returned to the New York City shelter system.
- More than 8,500 Advantage families, with more than 18,000 children and 12,000 adults, returned to the shelter system after their Advantage housing subsidy expired.
- During 2013, an average of more than seven Advantage families per day (or 225 Advantage families per month) returned to the shelter system.
- The cost to taxpayers of Advantage families returning to shelter is nearly \$287 million and climbing – up \$100 million since last year.

State Budget Analysis and Recommendations

The Coalition for the Homeless has reviewed the Executive Budget proposals for the various agencies that have an impact on the causes and solutions that may address homelessness, and finds much to

applaud in the way of important investments and reforms. We are pleased to support greater investments in supportive and affordable housing, mental health care, and healthcare. We support the personal income tax credit for renters. We think it is important to have enough hearing officers to conduct fair hearings, and expedited hearings, on a timely basis.

However we have concerns:

- Record homelessness is not adequately addressed in this budget
- Individuals and couples with disabilities should not be excluded from the tax credit for renters
- Fair hearing duties should not be contracted out to address the backlog
- Funds for Coalition programs, traditionally provided by the Legislature, should be restored and increased to address unprecedented demand

Housing for Homeless New Yorkers

We want to be crystal clear that New York's efforts to address homelessness are not sufficient to address the problem. New York has done a fantastic job at innovation, at demonstrating what works, at finding unique ways to secure funds for reinvestment in mental health care and housing.

What we have not done well, is to bring these investments to scale. At a time when one in eight homeless people in the US lives in New York State, our homeless housing production and rental assistance efforts are anemic and far too small to make a real dent in the problem.

For example, consider the state's largest homeless housing enterprise, the New York/New York III Agreement with the City of New York. This is by far the largest supportive housing effort ever undertaken anywhere, and will ultimately account for 9,000 units of housing for homeless New Yorkers and those at risk.

However, by spreading this effort out over ten years (instead of three as we had recommended), New York has been producing only 900 a units per year and the shelter census just keeps rising each and every year. This slow production schedule, the loss of virtually all housing placements for homeless families in New York City, and affordable housing production rates that fail to keep up with the year-to-year loss of units affordable to low-income New Yorkers, leaves us not just treading water, but drowning. I cannot overstate the urgency of bringing much more in the way of resources to bear on housing New York's homeless families and individuals – it has become far too costly in both human and financial terms to simply maintain the status quo.

Recommendations

To that end, we offer the following recommendations for State and City action in 2014:

- NYS should immediately amend and revise Pataki-era temporary housing regulations and directives that NYC and some other districts have used to impose unfair eligibility rules and inappropriate sanctions to deny and terminate temporary housing assistance.
- NYC must immediately resume priority referrals of homeless families to Federal housing programs (public housing and Section 8 vouchers); make at least 2,500 such placements in public housing per year and utilize at least one third of available Section 8 vouchers per year; and NYS must ensure that shelter and homeless housing reimbursement policies incentivize a return to this proven policy used by past Mayoral administrations.
- NYS and NYC should create a new rent supplement program for homeless families and individuals offering at least five years of subsidy per household; make at least 5,000 supplements available to NYC homeless households each year for the next three years; model the program on

the federal Section 8 housing voucher program; and provide a mechanism to ensure housing stability for those households who are at risk of losing their homes at the end of five years.

- NYS should resume setting aside one in five Mitchell Lama vacancies for homeless households; make at least 1,000 placements per year for the next three years; and provide each household with a state Section 8 or MRT housing voucher. Families and individuals with mobility impairments should be prioritized for these placements, and we recommend that MRT housing resources be used to identify and assist them in applying for these housing units and subsidies.
- The Mayor's plan to create and preserve 200,000 housing units must set aside one in ten new units for homeless New Yorkers; and the State and City should negotiate a New York/New York IV Agreement to provide 12,000 supportive housing placements for homeless New Yorkers with disabilities over the next three years.
- The Disability Rent Increase Exemption program (DRIE) should be expanded to serve at least 15,000 households (up from 8,600) by including all veterans with disabilities; raising the income limit for non-veteran households to the same level as for senior citizens; and including households in which a family member with a disability resides, but is not the head of household (children, parents, siblings, etc.)
- OTDA should revise its rules so that the tenant share of rent for people living with AIDS/HIV who are in receipt of HASA rent supplements is capped at 30 percent of income in order to reduce the accumulation of rent arrears, financial hardship, and frequency of homelessness for this population.
- A single point of access should be established to enable homeless and disabled New Yorkers who are eligible for the various MRT housing programs to apply for any and all units for which they meet the eligibility criteria.
- Individuals and couples with a disabled family member should be included in the personal income tax credit for renters. Veterans with disability pensions or compensation – including many with disability ratings of 100 percent, disabled workers who rely on Social Security Disability, people with serious disabilities who receive Supplemental Security Income, and people who qualify for Medicaid because of their disabilities – including those who “spend down” and “buy in” to qualify – are similarly situated to taxpayers 65 years or older, and we hope will not be excluded from this credit simply because they do not have dependents. They are perhaps even more likely to benefit from the credit and avert homelessness due to rising rents, should they qualify for it.
- More hearing officers should be hired to address the Fair Hearing backlog and the work should not be contracted out.
- We respectfully ask that the funding customarily provided by the Legislature to support the programs of the Coalition for the Homeless in our city-wide crisis services department be restored and increased to meet unprecedented demand:
 - ✓ \$2,000,000 in TANF funding for Emergency Homeless Needs (distributed by RFP for multiple New York City organizations)
 - ✓ \$250,000 in non-TANF Emergency Homeless Needs for households that are not TANF-eligible
 - ✓ \$200,000 for our Client Advocacy Program, through which chronically homeless disabled people are assisted in securing Federal SSI/SDI, veterans benefits and housing(This funding will help the Coalition serve up to 1,000 hot meals each night through our mobile soup kitchen and provided crisis intervention services for over 7,500 people including roughly 5,000 families from virtually every NYC neighborhood. By serving roughly 90 clients per year, the Client Advocacy Program helps secure \$1 million in retroactive disability payments (the City and State typically keep half of that); and \$800,000 per year in ongoing disability income for those clients, enabling many to move into permanent housing after many years of homelessness.)

Consolidated Homeless Housing Development Schedule

In the coming three years, the Coalition for the Homeless recommends the following housing support and supply configuration for New York City's homeless population:

Recommended Homeless Housing Placements by Auspice

| State Fiscal Year | 2014-15 | 2015-16 | 2016-17 |
|---------------------------------|---------------|---------------|---------------|
| NYCHA/Public Housing Placements | 2,500 | 2,500 | 2,500 |
| State/City Rent Supplements | 5,000 | 5,000 | 5,000 |
| State Section 8/MRT Vouchers | 1,000 | 1,000 | 1,000 |
| NY/NY IV Placements | 4,000 | 4,000 | 4,000 |
| Total Placements | 12,500 | 12,500 | 12,500 |

In addition, we anticipate that the expansion of DRIE and the HASA rent cap will prevent at least 3000 households per year from entering the shelter system or other emergency housing.

Recommended Homeless Housing Placements by Population

| State Fiscal Year | 2014-15 | 2015-16 | 2016-17 |
|-------------------------|---------------|---------------|---------------|
| Adult Families | 1,000 | 1,000 | 1,000 |
| Families with Children | 5,900 | 5,900 | 5,900 |
| Single Adults | 4,400 | 4,400 | 4,400 |
| Unsheltered Adults | 1,200 | 1,200 | 1,200 |
| Total Placements | 12,500 | 12,500 | 12,500 |

Based on the housing needs and disability profiles of the homeless sub-populations in NYC, we recommend an initial housing allocation as follows for 2014-15, with adjustments based on need for 2015 and 2016.

This plan would provide at least 5,000 housing placements for households with a disabled family member, including 4,000 supportive housing placements and 1,000 more in accessible buildings with federal or MRT housing vouchers controlled by the state, as well as 7,500 housing placements for households not in need of supportive housing, including federal public housing resources as well as State-and-City-funded rent supplements:

Recommended Homeless Housing Placements by Auspice by Population

| | Adult Families | Families w/ Children | Single Adults Total | Annual |
|---------------------------------|----------------|----------------------|---------------------|---------------|
| NYCHA/Public Housing Placements | - | 2,500 | - | 2,500 |
| State/City Rent Supplements | 300 | 3,200 | 1,500 | 5,000 |
| State Section 8/MRT Vouchers | 400 | 100 | 500 | 1,000 |
| NY/NY IV Placements | 300 | 100 | 3,600 | 4,000 |
| Total Placements | 1,000 | 5,900 | 5,600 | 12,500 |

The Coalition for the Homeless is mindful that what we ask is no small thing. But the status quo cannot stand: It is not just Dasani and her family who need our help, but every family, and every homeless man or woman living in a shelter or struggling on the streets who need all of us to roll up our sleeves and start tackling homelessness as our first priority.

Thank you for the opportunity to share our recommendations.

Coalition for the Homeless Background

The Coalition for the Homeless, founded in 1981, is a not-for-profit advocacy and direct service organization that assists more than 3,500 homeless New Yorkers each day – clients who come from nearly every zip code in the five boroughs and beyond as you can see from the attached map. The Coalition advocates for proven, cost-effective solutions to the crisis of modern homelessness, which now continues into its fourth decade. The Coalition also protects the rights of homeless people through litigation concerning the right to emergency shelter, the right to vote, and life-saving housing and services for homeless people living with mental illness, HIV/AIDS, and other disabilities.

The Coalition operates 12 direct-services programs that offer vital services to homeless, at-risk, and low-income New Yorkers, and demonstrate effective, long-term solutions. These programs include supportive housing for families and individuals living with AIDS, job-training for homeless and formerly-homeless women, rental assistance which provides rent subsidies and support services to help working homeless individuals rent private-market apartments, and permanent housing for formerly-homeless families and individuals. Our summer sleep-away camp and after-school program help hundreds of homeless children each year. The Coalition's mobile soup kitchen distributes 900 nutritious meals each night to street homeless and hungry New Yorkers, and our client advocacy program helps homeless people with disabilities obtain Federal disability benefits and housing. Finally, our Crisis Intervention Department assists more than 1,000 homeless and at-risk households each month with eviction prevention assistance, referrals for shelter and emergency food programs, and assistance with public benefits.

The Coalition also represents homeless men and women as plaintiffs in *Callahan v. Carey* and *Eldredge v. Koch*. In 1981 the City and State entered into a consent decree in *Callahan* in which it was agreed that, "The City defendants shall provide shelter and board to each homeless man who applies for it provided that (a) the man meets the need standard to qualify for the home relief program established in New York State; or (b) the man by reason of physical, mental or social dysfunction is in need of temporary shelter." The *Eldredge* case extended this legal requirement to homeless single women. The *Callahan* consent decree and the *Eldredge* case also guarantee basic standards for shelters for homeless men and women. Pursuant to the decree, the Coalition serves as court-appointed monitor of municipal shelters for homeless adults.

When modern homelessness first emerged in the late 1970s, thousands of homeless New Yorkers were forced to fend for themselves on the streets, and many died or suffered terrible injuries. Indeed, public health officials in those days often remarked privately that literally hundreds of homeless men and women were perishing each year on the streets of the city, often from hypothermia and other cold-related causes, although no public record was ever made available.

In response to this crisis, in 1979 founders of the Coalition for the Homeless brought a class action lawsuit in New York State Supreme Court against the City and State called *Callahan v. Carey*, arguing that a constitutional right to shelter existed in New York. In particular, the lawsuit was based on *Article XVII of the New York State Constitution* – an amendment which was enacted in the midst of the Great Depression – which declares that "the aid, care and support of the needy are public concerns and shall be provided by the state and by such of its subdivisions...."

The lawsuit was brought on behalf of all homeless men in New York City. The lead plaintiff in the lawsuit, Robert Callahan, was a homeless man suffering from chronic alcoholism who lived on the streets in the Bowery section of Manhattan.

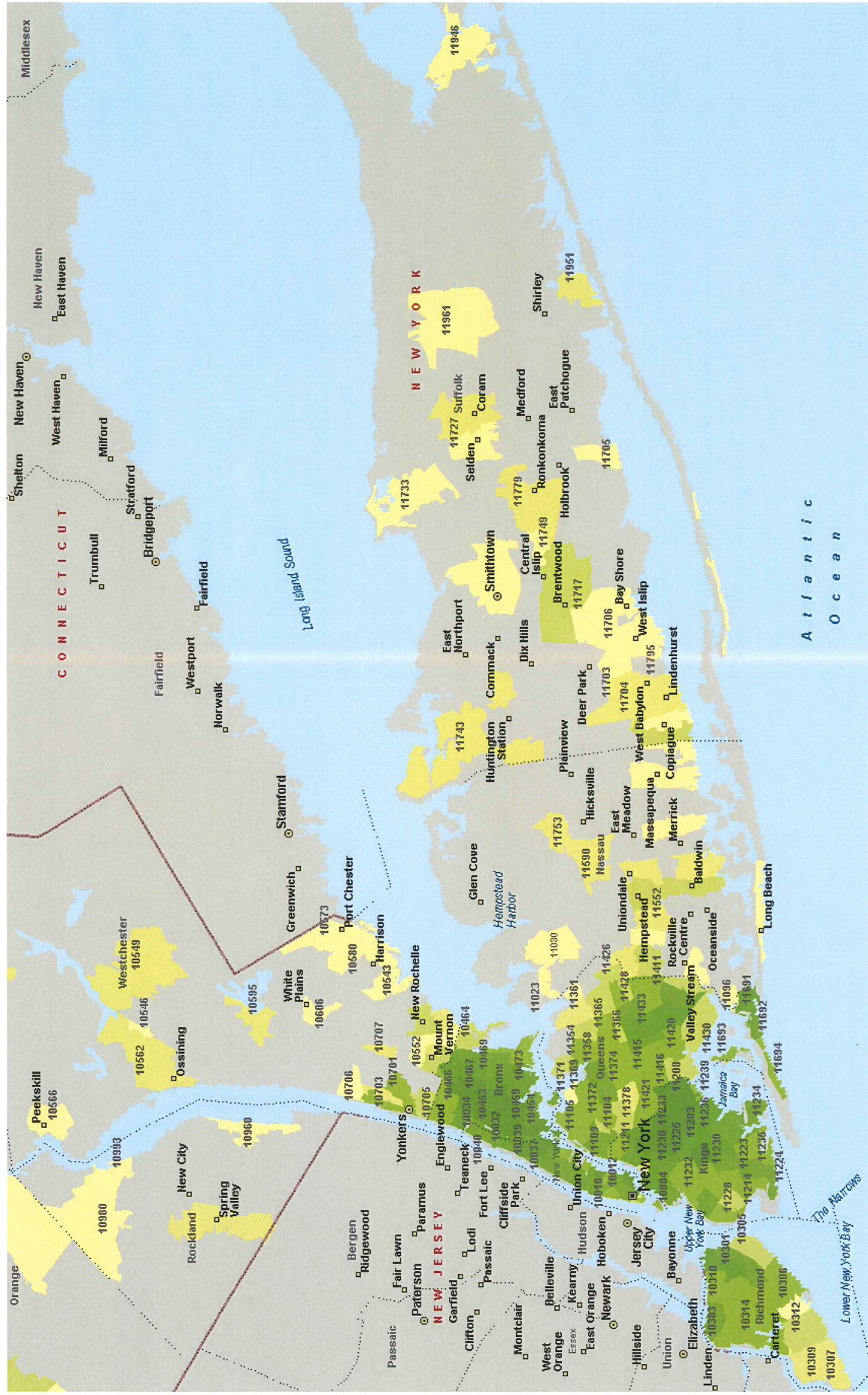
In December 1979, the New York State Supreme Court ordered the City and State to provide shelter for homeless men in a landmark decision that cited *Article XVII of the New York State Constitution*. And in August 1981, after nearly two years of intensive negotiations between the plaintiffs and the government defendants, *Callahan v. Carey* was settled as a consent decree. By entering into the decree, the City and State agreed to provide shelter and board to all men who met the need standard for public assistance or who were in need of shelter "by reason of physical, mental, or social dysfunction." (A companion lawsuit, *Eldredge v. Koch*, extended the right to shelter to single women, who are now protected by the consent decree. Separate litigation by the Legal Aid Society has guaranteed similar rights for homeless families.)

The decree established a right to shelter for all men and women in need of shelter from the elements in New York City, and it has been responsible for saving the lives of countless homeless New Yorkers who might otherwise have died on the streets of the city.

Nevertheless, one tragic footnote to the history of the litigation is the fate of Robert Callahan himself. The autumn before the consent decree bearing his name was signed, Mr. Callahan died on Manhattan's Lower East Side while sleeping rough on the streets. Thus, Robert Callahan himself was one of the last homeless victims of an era with no legal right to shelter.

In addition to litigation and vital services, the Coalition for the Homeless has engaged in a broad array of advocacy and public education work to deliver such vital and far-reaching victories as the Community Mental Health Reinvestment Act, laws guaranteeing a right to educational services for homeless children and youth, the SRO Support Services program, the Foster Care rent subsidy preventive and reunification rent subsidies, the "Year of the Homeless" social services programs that brought \$20 million in new homeless housing and mobile food, shelter repair, housing subsidies, and mental health services largely to the outer boroughs, the New York/New York II and III agreements, the Disability Rent Increase Exemption program, and Timothy's Law, as well as the Federal Stewart B. McKinney Homeless Assistance Act, and local laws relating to shelter and other homelessness and housing policies in New York City.

Coalition for the Homeless Clients by Zip Code (2012)



This map shows where Coalition clients came from by zip code in 2012. The concentration is indicated by the shades of yellow to green, with light yellow representing the lowest concentration of 1 - 2, and dark green representing the highest concentration of 200 - 600 clients.

