

Testimony of
Coalition for the Homeless
and
The Legal Aid Society

on

Conditions in Shelters for Homeless Families in New York City

Presented before

The New York City Council
Committee on General Welfare

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February 27, 2014

Coalition for the Homeless and The Legal Aid Society welcome this opportunity to testify before the New York City Council about conditions in shelters for the record-high number of homeless families and children in New York City. As this testimony demonstrates, the prior Administration permitted conditions in family shelters to deteriorate, leaving substantial problems that need to be addressed.

About the Coalition and The Legal Aid Society

Coalition for the Homeless: Coalition for the Homeless, founded in 1981, is a not-for-profit advocacy and direct services organization that assists more than 3,500 homeless New Yorkers each day. The Coalition advocates for proven, cost-effective solutions to the crisis of modern homelessness, which now continues past its third decade. The Coalition also protects the rights of homeless people through litigation around the right to emergency shelter, the right to vote, and life-saving housing and services for homeless people living with mental illness and HIV/AIDS.

The Coalition operates twelve 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. Finally, our Crisis Intervention Department assists more than 1,000 homeless and at-risk households each month with eviction prevention assistance, client advocacy, 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.

The Legal Aid Society: The Legal Aid Society, the nation's oldest and largest not-for-profit legal services organization, is more than a law firm for clients who cannot afford to pay for counsel. It is an indispensable component of the legal, social, and economic fabric of New York City – passionately advocating for low-income individuals and families across a variety of civil, criminal and juvenile rights matters, while also fighting for legal reform.

The Legal Aid Society has performed this role in City, State and federal courts since 1876. It does so by capitalizing on the diverse expertise, experience, and capabilities of 1,100 of the brightest legal minds. These 1,100 Legal Aid Society lawyers work with some 700 social workers, investigators, paralegals and support and administrative staff. Through a network of borough, neighborhood, and courthouse offices in 26 locations in New York City, the Society

provides comprehensive legal services in all five boroughs of New York City for clients who cannot afford to pay for private counsel.

The Society's legal program operates three major practices — Civil, Criminal and Juvenile Rights — and receives volunteer help from law firms, corporate law departments and expert consultants that is coordinated by the Society's Pro Bono program. With its annual caseload of more than 300,000 legal matters, The Legal Aid Society takes on more cases for more clients than any other legal services organization in the United States. And it brings a depth and breadth of perspective that is unmatched in the legal profession.

The Legal Aid Society's unique value is an ability to go beyond any one case to create more equitable outcomes for individuals and broader, more powerful systemic change for society as a whole. In addition to the annual caseload of 300,000 individual cases and legal matters, the Society's law reform representation for clients benefits some two million low-income families and individuals in New York City and the landmark rulings in many of these cases have a State-wide and national impact.

The Legal Aid Society is counsel to the Coalition for the Homeless and for homeless women and men in the Callahan and Eldredge cases. The Legal Aid Society is also counsel in the McCain/Boston litigation in which a final judgment requires the provision of lawful shelter to homeless families.

Shelter Conditions for Homeless Families in New York City

The New York Times' landmark five-part investigative series about Dasani and her family, who resided for more than three years in the notorious Auburn Family Residence, brought long-overdue public attention to the deplorable conditions at that facility. As Times reporter Andrea Elliott wrote:

Among the city's 152 family shelters, Auburn became known as a place of last resort, a dreaded destination for the chronically homeless.

City and state inspectors have repeatedly cited the shelter for deplorable conditions, including sexual misconduct by staff members, spoiled food, asbestos exposure, lead paint and vermin. Auburn has no certificate of occupancy, as required by law, and lacks an operational plan that meets state regulations. Most of the shelter's smoke detectors and alarms have been found to be inoperable. ("Invisible Child," New York Times, December 9, 2013)

In November 2013, prior to the publication of the New York Times series, the State's Office of Temporary and Disability Assistance issued a blistering report finding violations at Auburn including (among others) the lack of a functioning fire safety system, terrible air quality and mold conditions, a dangerous lack of security, no child care, and inadequate case management services. Following the issuance of this report, The Legal Aid Society and Shearman & Sterling LLP threatened litigation and the prior Administration entered into negotiations to correct these problems. While DHS did make efforts to address the violations, it became clear that the structural issues at Auburn could not be resolved in a way that would make the building safe and suitable for families with children.

Last week Mayor de Blasio and his administration took the historic step of announcing plans to relocate more than 400 homeless children from the Auburn shelter and another notorious City-

run shelter for homeless families, the Catherine Street shelter, which shares many of the structural issues that made Auburn unsuitable for families with children.

We applaud Mayor de Blasio and his Administration for taking this swift action to protect vulnerable children. The Catherine Street and Auburn facilities, first opened back in 1985, are utterly unsuitable for families with children, and have been cited with hundreds of violations by City and State inspectors in recent years. Coalition for the Homeless, The Legal Aid Society, and many community-based organizations and elected officials have struggled for years to get City officials to address health and safety hazards at those facilities. But prior mayoral administrations have allowed those hazardous conditions to persist.

It is therefore welcome news that the de Blasio administration has broken that cycle of neglect and pledged to relocate children and their families from the Auburn and Catherine Street shelters – and again, we applaud Mayor de Blasio, Deputy Mayor Barrios-Paoli, and NYC Department of Homeless Services Commissioner Taylor for taking this step.

Unfortunately because of years of neglect during the prior Administration, Dasani and her siblings are only some of the record-high 22,500 homeless children who will bed down tonight in the municipal shelter system. Likewise, due to the failures of the prior Administration, there are significant problems with substandard conditions in many buildings that the City utilizes to shelter families, in particular in for-profit shelters.

Background: New York City's Unprecedented Family Homelessness Crisis

The current City Administration has inherited an unprecedented homelessness crisis. There are currently more than 53,000 homeless New Yorkers sleeping in the municipal homeless shelter system each night, including more than 12,600 families and well over 22,500 children. (Please see charts attached to this testimony.) These are the highest numbers since the City began keeping records of the homeless population three decades ago and the highest since the Great Depression of the 1930s.

Homeless families are the fastest growing segment of the homeless population. While the overall homeless shelter population has increased by more than 71 percent since 2002, the number of homeless families has risen by 83 percent. Families now constitute nearly four-fifths (79 percent) of the NYC homeless shelter population, compared to two-thirds in the 1980s.

There are two major causes of the current family homelessness crisis. First, the housing affordability gap in New York City has widened significantly in recent years. This is in part due to the lingering effects of the economic downturn and high unemployment, and in part due to soaring rental housing costs. According to U.S. Census Bureau data, between 2007 and 2011 the median monthly apartment gross rent citywide increased by 8.5 percent while median household income decreased by 6.8 percent.

The second major factor responsible for the all-time record NYC homelessness is the previous Administration's series of failed policies. In 2005 the Bloomberg administration eliminated priority use of Federal housing programs (public housing and Section 8 vouchers) for homeless children and families, followed by the replacement of those proven and successful Federal programs with wasteful and ineffective time-limited rent subsidy programs (Housing Stability Plus and Advantage), and ultimately the termination of all housing assistance for homeless families in March 2011.

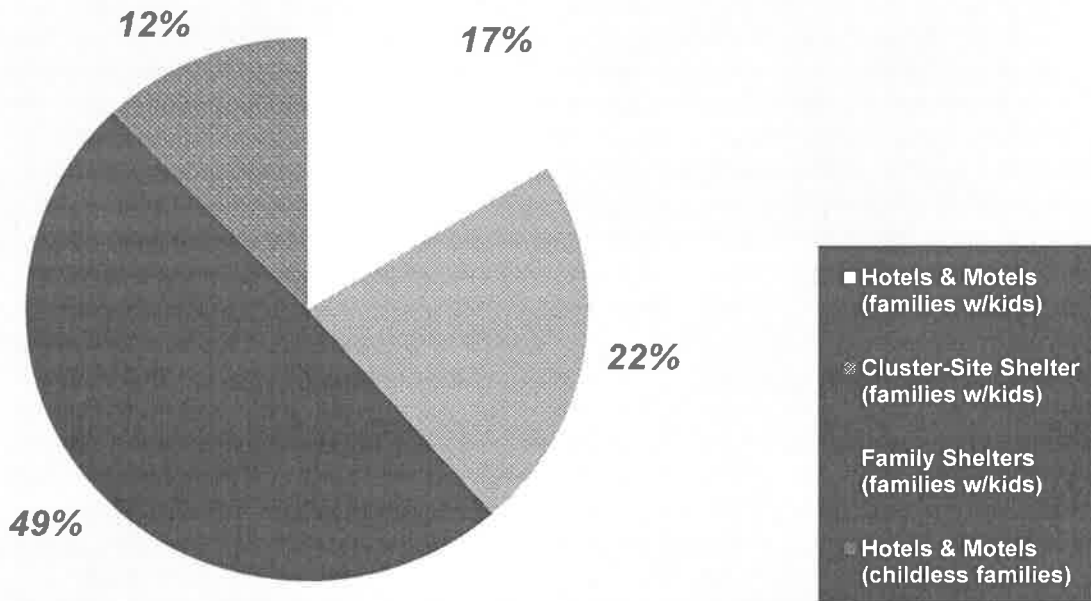
By doing this, the previous Administration eliminated all housing-based policies that helped stabilized homeless families in permanent housing. This triggered longer shelter stays – average shelter stays for homeless families with children have soared to 419 days (more than 14 months) and for homeless childless families to 506 days (more than 16 months). Failed Bloomberg Administration policies also forced more and more families to make repeated trips through the costly shelter system.

The Expanding Use of For-Profit Shelter for Homeless Families

Instead of embracing proven, cost-effective policies to reduce homelessness, the Bloomberg Administration chose to expand the shelter system by increasing shelter capacity. And the primary mechanism the Administration used was a dramatic expansion of for-profit shelter for homeless families, in particular the misguided “cluster-site” shelter model.

NYC FAMILY SHELTER POPULATION BY SHELTER TYPE, OCTOBER 2013 (Source: NYC Department of Homeless Services)		
	Avg. nightly census	Share of total
Total families	12,395	100%
Hotels/motels	2,028	16%
Cluster-site shelter	2,751	22%
"Tier II" shelter facilities	6,113	49%
"Adult residences" (includes hotels/motels)	1,502	12%
Total families with children	10,540	100%
Hotels/motels	1,676	16%
Cluster-site shelter	2,751	26%
"Tier II" shelter facilities	6,113	58%

More NYC Homeless Families in For-Profit than Not-for-Profit Shelter, October 2013



Source: NYC Department of Homeless Services

Over the past three years, as the previous Administration eliminated all housing assistance for homeless families, the number of families sleeping each night in so-called "cluster-site" shelter units increased by a remarkable 90 percent – from 1,444 families in October 2010 to 2,751 families in October 2013. As a result of these Bloomberg Administration policies, more than one in four homeless families with children (26 percent) resides in cluster-site units. The use of commercial, for-profit hotels and motels also expanded in the prior Administration – resulting in one in six homeless families with children (16 percent) now residing in commercial hotels/motels.

Due to these policies of the prior Administration, a majority of all homeless families in New York City, 51 percent of the total, currently resides in for-profit shelters (hotels/motels and cluster-sites).

Major Problems with the Cluster-Site Shelter Model

The City's controversial use of apartment buildings as temporary shelter began in the last year of the Giuliani Administration, but was dramatically expanded during Bloomberg's tenure. What was initially called the scatter-site shelter program -- and was renamed the "cluster-site" shelter program after then-DHS Commissioner Linda Gibbs promised this Committee she would end the use of "scatter site" placements -- places homeless families, primarily families with children, into mostly rent-stabilized apartments in residential buildings. The City has paid an exorbitant rate for this model of shelter -- more than \$3,000/month or \$37,000/year -- which is far more than the rent on these apartments for lease-holding tenants. Thus the program has provided

enormous financial incentives for owners of the apartment buildings to displace these tenants in order to engage in lucrative deals with the City and its intermediary contractors.

Following are some of the most significant problems involved in the Bloomberg cluster-site shelter model:

1. It favors costly temporary shelter over cheaper permanent housing: As noted above, the fundamental flaw of the cluster-site model is that it pays exorbitant rates – more than \$3,000/month – for apartments that would rent for a fraction of that cost. In other words, the annual cost of sheltering a homeless family in New York City is well over three times the annual cost of a federal Section 8 voucher for the same family.

2. It removes scarce affordable rental housing from New York City's shrinking stock of affordable units: As noted above, New York City's housing affordability problems have worsened significantly in recent years, one of the major causes of all-time record homelessness. Nonetheless, the previous Administration expanded a program that literally removes low- and modest-rent apartments from the already-diminishing stock of available, affordable rental units. Indeed, currently the City is using nearly 3,000 low- and moderate-rent apartments as temporary shelter instead of using them as permanent, affordable housing.

3. It creates perverse yet powerful incentives for building owners to displace lease-holding tenants in favor of lucrative shelter deals with the City: Since the inception of the scatter-site/cluster-site program more than a decade ago, there have been widespread reports of tenant harassment and displacement. The owners of some apartment buildings used by the City as temporary shelter are systematically displacing and forcing out long-term, lease-holding tenants.

4. In many cases, it uses apartment buildings with worse conditions than the not-for-profit shelters: There have been widespread reports of shoddy conditions and multiple housing code violations in many cluster-site buildings. As these units were largely unmonitored, many families have been unable to get needed repairs due to non-responsive owners, who were paid by the City rather than by the tenants. The complaints of those tenant-shelter residents were typically ignored by the prior Administration.

5. Previous Administration officials promised to end the program and repeatedly broke that promise: At a May 19, 2003, hearing before this Committee, Linda Gibbs, then the City's homeless services commissioner, promised to phase out the scatter-site shelter program within three years. Later that year, in response to the City Comptroller audit, Gibbs again stated that her goal was to phase out the program. Then the City did begin to reduce the number of scatter-site units, from more than 2,000 units in 2003 to only a few hundred in 2005. However, as noted above, that year the Administration also cut off homeless families from access to federal housing programs like public housing, and soon afterward the homeless family shelter population began to rise dramatically – and so did the number of scatter-site units. In a remarkably cynical move, in 2009 the previous administration simply re-named the program the “cluster-site” program, making virtually no changes whatsoever to it. And, as noted above, since 2011 the number of families in “cluster-site” units has increased by a remarkable 90 percent.

One cost-effective solution to the ever-increasing size and expense of the family shelter system that are the legacies the prior Administration would be to convert those cluster-site shelter units that are in habitable buildings back to permanent housing, which would save higher taxpayer

expenditures for shelter in favor of lower permanent housing rent subsidies for stable, ongoing permanent housing.

Major Problems with the Use of Commercial Hotels and Motels as Shelter

Like so-called cluster-site buildings, commercial hotels and motels utilized by the City as shelters are privately owned. Currently, as a result of the prior Administration's actions, some 3,500 homeless families – including nearly all childless families in the municipal shelter system – reside in commercial hotels and motels. Many of these buildings also have a long list of housing code violations. The City would not need to use these facilities if the prior Administration had implemented an effective re-housing plan.

Because of these buildings were designed to function as hotels, the units are often very small, and lack proper ventilation and cooking facilities. Households must use their limited resources to purchase prepared meals three times a day or more. This burden creates multiple problems for these families' limited budgets and health. Also, many of these buildings do not have proper infrastructure to accommodate family members living with mobility impairments and other disabilities, and families are stuck in them because the prior Administration had no plan to move them out.

Moving Forward Reinstate Housing-Based Solutions

Following are highlights of the steps that can be taken to reverse the counter-productive Bloomberg Administration policies and implement housing-based policies to reduce record-high family homelessness:

1. Utilize existing Federal and City housing resources to move a designated number of homeless families and individuals from the shelter system into permanent housing:
 - Resume priority referrals of eligible homeless households to the New York City Housing Authority (NYCHA) public housing waiting list.
 - Resume referrals of eligible homeless households to Section 8 voucher waiting lists.
 - Reinstate the NYCHA waiting list priority status previously granted to homeless applicants for both the public housing and Section 8 voucher programs.
 - Resume priority referrals of homeless families and individuals to a designated number of vacancies in existing housing units assisted by the NYC Department of Housing Preservation and Development.
2. Work with the State to create an effective City-State rental assistance program for homeless New Yorkers to supplement existing Federal and City housing resources. The program should:
 - Assist at least 5,000 households annually,
 - Offer at least five years of rent subsidy per eligible household,
 - Be otherwise modeled on the proven Federal Section 8 voucher program (this includes provisions that rent subsidies are not linked to welfare benefits, program participants pay no more than 30% of their income towards rent, apartments must meet Section 8-style housing quality standards, and rent levels are in line with Section 8 "Fair Market Rents"),
 - Provide a mechanism to ensure ongoing housing stability for those homeless households with members with disabilities or the barriers to employment, who cannot otherwise afford to retain housing after the five-year subsidy has expired, and
 - Be administered by the New York City Housing Authority (NYCHA).

3. Ensure that a significant share of new City-subsidized housing is targeted to homeless households and to the lowest income New Yorkers.

4. Work to convert so-called "cluster-site" shelter units back to permanent housing, and enforce applicable housing and building codes to ensure the safety of residents.

And in the meantime, while families and children reside in the shelter system, we stand ready to work with the City to address health and safety hazards affecting homeless children and adults, in particular in for-profit shelter facilities.

Thank you for the opportunity to share this testimony. And, as always, we look forward to working with the committee and the City Council in the coming months and years on efforts to reduce New York City's homeless population.



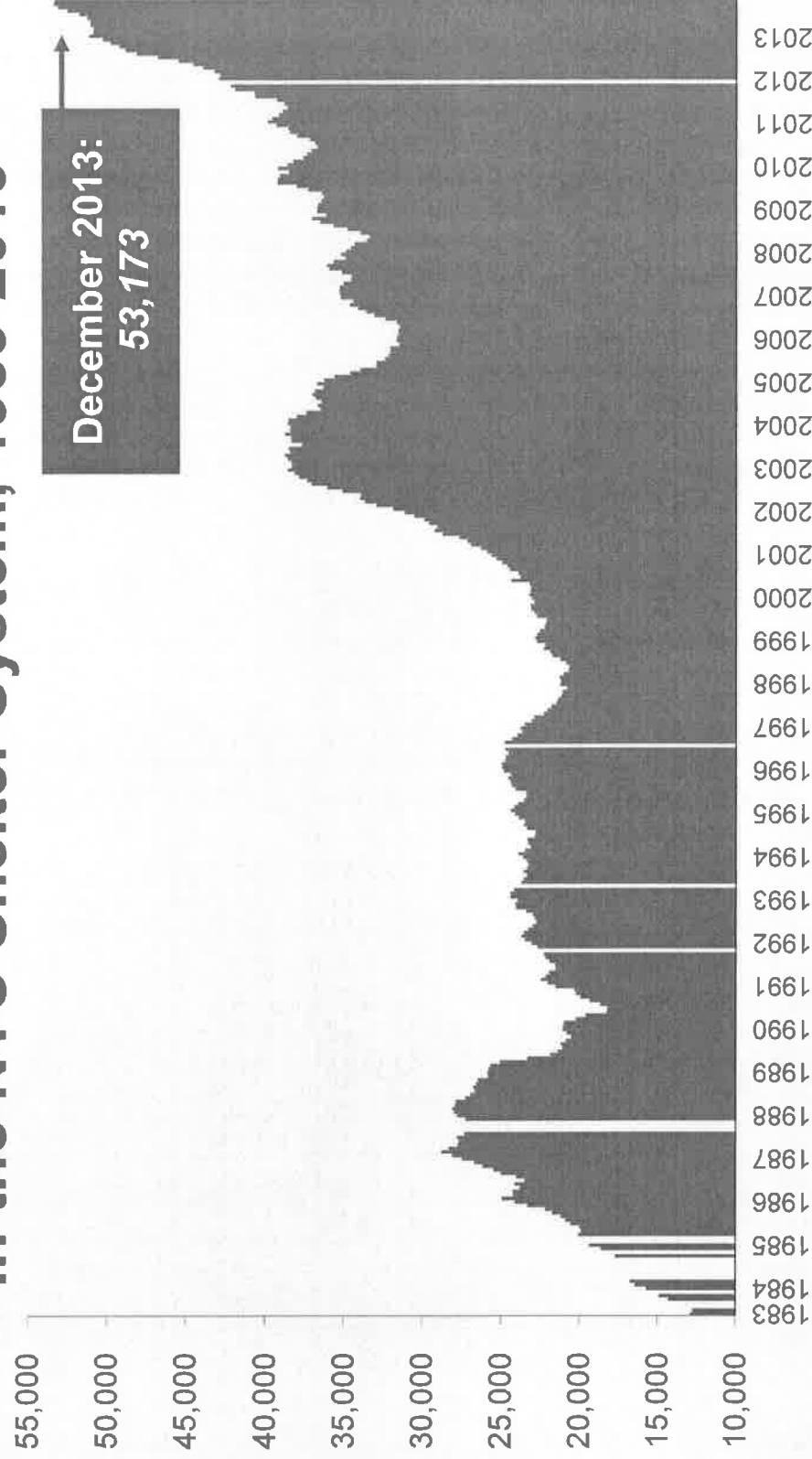
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Homelessness in New York City

Updated February 2014

Chart 1

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



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



Total NYC
Municipal
Shelter
Population:
53,173



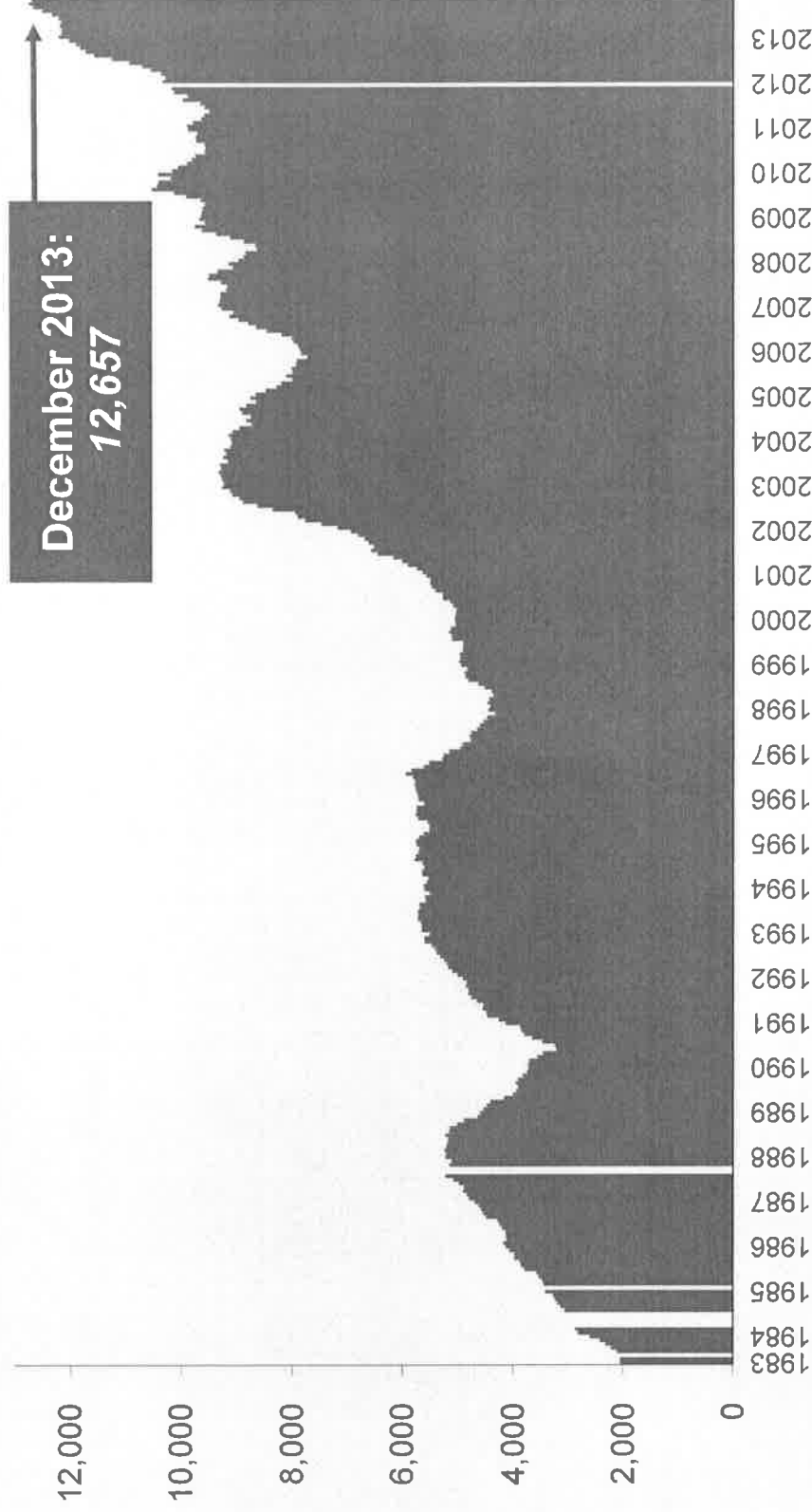
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Homelessness in New York City

Updated February 2014

Chart 3

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

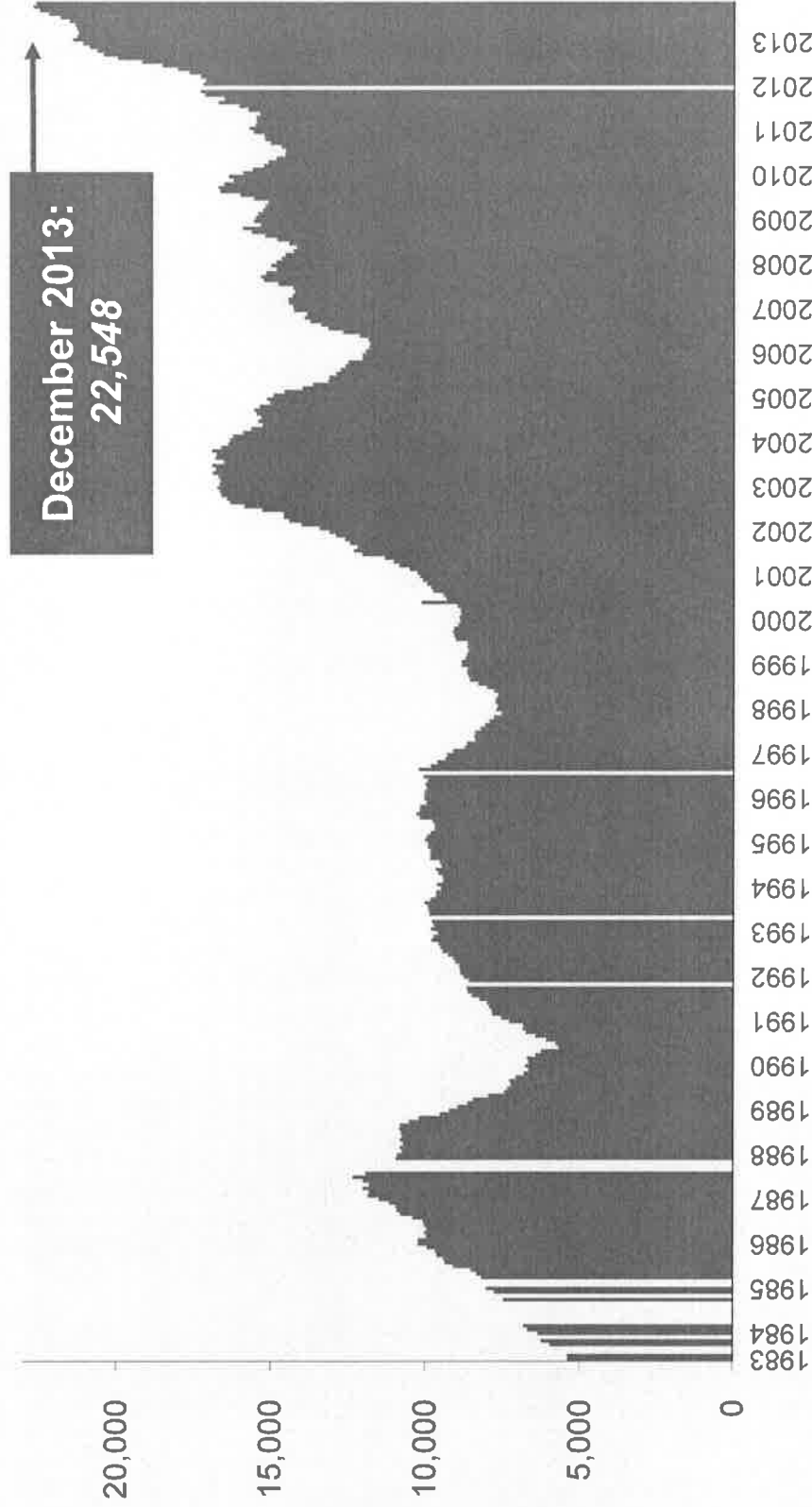


Source: NYC Department of Homeless Services and Human Resources Administration and NYC Stat, shelter census reports



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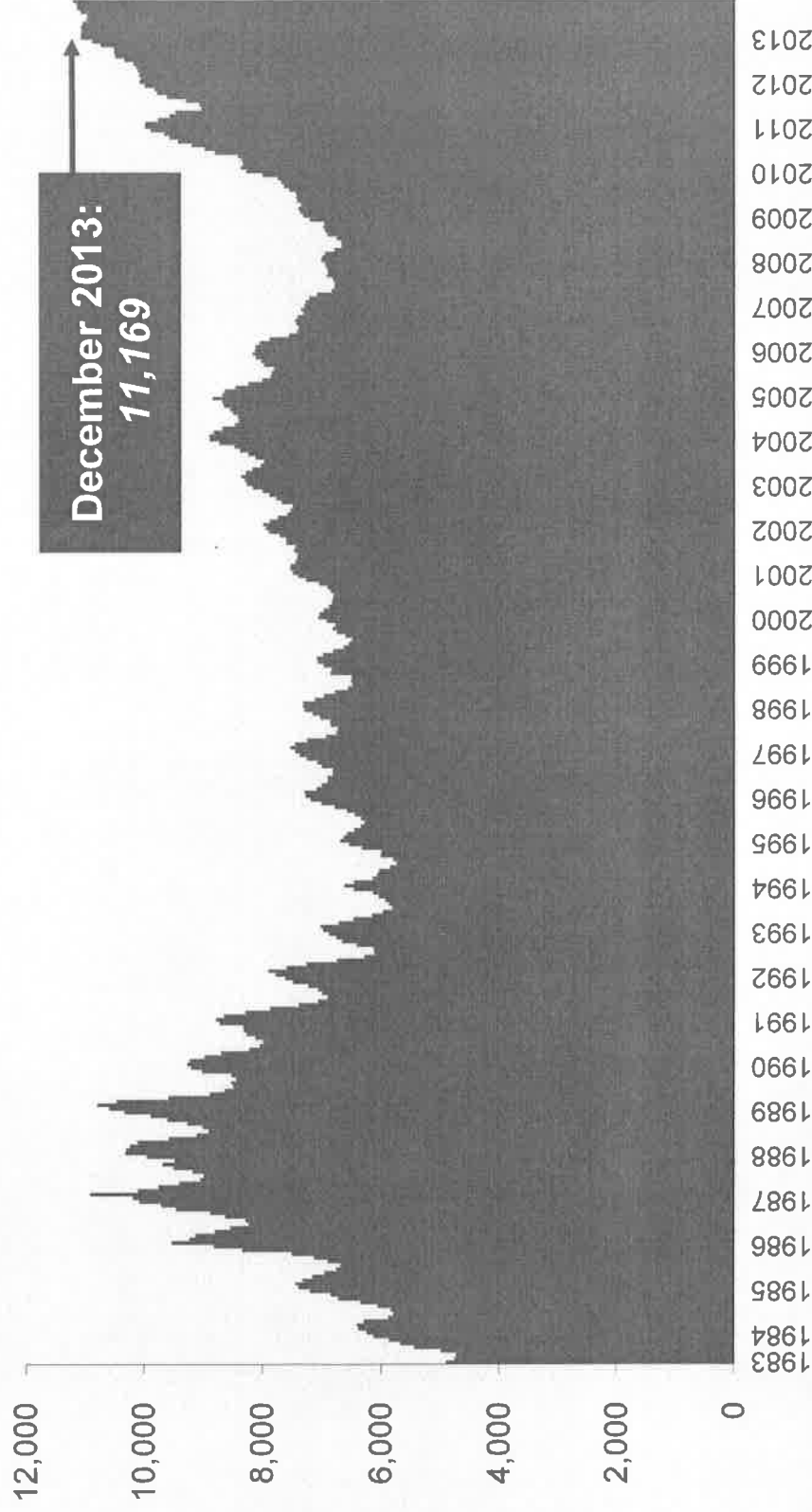
Number of Homeless Children Each Night in NYC Shelter System, 1983-2013



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



Number of Homeless Single Adults Each Night in NYC Shelter System, 1983-2013



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