

## Briefing Paper A State Blueprint for Ending Homelessness

# A State Blueprint for Ending Homelessness: What Governor Cuomo Must Do to Help End New York's Homelessness Crisis

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Since modern mass homelessness emerged more than three decades ago in New York City, much has been learned about what works and what doesn't. Countless studies, reports and analyses of this issue have been published over the decades, and both the public and private sectors have experimented with a wide array of approaches to reducing both the street and shelter populations.

The answers are clear: Affordable permanent housing is *the most* cost-effective, long-term solution to mass homelessness. Further, those who have lost their homes must have immediate access to decent and life-saving shelters, run well enough to offer a rational alternative to the streets, as well as a way back into housing (with support services when necessary).

Among the many programs and initiatives implemented over the past three decades, it has been clearly proven that the greatest impact has been achieved when the City and State work together cooperatively on large-scale solutions. While the resources needed to solve homelessness are significant, they pale in comparison to the economic and social costs of leaving tens of thousands

### WHAT THE GOVERNOR MUST DO

Provide the State's share of funding for 30,000 units of supportive housing in NYC and 5,000 units elsewhere in the state

Increase State support for:

- Permanent housing assistance
- Homelessness prevention

Support a humane emergency shelter system by:

- Funding shelter models that move New Yorkers off the streets
- Restoring harmful cuts to emergency shelter in NYC

of New Yorkers abandoned – left to drift between the streets, emergency rooms and jails. Neither the City nor the State can solve this unprecedented crisis alone, and parallel or uncoordinated efforts are inefficient and waste taxpayer dollars.

Historically, New York State has taken the lead in many of the most successful efforts to reduce homelessness in New York City – including the joint funding of landmark City/State supportive housing agreements and emergency shelter. Yet over the past several years, Governor Cuomo has consistently taken actions that have truncated the State’s leadership role in helping to solve New York’s homelessness crisis – shifting the brunt of sheltering costs to New York City, relinquishing support for critical housing subsidies, and proposing a mere fraction of supportive housing units needed in NYC and across New York State.

**This brief lays out specific recommendations that Governor Cuomo must immediately take to fulfill the State’s critical role in ameliorating the suffering of tens of thousands of homeless New Yorkers. The Governor must:**

1. Provide the appropriate State share of funding for 30,000 units of supportive housing in New York City (at a minimum matching the Mayor’s commitment to create 15,000 units, ideally over 10 years), as well as another 5,000 units elsewhere in the state;
2. Increase State support for permanent housing assistance and homelessness prevention; and
3. Invest much-needed funding into shelter models that move New York’s most vulnerable off the streets and restore harmful cuts to emergency shelter in New York City.

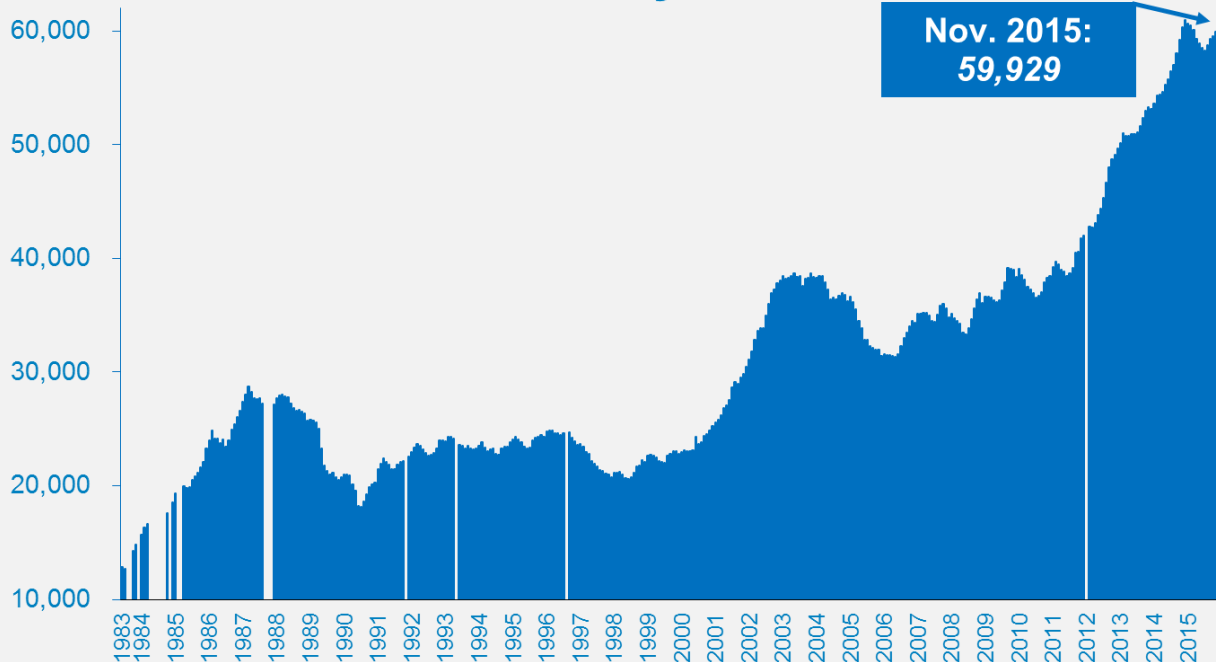
## **Background: Homelessness in New York City**

New York City’s homelessness crisis continues to hover at historic levels, with nearly 60,000 people – including 24,000 children – bedding down each night in NYC shelters. Over the past decade, homelessness has increased by a staggering 88 percent, fueled by a combination of the wholesale defunding of permanent housing options by the previous mayoral administration and worsening housing affordability in New York City.<sup>i</sup> In order to successfully address the scale of the crisis, the current City and State administrations must fulfill their respective roles.

Since Mayor de Blasio took office in January 2014, his administration stemmed the Bloomberg-era surge in homelessness by providing options for stable, affordable housing to homeless families and individuals and by dramatically ratcheting up eviction prevention resources. Notably, he reversed the previous administration’s harmful policy of denying federally-funded permanent housing resources – such as public housing and Section 8 vouchers – to homeless families, and created an array of rent subsidy programs to help those in shelter afford market rate apartments. Moreover, in November 2015, the mayor announced an historic commitment to the creation of 15,000 units of supportive housing for New York’s most vulnerable homeless individuals.<sup>ii</sup>

But the City can only do so much on its own. The State must not continue to abdicate its responsibility for helping homeless New Yorkers. Unfortunately, over the past several years, Governor Cuomo has implemented a series of policy changes that have weakened a coordinated response to homelessness, including major funding cuts to emergency shelter<sup>iii</sup> and rental subsidies<sup>iv</sup> and a lack of commitment to funding permanent supportive housing to New York’s most vulnerable homeless individuals and families.<sup>v</sup>

## Number of Homeless People Each Night in the NYC Shelter System, 1983-2015



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

While Mayor de Blasio’s initial responses have shown some measured progress in moving families out of shelter – stemming the out of control upward spiral in the emergency shelter census – the situation remains dire. In City Fiscal Year 2015, over 109,000 unique individuals utilized shelter at some point and the average length of stay for families remains at 430 days, (or over 14 months). Below are immediate, specific steps the Governor must to most effectively assist in reducing homelessness in NYC.

### **In Depth: How Governor Cuomo Can Help End NYC’s Homelessness Crisis**

#### **Recommendation 1: Provide State Funding for 30,000 Units of Supportive Housing in NYC and 5,000 Additional Units Statewide**

Across New York State there are roughly 75,000 men, women, and children who stay in shelters on any given night.<sup>vi</sup> In New York City alone, nearly 60,000 people, including 24,000 children, sleep in homeless shelters each night. Although most sheltered individuals and families need only access to affordable or subsidized housing to escape homelessness, there are thousands (including the majority of individuals living on the streets) who struggle with serious and persistent mental illness, substance abuse problems, or physical or intellectual disabilities, which require housing coupled with supportive services. The past 25 years of experience has proven clearly that supportive housing is far-and-away the most successful and cost-effective strategy to permanently end homelessness for this population.

New York City and State have a long, nationally regarded history of funding supportive housing. The first City/State supportive housing agreement (aka “New York/New York I”) was signed in 1990 between Governor Mario Cuomo and Mayor David Dinkins. Two successive agreements (New

## WHAT THE GOVERNOR HAS DONE

- ✓ Committing funding for only a tiny fraction of the supportive housing units needed in NY
- ✓ Removing nearly all State support for rental assistance programs
- ✓ Providing inadequate funds for homelessness prevention
- ✓ Reducing funding to OTDA
- ✓ Drastically cutting the State's share of funding for single adult and family shelter operations

York/New York II, and III) were signed in 1998 and 2005 – and cumulatively, the three agreements created nearly 15,000 units of housing with vital support services throughout NYC's five boroughs. In addition to bringing many of the most marginalized men and women off streets and out of shelters, these initiatives have been studied thoroughly, as New York's model has been replicated across the US. Indeed, an analysis of the last agreement (New York/New York III) alone, documented taxpayer savings in excess of \$10,000 per unit, per year as a result of the reduction in the use of shelters, hospitals, psychiatric hospitals, and jails.<sup>vii</sup> Unfortunately, the most recent agreement, signed in 2005, is on the cusp of producing its last relative handful of units. In fact, the current and anticipated availability of supportive housing fall woefully short of meeting NYC's need – leaving four out of every five persons who have applied and been found eligible, unable to receive it.

In November 2015, Mayor de Blasio announced a commitment for City funding to create 15,000 units of supportive housing in NYC. This was an extraordinary commitment, but will still provide less than half of the units necessary to meet the sheer scale of need. In stark contrast, the governor proposed in last year's State budget the creation of just 3,900 new units of supportive housing in New York City (of which only 1,900 would actually be funded by the State) – a paltry fraction of the documented 15,000 needed from the State.<sup>viii</sup> It is

imperative that Governor Cuomo follow the winning formula of his predecessors – Governors Mario Cuomo and George Pataki – and provide a matching amount of State funding for a fourth New York/New York supportive housing agreement. Put simply, Governor Cuomo must invest significant State resources into this proven solution to homelessness to supply an additional 15,000 units in New York City over the next 10 years. Moreover, he must work with communities outside of NYC to create an additional 5,000 units of supportive housing throughout NYS state to meet the urgent need in those communities.

### **Recommendation 2: Increase State Support for Permanent Housing Assistance and Homelessness Prevention**

For homeless families without significant disabilities, permanent affordable housing has been proven in dozens of studies to be the best and longest-lasting term solution. After the State ended all financial assistance to the Bloomberg Advantage Program in 2011, the City abruptly stopped paying for existing Advantage subsidies. As a result, family homelessness in New York City skyrocketed by almost 50 percent in the subsequent three years – the steepest increase in family homelessness since the 2001 recession. However, when the nascent de Blasio administration sought to stem the tide of family homelessness by introducing an array of new City-led rental subsidies in 2014, the Cuomo administration refused to contribute in any meaningful way – providing just \$5 million in new funding for fiscal year 2015 to help homeless families with vulnerable children move from the chaos of shelter into the permanence and security of permanent housing.

Governor Cuomo must restore the State’s commitment to meaningful partnership on rental assistance for homeless families by evenly splitting costs not covered by the federal government with the City. This would provide significant assistance in two ways: 1) Providing a larger and more robust program capable of reaching greater numbers of homeless families; and 2) Providing an added level of security for landlords still wary of accepting City vouchers, in the aftermath of Advantage Program debacle.

In addition to providing a fair and effective partnership with rental assistance programs, the State must also improve its own homelessness prevention program, the Family Eviction Prevention Supplement (FEPS). FEPS provides an enhancement to the shelter allowance for families on public assistance facing eviction, but current subsidy levels remain woefully low. For a family of three, the FEPS subsidy covers just 57 percent of the fair market rent for a two-bedroom apartment – a whopping shortfall of \$631.<sup>ix</sup> The State must modify FEPS by increasing levels of rental assistance, and thereby the efficacy of this important tool in homelessness prevention.

### **Recommendation 3: Help Fund Shelter Models and Services that Move New York’s Most Vulnerable Off the Streets and Restore Harmful Cuts to Emergency Shelter in New York City.**

For our homeless neighbors bedding down in public spaces, a twofold approach has long proven most effective: Low-threshold emergency shelter (shelters with the least hurdles to access) to provide an immediate way off the streets, and adequate supply of supportive housing units. As discussed above, supportive housing remains the single most important element of this approach, providing humane and economically sound long-term stability from the streets for the thousands of homeless New Yorkers struggling with mental illness and other disabilities.

But the recent surge in street homelessness underscores the desperate need for safer and additional supportive options for temporary shelter as well. The front-end of NYC’s existing single adult shelter system is almost exclusively accessed via massive, intimidating shelters located in former psychiatric hospitals and armories. Smaller shelters that offer individuals on the streets a less chaotic, more service-enriched environment alternative are crucial to reducing street homelessness.

Unfortunately, in recent years the State has significantly reduced its share of the cost of operating shelters for single adults – even as the number of men and women both in shelter and on our streets has skyrocketed. New York State paid \$86 million per year to help shelter homeless single adults in NYC – roughly 47 percent of the total cost, whereas, it now pays \$73 million, or just 21 percent of the total costs.<sup>x</sup>

Remarkably, despite NYC’s extraordinary homeless crisis, in recent years Governor Cuomo has also slashed the operating budget of the New York State Office of Temporary and Disability Assistance (OTDA), which serves indigent New Yorkers – including homeless people and every New Yorker on Public Assistance. Between 2012 and 2015, Governor Cuomo cut OTDA’s budget by 13 percent (\$365 million).

In order to ensure New York City can provide decent, life-saving shelter to homeless individuals and families – including much-needed specialized “safe-haven” shelters – Governor Cuomo must provide adequate funding for such programs, as well as for the very agency tasked with serving our neighbors most in need. Specifically, he must: 1) Restore budget cuts to OTDA and make sure the agency is able to help rescue the vulnerable population it serves; and 2) Increase State support for emergency shelter for families and single adults, by matching the City’s share of all costs not covered by the federal government.

## **Conclusion**

It is impossible to overstate the urgency for Governor Cuomo to act quickly and decisively to forge an effective partnership with Mayor de Blasio to stem the tide of suffering. The steps Mr. Cuomo must take are clear: A commitment to fund the State's half of 30,000 units of supportive housing in New York City (and another 5,000 statewide), and meaningful investment in programs that prevent homelessness, as well as those which stabilize and house homeless individuals and families for the long-term. Only through his leadership to affect a joint and coordinated effort to expand proven solutions can New York's homelessness crisis ultimately be solved.

*For more information, please visit: [www.coalitionforthehomeless.org](http://www.coalitionforthehomeless.org)*

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<sup>i</sup> Coalition for the Homeless. (2015) State of the Homeless 2015: <http://www.coalitionforthehomeless.org/state-homeless-2015/>; and Coalition for the Homeless. (2015). The Current State of Homelessness and Crucial Next Steps: <http://www.coalitionforthehomeless.org/the-current-state-of-homelessness-and-crucial-next-steps/>

<sup>ii</sup> Nahmias, L., Cheney, B., Rubinstein, D. (2015) De Blasio moves first on 'supportive housing,' challenging Cuomo <http://www.capitalnewyork.com/article/city-hall/2015/11/8583449/de-blasio-moves-first-supportive-housing-challenging-cuomo>

<sup>iii</sup> NYC Independent Budget Office (2015). Albany Shifts the Burden: As the Cost for Sheltering the Homeless Rises, Federal & City Funds are Increasingly Tapped: <http://www.ibo.nyc.ny.us/iboreports/albany-shifts-the-burden-as-the-cost-for-sheltering-the-homeless-rises-federal-city-funds-are-increasingly-tapped-october-2015.pdf>

<sup>iv</sup> Budget cuts to 'Advantage' program leave New York City homeless in the lurch: [http://www.huffingtonpost.com/2011/03/20/new-york-city-homeless\\_n\\_837861.html](http://www.huffingtonpost.com/2011/03/20/new-york-city-homeless_n_837861.html)

<sup>v</sup> Nortz, S. (2015). Analysis and Comment on the NYS Budget for Homeless Services Expansion 2015-16 through 2019-20: <http://www.coalitionforthehomeless.org/wp-content/uploads/2015/05/CFHAnalysisAndCommentOnNYSBudgetForHomelessServicesExpansion2015-16Through2019-20.pdf>

<sup>vi</sup> HUD 2015 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations: [https://www.hudexchange.info/resource/reportmanagement/published/CoC\\_PopSub\\_State\\_NY\\_2015.pdf](https://www.hudexchange.info/resource/reportmanagement/published/CoC_PopSub_State_NY_2015.pdf)

<sup>vii</sup> NYC Department of Mental Health, NYC Human Resources Administration & NYS Office of Mental Health. (2013) New York/New York III Supportive Housing Evaluation: Interim Utilization and Cost Analysis: <http://shnny.org/images/uploads/NY-NY-III-Interim-Report.pdf>

<sup>viii</sup> Coalition for the Homeless. (2015). Coalition Testifies: Cuomo Budget Falls Short on Supportive Housing <http://www.coalitionforthehomeless.org/coalition-testifies-cuomo-budget-falls-short-supportive-housing/>

<sup>ix</sup> FEPS Subsidy Levels: <http://www.newdestinyhousing.org/get-help/feeps-subsidy-levels>

<sup>x</sup> NYC Independent Budget Office (2015). Albany Shifts the Burden: As the Cost for Sheltering the Homeless Rises, Federal & City Funds are Increasingly Tapped: <http://www.ibo.nyc.ny.us/iboreports/albany-shifts-the-burden-as-the-cost-for-sheltering-the-homeless-rises-federal-city-funds-are-increasingly-tapped-october-2015.pdf>