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# Coalition for the Homeless

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## **State of the Homeless 2009: A Proven Way to Reduce Family Homelessness During the Economic Recession**

April 23, 2009

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# State of the Homeless 2009

## Overview

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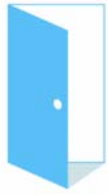
### **A Proven Way to Reduce Family Homelessness During the Economic Recession**

#### **PART I: Rising New York City Homelessness and the Economic Recession**

*>> page 3*

#### **PART II: Restoring Priority for Federal Housing Aid to Homeless New Yorkers**

*>> page 12*



# State of the Homeless 2009

## Part I: Rising NYC Homelessness

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### NYC Homeless Population Rising Amidst Recession

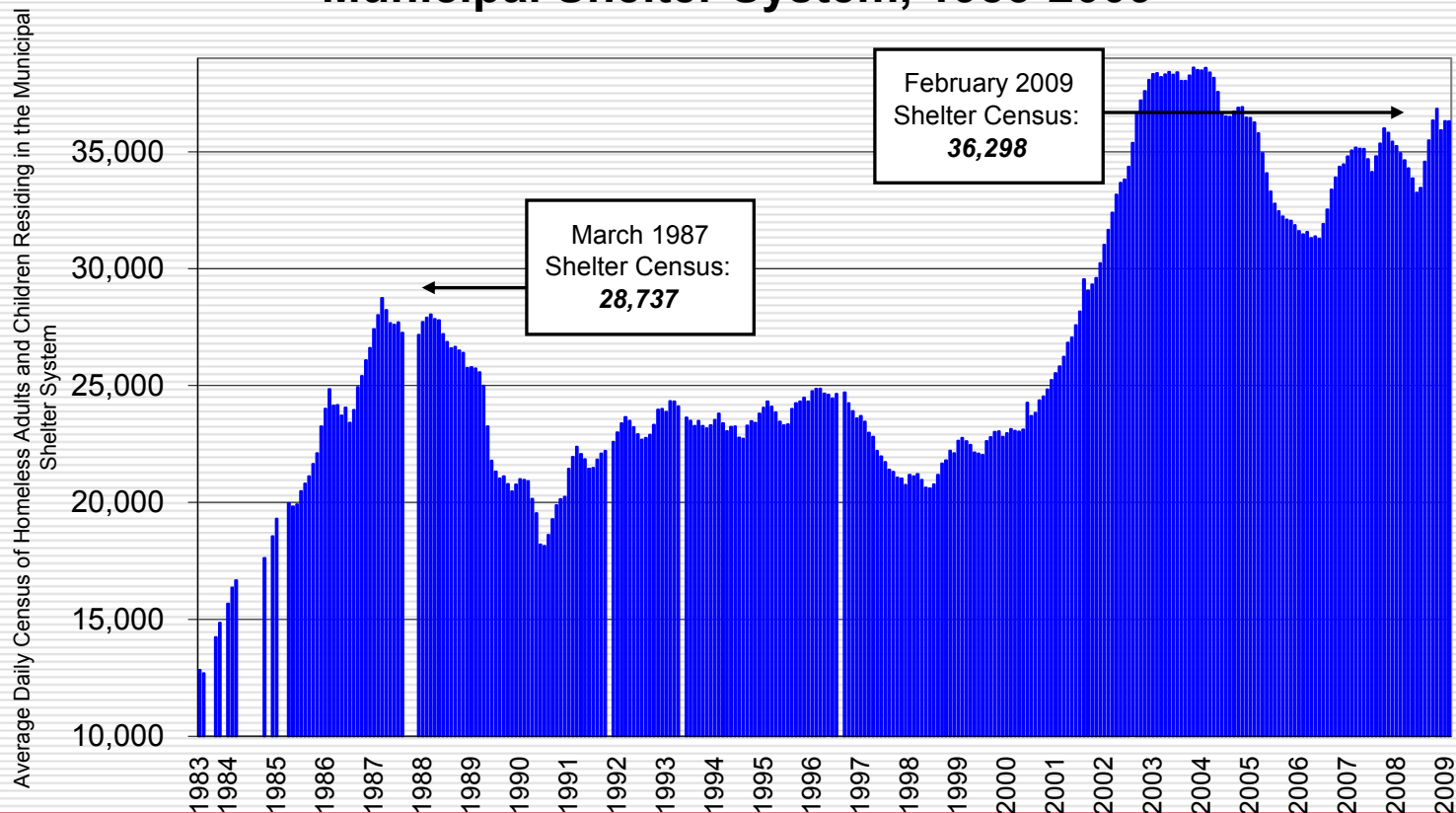
- ◆ **Currently more than 36,000 homeless people sleeping each night in the NYC municipal shelter system.**
- ◆ **Record number of NYC homeless families: More than 9,600 families with 15,500 homeless children.**
- ◆ **Since June the NYC homeless shelter population has risen by 9 percent, and the number of families has risen by 12 percent.**
- ◆ **Last year nearly 110,000 New Yorkers slept in municipal shelters at some point – 32 percent more than six years ago.**



# State of the Homeless 2009

## Rising Homeless Shelter Population

### New York City: Census of Homeless People in the Municipal Shelter System, 1983-2009



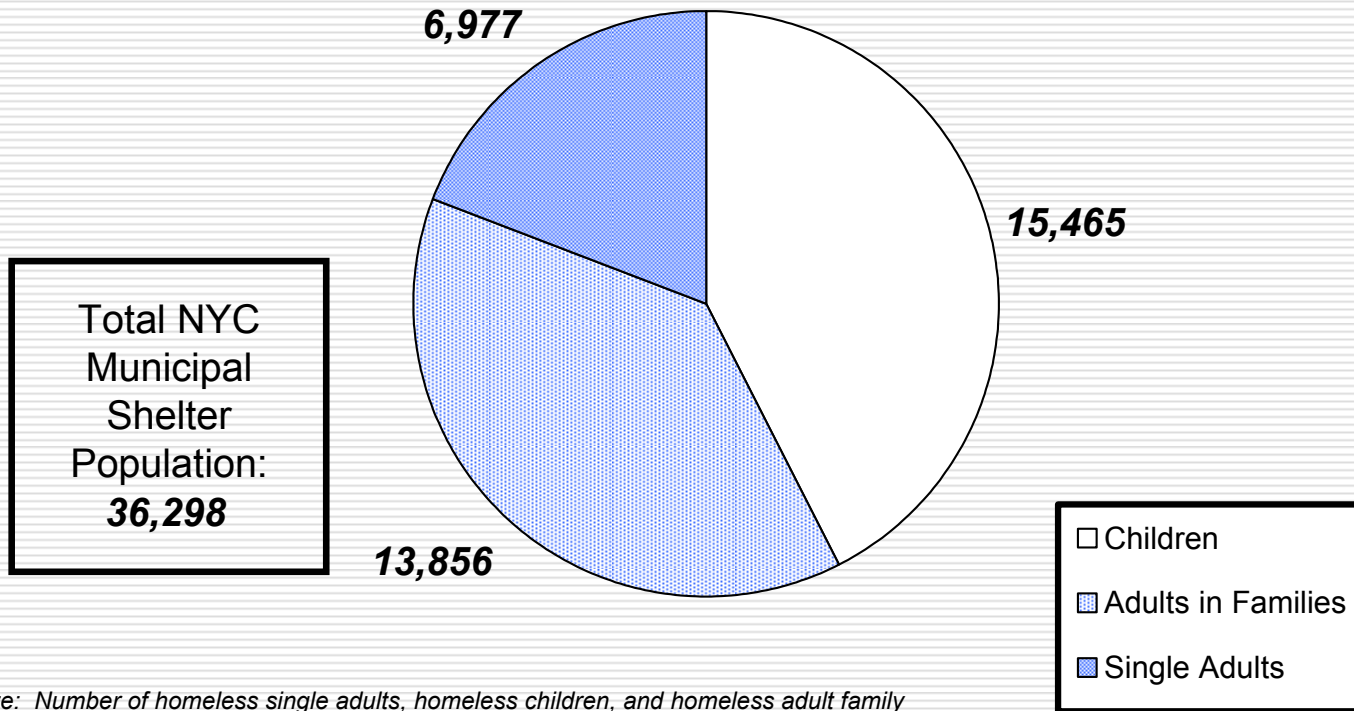
Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports



# State of the Homeless 2009

## Rising Homeless Shelter Population

### New York City: Census of Homeless People in the Municipal Shelter System, February 2009



*Note: Number of homeless single adults, homeless children, and homeless adult family members, residing in the municipal shelter system.*

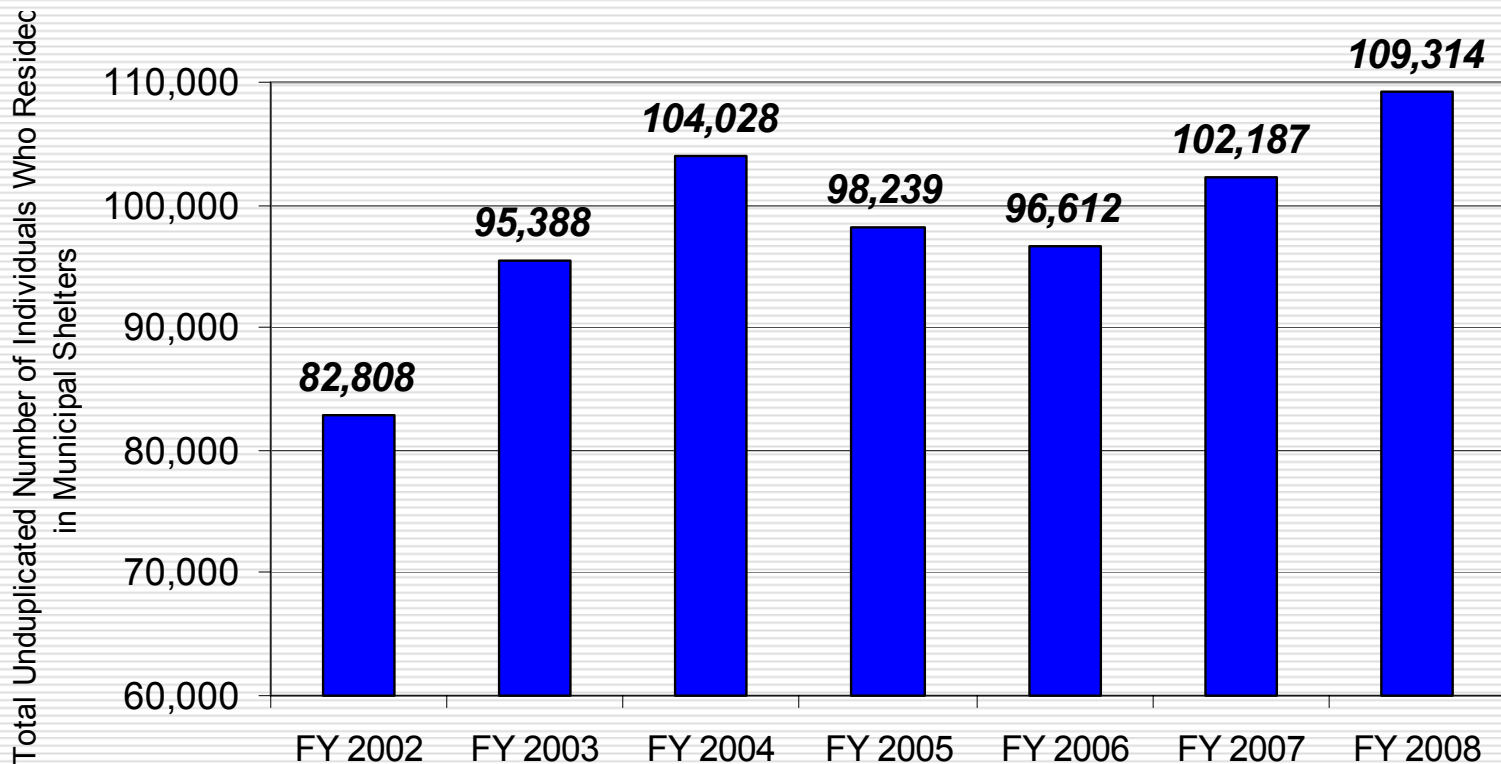
*Source: New York City Department of Homeless Services, shelter census reports*



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## More New Yorkers Use Homeless Shelters

### 32 Percent More New Yorkers Used Municipal Shelters in FY 2008 Compared to FY 2002



Source: NYC Department of Homeless Services, Critical Activities Reports



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## Record Family Homelessness

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### Record Number of Homeless Families in New York City

- ◆ At the end of November 2008, there were 9,720 homeless families sleeping in NYC municipal shelters – highest number since the City of New York began reporting this data more than 25 years ago.
- ◆ Since June, the number of homeless families in New York City shelters has risen by 12 percent.
- ◆ In recent months the number of new homeless families entering municipal shelters has reached all-time record levels.



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## Record Family Homelessness

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### Causes of Rising Family Homelessness in New York City

- ◆ **Accelerating job losses:** Many low-income households falling behind on the rent and facing eviction; City has cut back on homelessness prevention services.<sup>1</sup>
- ◆ **Widening housing affordability gap:** NYC continues to lose low-cost housing; between 2005 and 2008, loss of nearly 55,000 apartments with rents below \$800/month (7.5 percent loss).
- ◆ **Flawed City policies:** Bloomberg administration cut off homeless New Yorkers from Federal housing assistance.



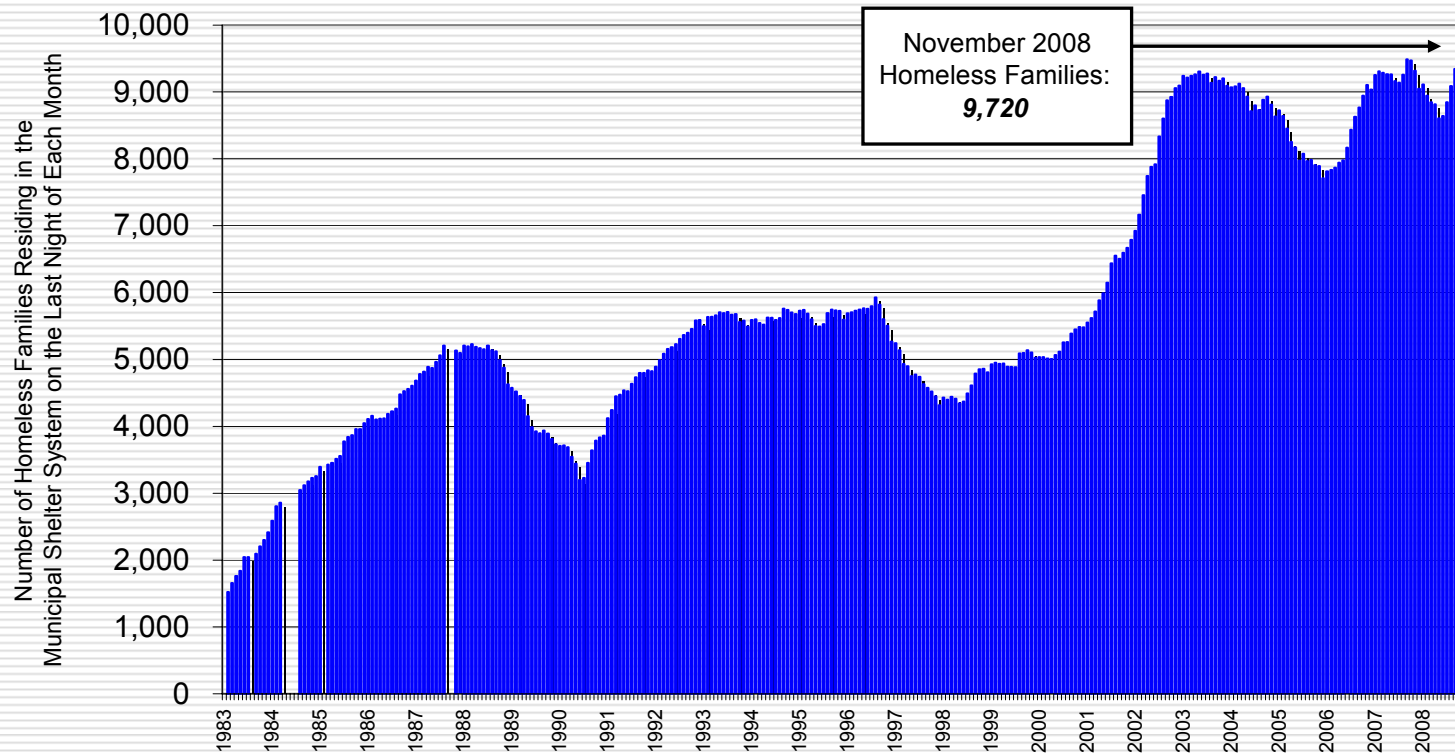


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## Increasing Number of Homeless Families

### Number of Homeless Families in the New York City Shelter System, 1983-2008

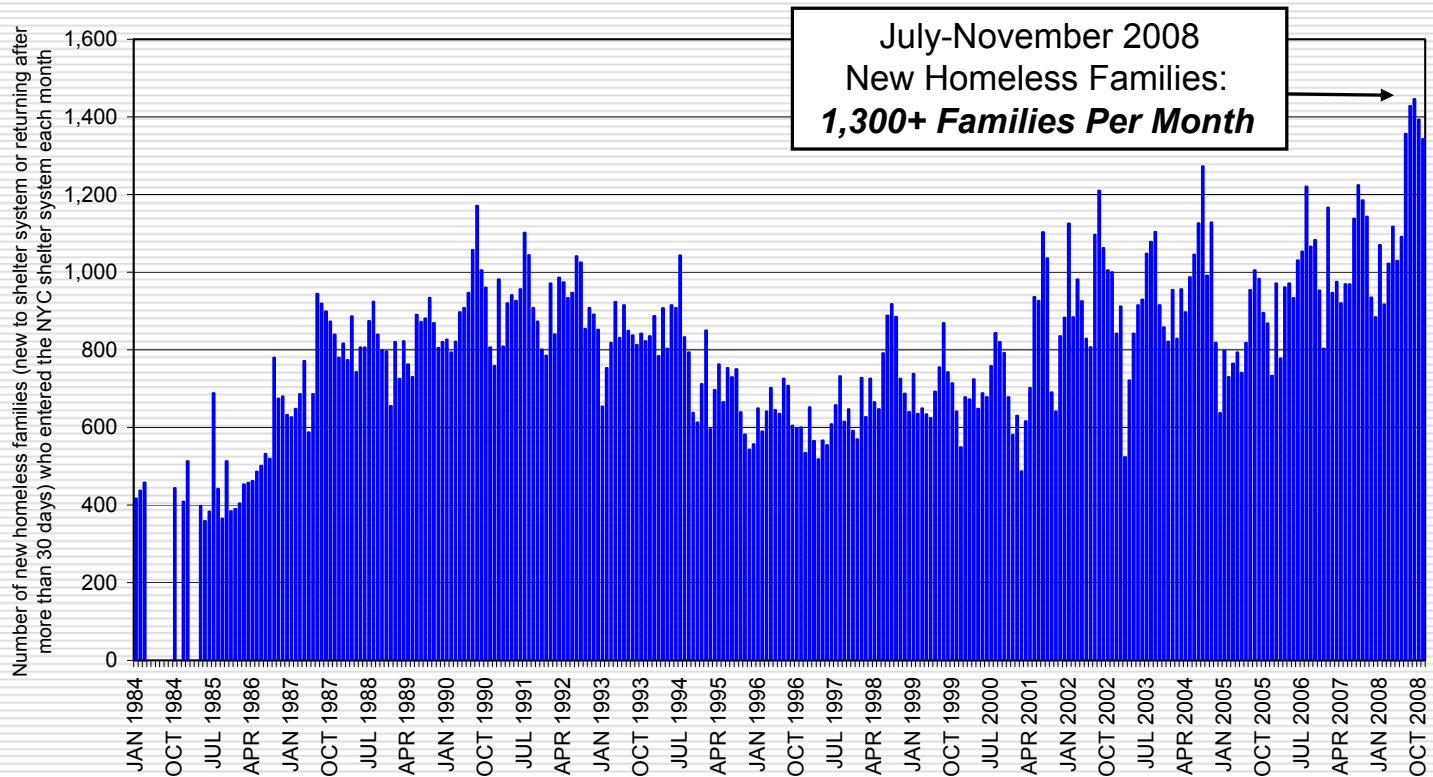




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## New Homeless Families

### Number of New Homeless Families Entering the NYC Shelter System Each Month, 1984-2008



Source: NYC Department of Homeless Services, "Emergency Housing for Homeless Families Monthly Report," 1984-2008

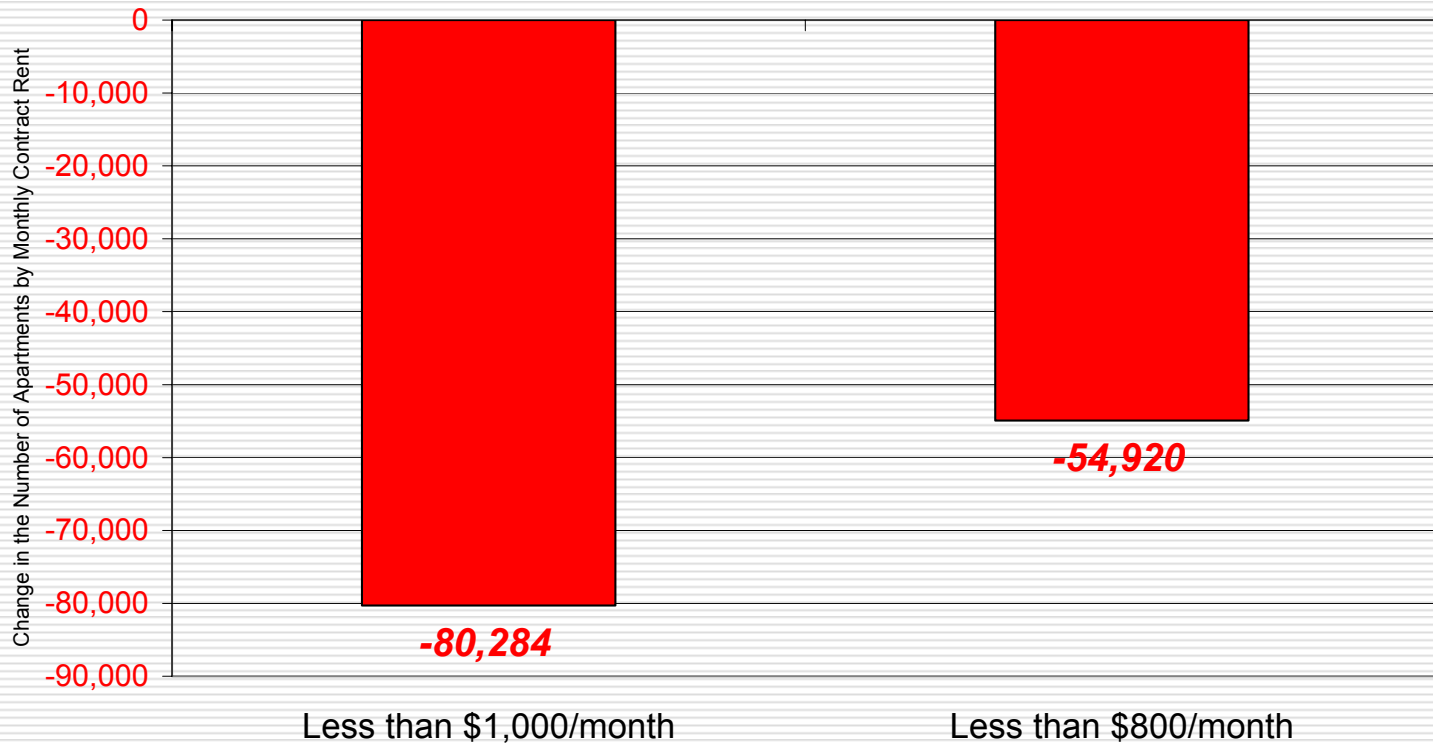


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# State of the Homeless 2009

## Accelerating Loss of Affordable Housing

### New York City: Loss of Affordable Rental Apartments, 2005-2008



Source: U.S. Census Bureau, 2008 Housing and Vacancy Survey (Initial Findings)



# State of the Homeless 2009

## Part II: A Proven Solution

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### Because of Economic Downturn, We Must Act Now

**>> During the last two economic recessions (early 1990's and 2001-2002), New York City experienced significant increases in homelessness.**

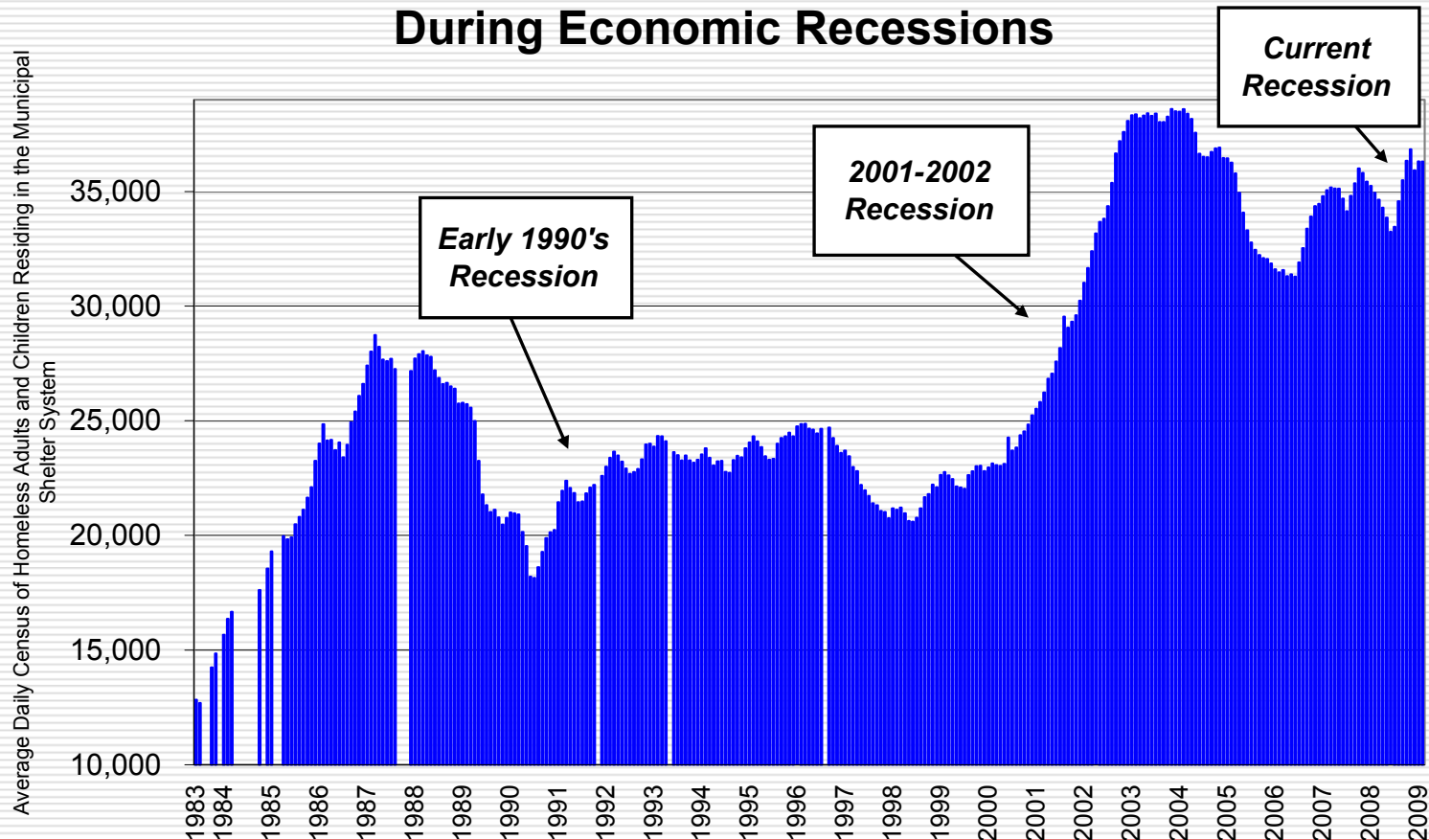
**>> Building on a wealth of research and experience, NYC can implement proven solutions to help homeless families and individuals move successfully from shelters to permanent housing.**



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## Rising Homeless Shelter Population

### Increasing NYC Homeless Shelter Population During Economic Recessions



Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports



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# State of the Homeless 2009

## Reducing Family Homelessness

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### One Proven Solution to Reduce Family Homelessness: Federal Housing Assistance

- >> Research and experience show that Federal housing programs – Section 8 vouchers and public housing – successfully reduce family homelessness.
- >> However, since 2005 Bloomberg administration has cut off homeless families from a longstanding priority for Federal housing assistance.



# State of the Homeless 2009

## Flawed Bloomberg Administration Policy

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### Cutting Off the Homeless from Federal Housing Aid

**>> Beginning in 2005, the Bloomberg administration dramatically changed 20 years of City policy – cutting off homeless from priority for Federal housing programs including Section 8 vouchers and public housing.<sup>2</sup>**

**>> In 2009, the City of New York will provide more than 12,000 new Section 8 vouchers and at least 5,000 public housing apartments to low-income NYC families – but virtually none to the homeless.**



# State of the Homeless 2009

## Flawed Bloomberg Administration Policy

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### Replacing Proven Federal Housing Programs

**>> The Bloomberg administration replaced proven Federal housing programs with untested, controversial, time-limited subsidy programs. The deeply flawed “Housing Stability Plus” program (2005-2007) was abandoned as a failure.**

**>> The current “Work Advantage” program – with time limits of two years – began in 2007. The first group of time-limited families will run out of assistance this year.**

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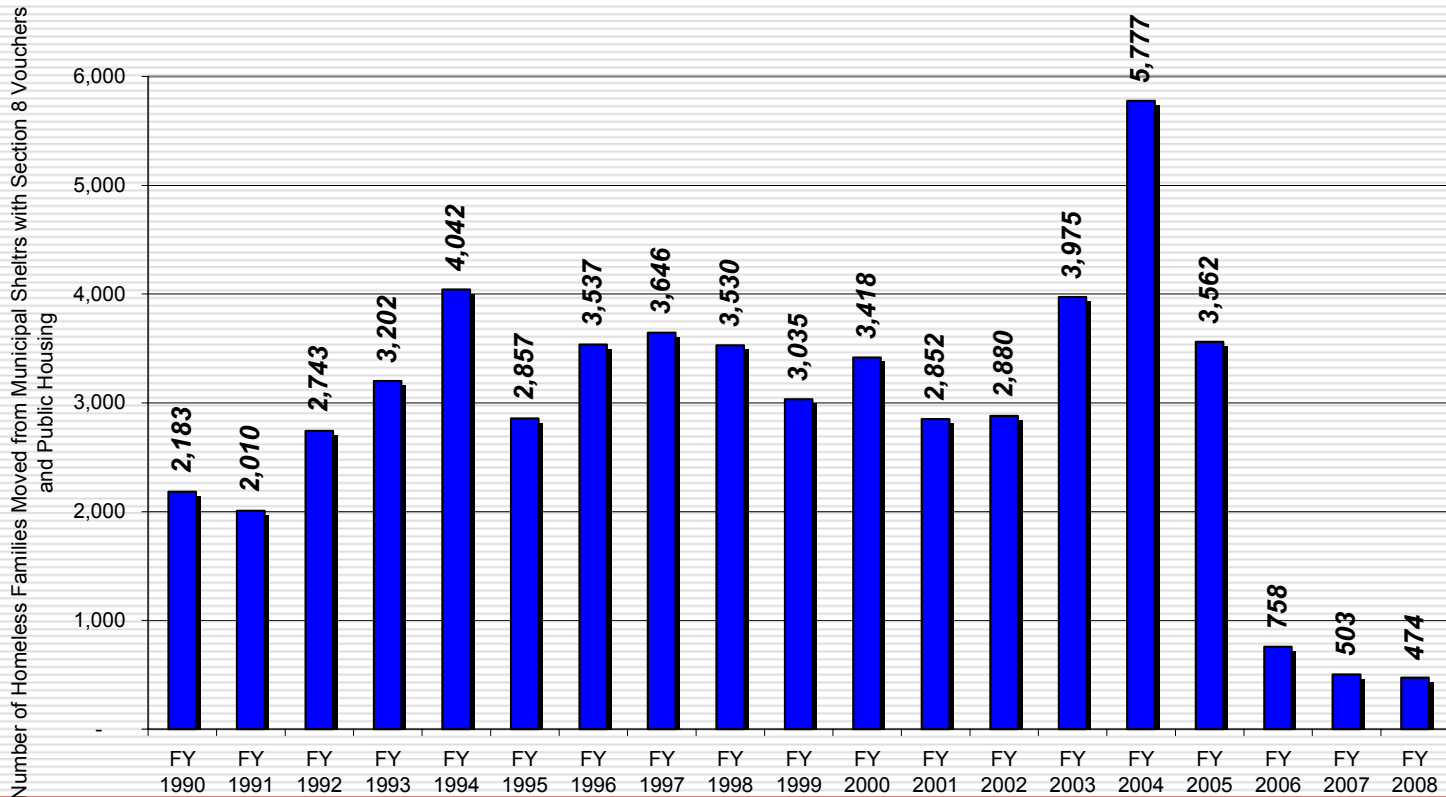




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## Homeless Cut Off from Federal Housing Aid

### Homeless Families Moved from NYC Shelters with Federal Housing Programs, FY 1990-FY 2008

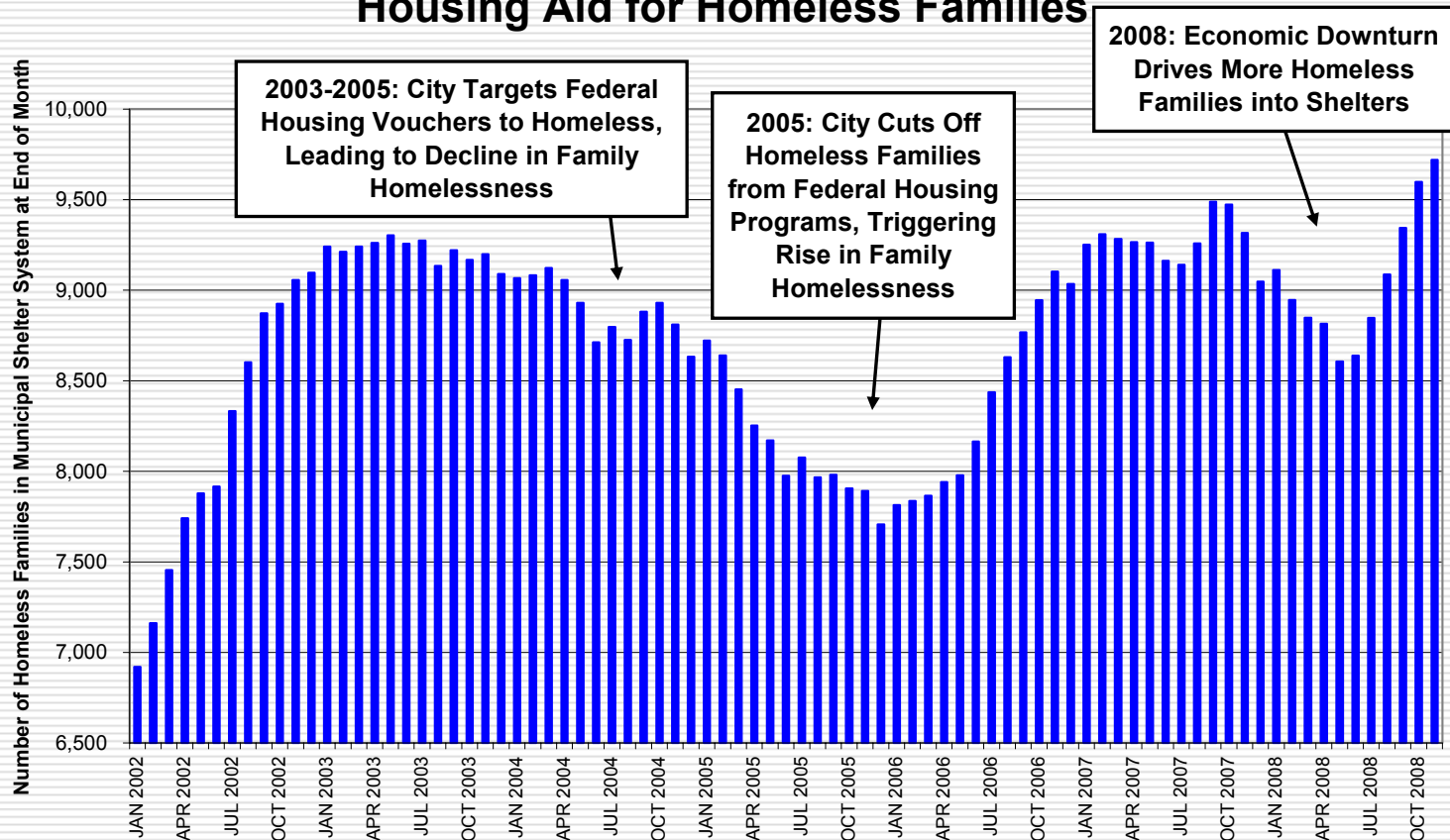




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## Homeless Cut Off from Federal Housing Aid

### Shifting Bloomberg Administration Policies on Federal Housing Aid for Homeless Families



Source: NYC Department of Homeless Services, "Emergency Housing Services for Homeless Families Monthly Report"



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## A Proven Solution

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### Research Evidence on Federal Housing Programs and Reductions in Family Homelessness

**>> Studies by NYU, UPenn, Columbia University, Vera Institute, and HUD researchers show housing vouchers successfully help move homeless families from shelters and help them retain housing.**

**>> Section 8 vouchers and public housing are less costly than emergency shelter – cost to shelter a homeless NYC family is \$36,000/year.**

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## A Proven Solution

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### Experts on Federal Housing Programs and Reductions in Family Homelessness:

***“Formerly homeless families are generally quite similar to other low-income families. Homelessness for most is not a protracted experience, and housing subsidies alone are sufficient to allow the vast majority to leave shelter and maintain stable housing in the community.”***

**– Marybeth Shinn (2009), Vanderbilt University, research review prepared for Enterprise Foundation and the National Alliance to End Homelessness**



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# State of the Homeless 2009

## A Proven Solution

### Experts on Federal Housing Programs and Reductions in Family Homelessness:

*“An extensive body of careful research has demonstrated that housing vouchers are critically important both for preventing families with children from becoming homeless and for helping those who do enter the shelter system to leave it for permanent housing and not become homeless again....For families who do become homeless, housing vouchers are an extensively tested and demonstrably effective tool for moving to permanent housing and remaining stably housed.”*

– Jill Khadduri (2008), Abt Associates and former senior HUD official, research review prepared for Homelessness Research Institute



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## A Proven Solution

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### Experts on Federal Housing Programs and Reductions in Family Homelessness:

***“The [HUD] Voucher Family Study found that voucher assistance resulted in a 74 percent reduction in the incidence of homelessness.... ‘Many of the women interviewed said that receiving a voucher substantially reduced their anxiety about keeping a roof over their children’s heads. They expressed a strong sense of relief at not having to worry about how to pay the rent or whether their family would end up homeless or living with friends or relatives.’”***

***– Jill Khadduri (2008), Abt Associates and former senior HUD official, summarizing the 2007 HUD Voucher Family Study***



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## A Proven Solution

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### Experts on Federal Housing Programs and Reductions in Family Homelessness:

*“We found that subsidized housing succeeds in curing homelessness among families, regardless of behavioral disorders or other conditions. Whatever their problems – substance abuse, mental illness, physical illness or a history of incarceration – nearly all of the families in our study became stably housed when they received subsidized housing.”*

– Marybeth Shinn and Beth Weitzman (1998), New York University, five-year study of 564 homeless and low-income families



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## A Proven Solution

### Experts on Federal Housing Programs and Reductions in Family Homelessness:

*“The rate of re-entry is highest among families who were discharged to their own housing (37%) and lowest among those who were discharged to subsidized housing (7.6%)....[O]ur data clearly indicate that having obtained subsidized housing is linked with a substantially lower rate of readmission to the Family Shelter System, a finding which has been consistently reported in previous research.”*

– Yin-Ling Irene Wong, Dennis Culhane, and Randall Kuhn (1997), University of Pennsylvania, study of eight years of data from the NYC homeless families client database to analyze rates of return to shelter





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### Experts on Federal Housing Programs and Reductions in Family Homelessness:

***“Across all cohorts and follow-up periods, those families exiting to subsidized housing exhibited the lowest rates of reentry. Subsidized housing appears to be associated with better protection against shelter return than exiting to one’s own housing, other destinations, or unknown arrangements.”***

**– Vera Institute (2005), study commissioned by NYC Department of Homeless Services analyzing rates of return to shelter for formerly-homeless families**



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## A Proven Solution

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### Experts on Federal Housing Programs and Reductions in Family Homelessness:

*“Shelter population rose during the boom because the city slowed the rate at which it moved families into subsidized housing and it continued to rise after the boom because there was a recession. The population fell when the city stepped up placements into subsidized housing and the recession ended.”*

– Brendan O’Flaherty and Ting Wu (2006), Columbia University, study of rise and fall in NYC family homelessness from 1997 to 2004



# State of the Homeless 2009

## Debunking the Myths

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### Myth #1: The “Inducement” Myth

>> Bloomberg administration officials claim availability of Federal housing aid “induces” families to seek shelter.<sup>3</sup>

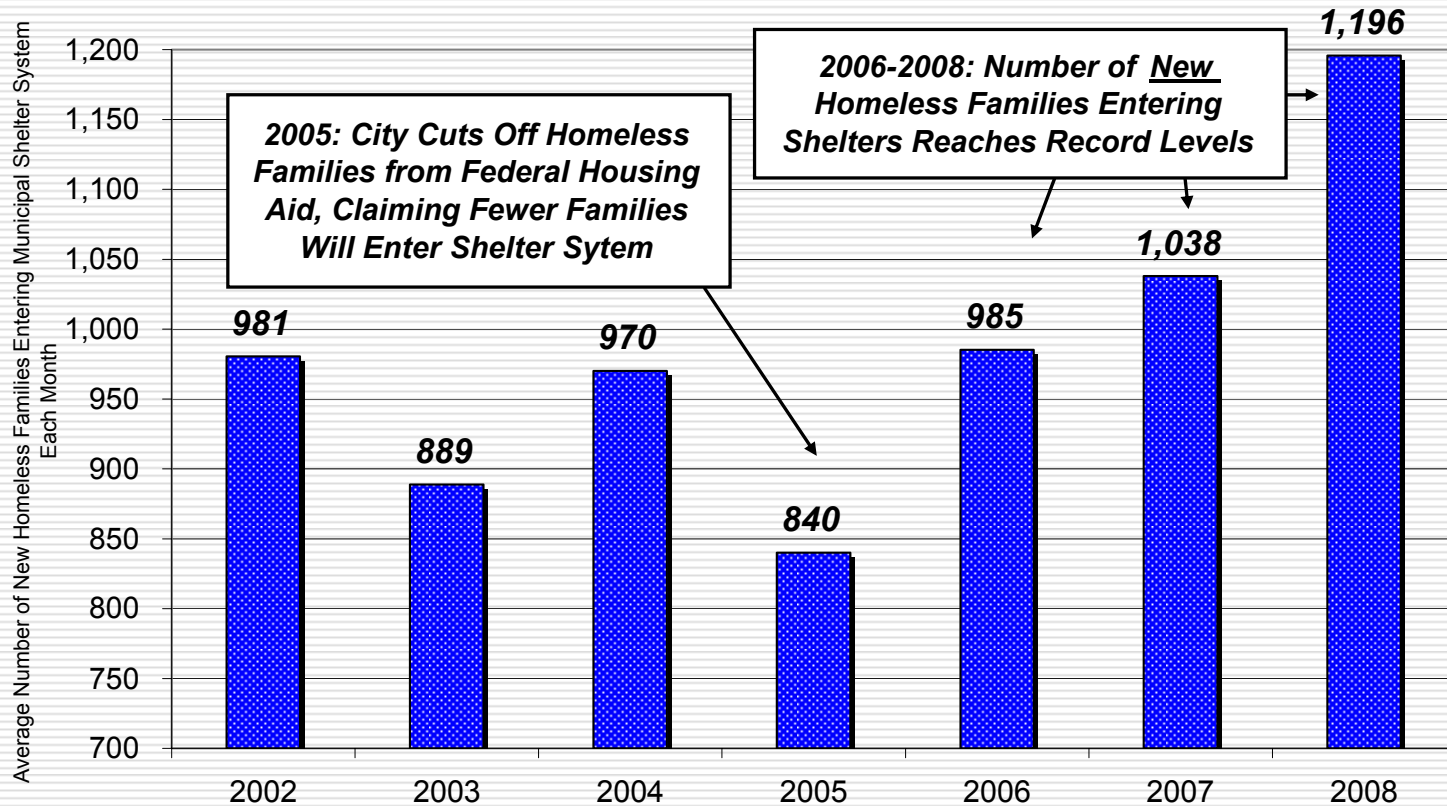
>> However, since Bloomberg administration cut off homeless families from Federal housing aid, the number of homeless families entering shelter has actually increased – and hit an all-time record level this past year.



# State of the Homeless 2009

## Debunking the Myths

### Average Number of New Homeless Families Entering the NYC Shelter System Each Month, 2002-2008



Source: New York City Department of Homeless Services, "Emergency Housing Services for Homeless Families Monthly Report"



# State of the Homeless 2009

## Debunking the Myths

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### Myth #1: The “Inducement” Myth

>> Bloomberg administration officials claim availability of Federal housing aid “induces” families to seek shelter – but have never offered empirical evidence for this claim.<sup>3</sup>

>> Studies by three economists of the “inducement” claim show minimal effect – but prove that cutting off homeless families from Federal housing programs ultimately increases family shelter population.



# State of the Homeless 2009

## Debunking the Myths

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### Myth #1: Experts on the “Inducement” Myth

*“Placements into subsidized housing do not seem to lure large numbers of families into the shelter system.... The city now devotes enormous resources to determining eligibility. We believe that the city has been successful; fewer families appear to be drawn by the prospect of obtaining permanent subsidized housing.”*

– Brendan O’Flaherty and Ting Wu (2006), Columbia University, study of rise and fall in NYC family homelessness from 1997 to 2004



# State of the Homeless 2009

## Debunking the Myths

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### Myth #1: Experts on the “Inducement” Myth

*“We test the conventional wisdom and reject it. Better prospects of subsidized housing increase flows into the shelter system, but this incentive effect is not nearly large enough to offset the first order accounting effect – taking families out of the shelters reduces the number of families in them.”*

– Brendan O’Flaherty and Michael Cragg (1997), Columbia University and Milken Institute, study of the Dinkins administration’s “Alternative Pathways” program from the early 1990’s which re-directed Federal housing vouchers away from homeless families in shelters



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## Debunking the Myths

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### Myth #2: The Myth of Time-Limited Subsidies

>> Bloomberg administration officials claim that time-limited rent subsidies, like its two-year “Work Advantage” program, are effective.

>> However, there is absolutely no research evidence to show that time-limited rent subsidies are effective – particularly in high-cost housing markets like NYC.





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## Debunking the Myths

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### Myth #2: The Myth of Time-Limited Subsidies

>> Over the coming year, more than 1,400 formerly-homeless families will reach the two-year time limit for “Work Advantage” assistance. Hundreds more will reach the time limit for “Housing Stability Plus” assistance.

>> Bloomberg administration officials have no plan in place to assist formerly-homeless families who reach time limits and are still in need of housing assistance.



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## Debunking the Myths

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### Myth #3: The Eligibility Myth

**>> Bloomberg administration officials claim that many homeless families (approximately 30-to-40 percent) are not eligible for Federal housing vouchers.**

**>> However, far fewer homeless families are eligible for the Bloomberg administration's "Work Advantage" two-year subsidy – fewer than one in three homeless families has the employment income to qualify for that program.**



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## Debunking the Myths

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### Myth #4: The “Length-of-Stay” Myth

**>> Bloomberg administration officials claim that processing Federal housing vouchers is slow and leads to longer shelter stays.**

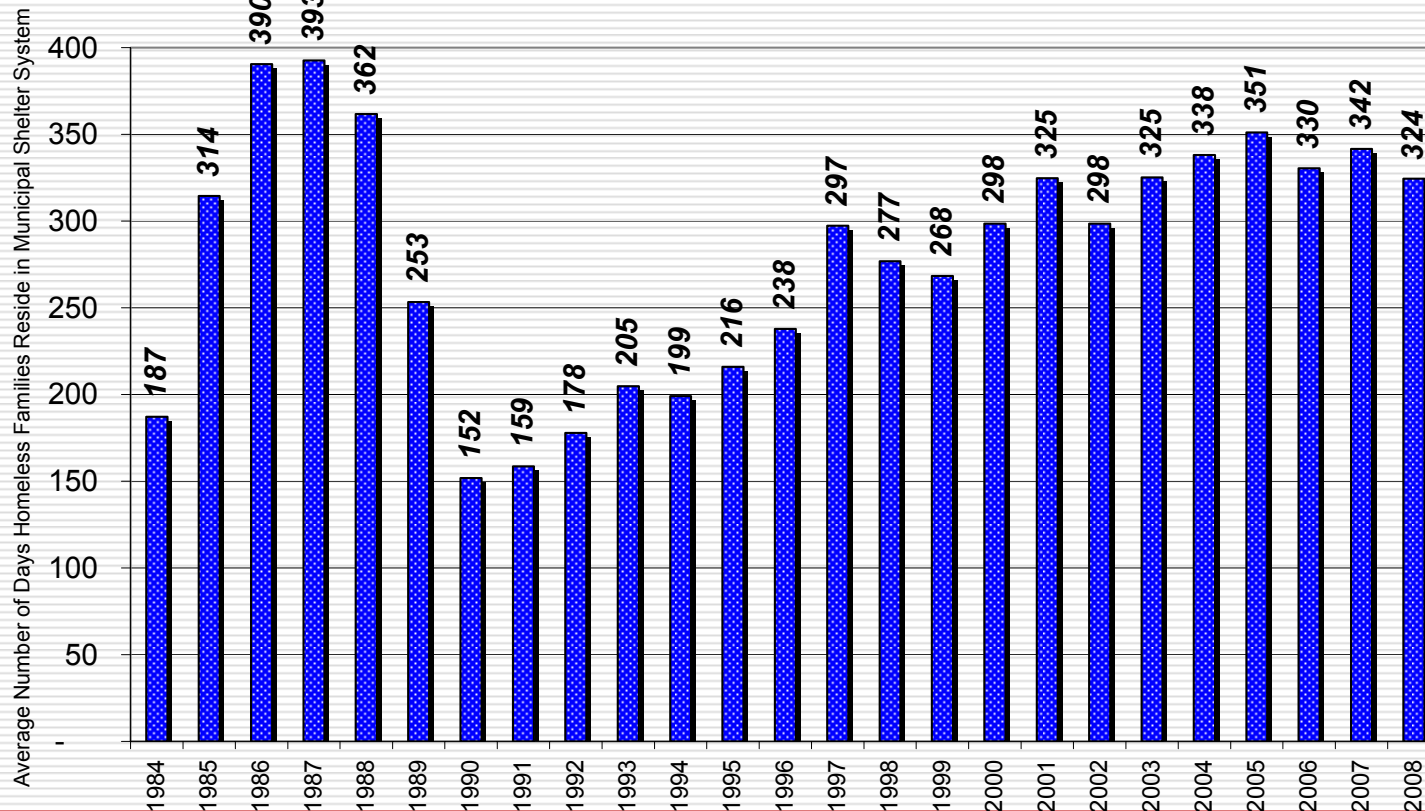
**>> However, family shelter stays were far shorter in the 1990’s – when the City prioritized homeless families for Federal housing assistance – than in the current decade. In 2008 the average shelter stay for homeless families was nearly 11 months.**



# State of the Homeless 2009

## Debunking the Myths

### Average Number of Days Homeless Families Reside in Municipal Shelters, 1984-2008



Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports



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## Need for Immediate Action

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### Conclusion: Target Federal Housing Aid to the Homeless

>> Federal housing programs are a proven, cost-effective way of reducing family homelessness.

>> Emergency shelter for homeless families costs \$36,000/year – half the cost is paid by City and State.

>> Thus, targeting Federal housing aid to homeless families will reduce the family shelter population and save City and State taxpayer dollars – a high priority given the fiscal crisis.



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## Need for Immediate Action

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### Conclusion: Target Federal Housing Aid to the Homeless

>> Given the worsening economic downturn, it is more urgent than ever to stem the tide of rising family homelessness – and Federal housing programs are a proven way to do that.

>> The NYC Congressional delegation is leading the fight in Congress for more funding for Section 8 vouchers and public housing.

>> Reversing the City's misguided policy will reduce family homelessness and reduce emergency shelter expenses.



# State of the Homeless 2009

## References

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### References

<sup>1</sup>In the FY 2009 City budget, Mayor Bloomberg and the New York City Council reduced funding for several homelessness prevention programs, including the “Homeless Prevention Fund” (50 percent cutback) and anti-eviction legal services.

<sup>2</sup>The Bloomberg administration implemented its policy in two stages: (1) First, in late 2004, it halted referrals by the NYC Department of Homeless Services of homeless families to the Section 8 and public housing waiting lists maintained by the New York City Housing Authority (NYCHA). (2) And second, in 2005 NYCHA reduced the priority classification for homeless families and individuals, who previously had been given the so-called “emergency priority” along with domestic violence survivors and other urgent cases. Thus, by the end of 2005 homeless New Yorkers were effectively cut off from receiving Federal housing assistance.

<sup>3</sup>See the following news articles quoting Bloomberg administration officials: “We believe that in New York City there are many families who see that the only way to get rental assistance is to go through the shelter system,’ said [then-Department of Homeless Services Commissioner Linda] Gibbs....” (Newsday, October 20, 2004); “At the same time, [Linda] Gibbs said, families are deliberately going into the shelter system as a way to get to the front of the line on rental assistance.” (New York Daily News, October 20, 2004); “[Linda Gibbs] said, the program was making poor families believe that the fastest road to getting their own apartment was to become homeless. ‘We don’t want people to think that the best way to get housing is to bundle their children up and take them to the E.A.U.,’ she said referring to the Emergency Assistance Unit, the Bronx office that is the entry point for the city’s shelter system.” (New York Times, October 20, 2004).



### Research Studies Cited in This Report

Cragg, Michael and Brendan O’Flaherty, “Does Subsidized Housing Increase Homelessness? Testing the Dinkins Deluge Hypothesis,” Milken Institute (June 1997)

Khadduri, Jill, “Housing Vouchers Are Critical for Ending Family Homelessness” (January 2008), Homelessness Research Institute of the National Alliance to End Homelessness, available at <http://www.endhomelessness.org/content/article/detail/1875>.

O’Flaherty, Brendan and Ting Wu, “Fewer Subsidized Exits and a Recession: How New York City’s Family Homeless Shelter Population Became Immense,” Journal of Housing Economics (April 2006).

Shinn, Marybeth, “Ending Homelessness for Families: The Evidence for Affordable Housing,” Enterprise Foundation and National Alliance to End Homelessness (pre-publication release, 2009).

Shinn, Marybeth, Beth C. Weitzman, et al, “Predictors of Homelessness Among Families in New York City: From Shelter Request to Housing Stability,” American Journal of Public Health, Volume 88, Number 11 (November 1998), pp. 1651-1657.

Vera Institute, “Understanding Family Homelessness in New York City” (September 2005), available at [http://www.vera.org/publication\\_pdf/315\\_584.pdf](http://www.vera.org/publication_pdf/315_584.pdf).

Wong, Yin-Ling Irene, Dennis Culhane and Randall Kuhn, “Predictors of Exit and Reentry Among Family Shelter users in New York City,” Social Science Review 71, Number 3 (1997), pp. 441-462.

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## Data Sources and Acknowledgments

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### Note on Data

Data on the homeless shelter population is from the NYC Department of Homeless Services' shelter census reports, including "Emergency Housing Services for Homeless Families Monthly Report," "Critical Activities Report," and "Daily Report." Note that the data on the municipal shelter population in this report includes shelters for homeless families and adults administered by the NYC Department of Homeless Services; shelters for homeless families administered by the NYC Department of Housing Preservation and Development (HPD), which is included in the "Emergency Housing Services" report mentioned above (currently there are approximately 250 families with 750 people in these shelters); and shelters for homeless veterans (which currently have approximately 240 individuals). This report does not include homeless adults in "safe haven" shelters (which currently have approximately 325 people each night). Note that the shelter population reported on the NYC Department of Homeless Services website's home page does not include data on shelters for veterans, "safe havens," and HPD shelters for homeless families, and thus presents an incomplete picture of the New York City homeless shelter population.

As noted throughout the report, all other data used in this report is from the City of New York, Mayor's Management Reports, and the U.S. Census Bureau, Housing and Vacancy Survey.

### Acknowledgments

Report prepared by Patrick Markee, Senior Policy Analyst, Coalition for the Homeless.

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