



**TESTIMONY OF COALITION FOR THE HOMELESS
BEFORE THE NEW YORK STATE SENATE**

**Committee on Social Services
Committee on Housing, Construction and Community Development**

**Public Hearing
“Ending the Perfect Storm: Finding Solutions and Identifying Alternatives for
New York’s Section 8 Problem”**

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I present this testimony on behalf of Coalition for the Homeless, a not-for-profit organization that assists more than 3,500 homeless New Yorkers each day. Since its founding in 1981, the Coalition has advocated for proven, cost-effective solutions to the crisis of modern homelessness, which now continues into its third decade. The Coalition has also struggled for more than 25 years to protect the rights of homeless people through litigation around the right to emergency shelter, the right to vote, and appropriate housing and services for homeless people living with mental illness and HIV/AIDS.

The Coalition operates several direct-services programs that both 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, a job-training program for homeless and formerly-homeless women, a Rental Assistance Program which provides rent subsidies and support services to help working homeless individuals rent private-market apartments, and two buildings in Manhattan which provide 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 more than 900 nutritious meals to street homeless and hungry New Yorkers each night. 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 to physical, mental or social dysfunction is in need of temporary shelter.” The Callahan consent decree and 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.

New York City’s Historic Homelessness Crisis

New York City is in the throes of a historic homelessness crisis. Currently, more than 39,000 homeless men, women, and children bed down in municipal shelters each night, the highest number since

modern homelessness began three decades ago. In addition, more than 10,000 homeless families are sleeping in the municipal shelter system on any given night, including 16,000 children – an all-time record high.

By any measure, the Bloomberg administration's approach to the problem of homelessness has failed. This is especially true of the Mayor's decision to cut off homeless families and individuals from a longstanding priority for Federal housing programs like the Section 8 voucher program – which are proven to reduce homelessness – and his administration's creation of deeply flawed and unrealistic local rent subsidy programs to replace those successful Federal programs.

State policies and the actions of State agencies have contributed greatly to the present crisis. State officials in the Pataki administration have imposed harmful, misguided rules – like the counterproductive plan to charge homeless families "rent" to stay in a municipal shelter. Most troubling, State officials have collaborated with the City on the deeply flawed local rent subsidy programs, like Advantage New York, that create a revolving door back to shelter and that have led to all-time record family homelessness.

Now, in the midst of record New York City homelessness, comes word that, the New York City Housing Authority has rescinded thousands of Federal Section 8 vouchers issued to low-income families – and is poised to eliminate thousands more. Moreover, instead of learning from the mistakes of the past, Mayor Bloomberg and State officials are in effect doubling down on the failed policies of the past eight years. The Mayor's continuing policy denying homeless people Federal housing assistance; his plan to force homeless families to pay for the cost of emergency shelter; and the proposed changes to the Advantage programs will only fuel further increases in homelessness in New York City.¹

The Importance of Federal Housing Assistance in Reducing Homelessness

I offer this testimony today primarily to emphasize the crucial role Federal housing assistance – like the Section 8 program – plays in reducing homelessness.

Over the past decade, a growing body of academic research has shown that Federal housing programs and similar, long-term housing assistance are remarkably effective in reducing family homelessness – both in helping homeless families move from shelters to permanent housing, and in ensuring that these families remain stably housed.

Nevertheless, since 2005, the Bloomberg administration has broken with longstanding and successful New York City policy which targeted scarce Federal housing resources to help homeless children and families move from municipal shelters to their own homes. Reversing the Bloomberg administration's failed policy will reduce New York City family homelessness and save City taxpayer dollars currently spent on expensive emergency shelter.

Background: Federal Housing Assistance for Homeless Families

- For two decades, New York City mayoral administrations have targeted scarce Federal housing resources to homeless families residing in the municipal shelter system. The reasons for this are threefold:
 1. **Scarcity**: The Federal government does not provide sufficient Federal housing assistance to help all those eligible to receive it. Indeed, nationally only one in four eligible households receives Federal housing assistance, and currently more than 135,000 New York City families are on waiting lists for Federal housing programs.

2. Efficacy: Federal housing programs are enormously successful in reducing family homelessness and helping formerly-homeless families remain stably housed.
 3. Fiscal Policy: Finally, emergency shelter for homeless families – which currently costs nearly \$36,000 per year – is both expensive and largely paid for by the City and State. Federal housing programs are less expensive and do not use City and State tax dollars.
- Thus, since 1990, tens of thousands of homeless New York City families have successfully moved from shelters to their own homes with the help of Federal housing programs.

The Failed Bloomberg Administration Policy

- Unfortunately, since 2005 the Bloomberg administration has actually eliminated homeless families' longstanding priority for scarce Federal housing assistance.²
- Currently homeless families in New York City have virtually no access to the two major Federal housing programs available to low-income households: Section 8 vouchers, and public housing. In 2009 the City will assist more than 12,000 low-income families with Section 8 vouchers and more than 5,000 new families with public housing – almost none of them homeless families.
- The Bloomberg administration's current approach echoes "Alternative Pathways," a flawed policy implemented by the Dinkins administration in the early 1990s that re-directed Section 8 vouchers away from homeless families in shelter and that ultimately triggered a rise in the family shelter population. The Dinkins administration ultimately abandoned the flawed "Alternative Pathways" policy after family homelessness soared in the early 1990s.
- Similarly, since the Bloomberg administration adopted its policy cutting off Federal housing aid to homeless households, the number of new homeless families entering shelters has increased for three consecutive years and, in recent months, the number of homeless families in municipal shelters reached all-time record levels.
- 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 began to run out of assistance this past year, and already more than 1,000 Advantage families have returned to the City's shelter system. 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.

Research Shows that Federal Housing Programs Reduce Family Homelessness

- A wealth of research and experience shows that Federal housing programs – Section 8 vouchers and public housing – successfully reduce family homelessness.³ (Please see briefing paper attached.)
- Studies by researchers from New York University, Columbia University, the University of Pennsylvania, the Vera Institute, and the U.S. Department of Housing and Urban Development show that housing vouchers successfully help move homeless families from shelters and help them retain housing.

- The failed Bloomberg policy was based on unsubstantiated claims that the availability of Section 8 vouchers was “inducing” families to enter the homeless shelter system. However, City officials then and now have never presented empirical evidence for these claims.
- Research studies by three respected economists refute the Bloomberg administration’s claim that Federal housing programs produce a significant “inducement” effect. Instead, the studies show that eliminating priority for Federal housing programs leads to an increase in the family homeless population.
- Following are highlights of research studies from the past decade:
 - ◆ “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, researcher at Abt Associates and former senior official at the U.S. Department of Housing and Urban Development)
 - ◆ “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, Vanderbilt University)
 - ◆ “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, Columbia University, study of rise and fall in NYC family homelessness from 1997 to 2004)
 - ◆ “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, New York University, five-year study of 564 homeless and low-income families)
 - ◆ “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, study commissioned by NYC Department of Homeless Services analyzing rates of return to shelter for formerly-homeless families)

Moving Forward: How the City of New York Can Successfully Reduce Family Homelessness

The implications of these research studies for City policy are very clear: Federal housing assistance reduces family homelessness and reduces return rates for formerly-homeless families. Coalition for the Homeless urges City officials to repeal current policies that restrict Federal housing assistance to homeless families: The City should once again provide priority status to homeless families and individuals seeking Federal housing aid.

To address the current Section 8 funding crisis, the City can tap into several resources:

- Utilize existing public housing apartments for families who have lost Section 8 vouchers.
- Utilize Federal stimulus funds through the Homelessness Prevention and Rapid Re-Housing program, which provide up to 18 months of rental assistance.
- Finally, the City and State can utilize their won funds to extend rental assistance at least until the Federal funding problems are addressed.

Thank you for the opportunity to present this testimony.

¹ Attached please find New York City Council testimony addressing the flaws in the proposed Advantage program changes.

² The Bloomberg administration policy was implemented in two stages: (1) in October 2004 the New York City Department of Homeless Services halted referrals of homeless families to the top priority category for waiting lists administered by the New York City Housing Authority for the Section 8 voucher program and public housing; and (2) in 2005 the New York City Housing Authority reduced the priority classification for homeless people who submitted applications for both Federal housing programs – effectively removing homeless New Yorkers from the so-called “emergency category.” In 2004, the Bloomberg administration also introduced a replacement rent subsidy program targeted to homeless families, the time-limited “Housing Stability Plus” program. This program was abandoned in 2007 and replaced with new subsidy programs, including another time-limited (to a maximum of two years) program called “Work Advantage.”

³ Following are the research studies referenced in this briefing paper:

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.

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.