



## **Failure of Governor and Mayor to Complete a Robust “New York/New York IV Agreement” to Create Permanent Supportive Housing Will Lead to More NYC Homelessness and Higher Costs for Taxpayers**

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A new analysis by the Coalition for the Homeless finds that the potential failure of Governor Cuomo and Mayor de Blasio to negotiate and sign a “New York/New York IV Agreement” to create 35,000 units of supportive housing statewide – with 30,000 units in New York City – will lead to further increases in NYC’s record homeless population, more homeless shelters, and will cost New York taxpayers hundreds of millions of dollars in avoidable expenses.

The Coalition’s analysis projects that if the Governor and Mayor fail to create a robust “NY/NY IV Agreement,” the number of homeless single adults in NYC shelters will rise by 59% over the next five years. In addition, New York taxpayers would pay more than \$1.3 billion over the next decade in avoidable expenses on costly institutional care for those with no access to supportive housing.

### **Background on “New York/New York” Supportive Housing**

Permanent supportive housing is well-documented as the most cost-effective solution to homelessness for those with mental illness or other severe medical conditions. It pairs permanent affordable housing with voluntary support services to move chronically homeless people out of shelters, off the streets and into stable homes.

New Yorkers of every age, living with disabilities and chronic health conditions – once relegated to shelters, psychiatric institutions, developmental centers, addiction treatment programs, nursing homes, correctional facilities, foster care and hospitals for years or decades – have found stable lives in supportive housing throughout New York State.

New York pioneered this innovative solution to homelessness in the 1980’s and built on that legacy through the landmark “New York/New York Agreements.”

The State and City have jointly financed more than 14,000 supportive housing units via three “NY/NY Agreements” since 1990. The “NY/NY III Agreement” was signed at the end of 2005 and creates 9,000 units over ten years.

The effectiveness of the model is indisputable:

- In the first five years of the “NY/NY III Agreement,” chronic homelessness among adults was reduced by 47 percent.
- More than three-quarters of the homeless people moving into supportive housing were still stably housed after two years.

Homelessness in New York City has risen dramatically in recent years as NY/NY units became scarce. Currently there are nearly 60,000 homeless men, women, and children sleeping each night in municipal shelters, including more than 13,000 homeless single adults. And the “NY/NY III Agreement” is ending soon.

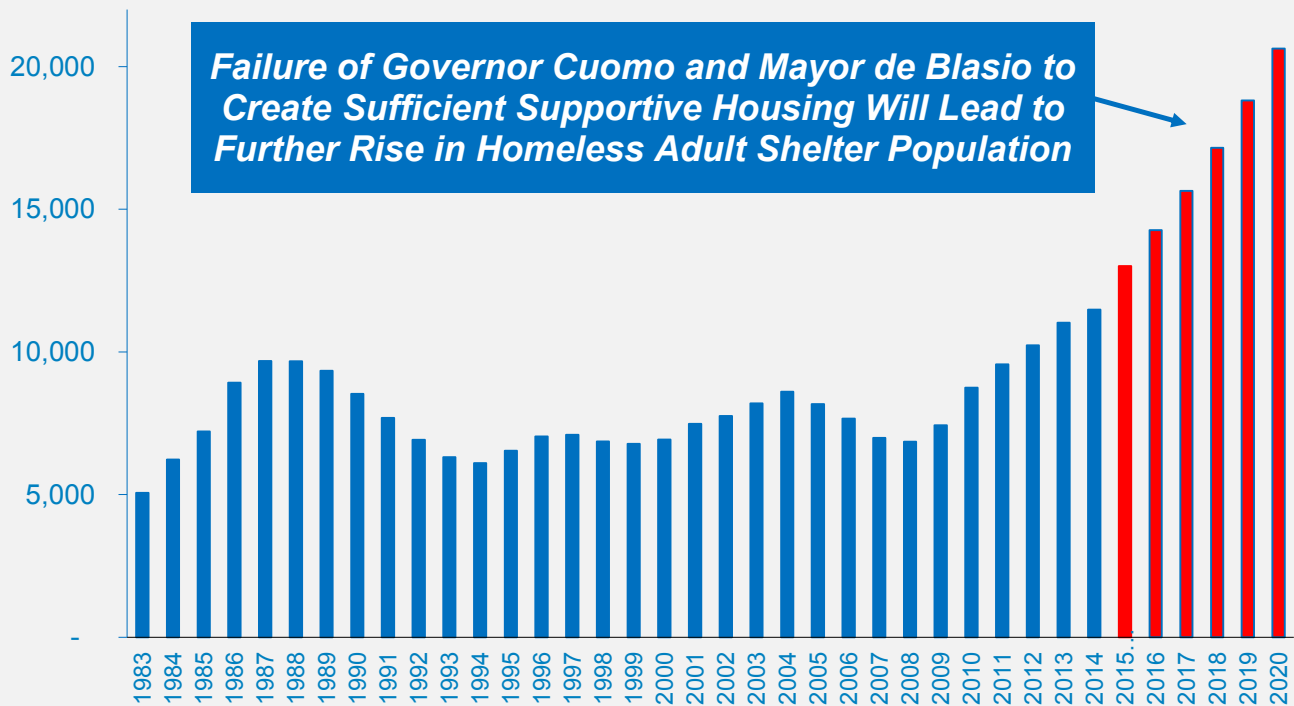
The [Campaign 4 NY/NY Housing](#) launched last year to address this unprecedented crisis and has urged Governor Cuomo and Mayor de Blasio to negotiate a significant new “NY/NY IV Agreement” to create supportive housing for NYC and elsewhere in the state. The Campaign has been endorsed by more than 200 organizations.

The Campaign is calling on the Governor and Mayor to create 35,000 permanent supportive housing units over the next decade – 30,000 units in NYC and 5,000 units in other localities.

However, Governor Cuomo has proposed a wholly-inadequate plan to create a scant 5,000 supportive housing units over the next decade statewide – with only 3,900 units in New York City. This is a tiny fraction of the current need, and far smaller than the previous “NY/NY Agreement.”

Mayor de Blasio has proposed a new “NY/NY Agreement” to create 12,000 supportive housing units in NYC over the next decade: While this is over three times more than the Governor’s proposal, it still falls short of the documented need.

## Number of Homeless Single Adults Each Night in NYC Shelter System, 1983-2020



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

### Failure to Create More Supportive Housing Will Lead to More NYC Homelessness

The majority of “New York/New York” supportive housing units were initiated or completed by 2009, and since then the population of homeless single adults in shelters has risen nearly 10% per year – from an average of 7,400 homeless adults/night in 2009 to more than 13,000 adults/night currently. And the rate of increase in the homeless adult shelter census has escalated in recent months.

The Coalition's analysis shows that, in the absence of a robust new "NY/NY Agreement," the number of homeless single adults in shelters will continue to rise dramatically over the next five years. Using the actual annual 9.7% rate of increase New York City has seen since 2009, we project that the population of homeless single adults in shelters will rise to more than 20,600 adults/night by 2020 – a 59% increase over the next five years.

A rise in the homeless adult shelter population will also inevitably lead to an expansion of the NYC shelter system and require the City and State to open more homeless shelters. Since 2011, the number of municipal shelters for homeless single adults has risen by nearly 25%, from 63 shelters to 78 shelters currently – and many of those 78 shelters have more than one building.

Moreover, the number of New Yorkers living on city streets and in other public spaces has tracked the emergency shelter census. The absence of a significant "New York/New York IV" agreement threatens to shatter previous the numbers of homeless people both in our shelters – as well as on our streets.

### **Failure to Create More Supportive Housing Will Result in Higher Costs for NY Taxpayers**

In addition, the failure to create new supportive housing for homeless individuals living with disabilities and other special needs will mean higher costs for taxpayers.

A study of the "NY/NY III Agreement" by the NYC Department of Health and Mental Hygiene in December 2013 found that NY/NY supportive housing generated annual net savings of \$10,100 per person.

The study documented that homeless individuals placed into NY/NY supportive housing used far fewer services in costly institutional care, including hospitals, shelters, and correctional facilities – resulting in the significant savings. The DOHMH study was consistent with earlier academic reports and research studies.

In short, placing homeless individuals into supportive housing literally SAVED taxpayer dollars, even accounting for the cost of creating and operating NY/NY supportive housing.

The bottom line: Failure to create a substantial "NY/NY IV Agreement" will result in higher costs for New York taxpayers.

Utilizing the net cost savings created by the "NY/NY III Agreement" that were found in the DOHMH study, it is possible to estimate the potential cost to taxpayers of the failure to create a robust "NY/NY IV Agreement."

A new City-State agreement to create 30,000 supportive housing units in NYC would, by the time all of the housing is created, generate net savings of \$303 million annually due to reductions in hospital care, shelter expenses, and other expensive institutional care.

The Coalition's analysis details potential cost savings generated by a new "New York/New York IV Agreement" for 30,000 units in NYC over the next decade.

The analysis finds that the cost savings to taxpayers would be \$1.35 billion over the first decade for a 30,000-unit agreement – with additional annual savings of \$303 million in the following years.