



Testimony of
Coalition for the Homeless

before the Fiscal Committees
of the NYS Legislature

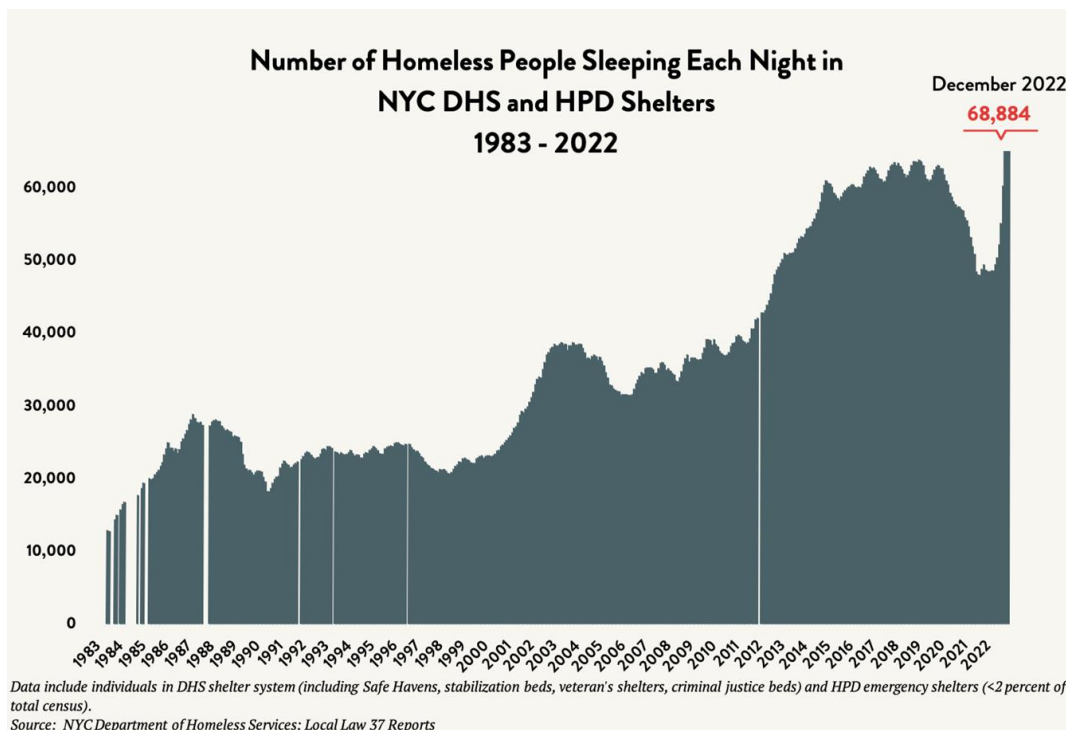
NYS Executive Budget Proposal
for Human Services 2023

submitted by

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Thank you for the invitation to testify today. I am submitting written testimony given the expected large number of people seeking to testify. My name is Shelly Nortz, and since 1987 I have had the privilege of working for the Coalition for the Homeless in Albany to secure State support for programs and policies that prevent and address homelessness and the socioeconomic problems that cause homelessness. As we testified in [2020](#), [2021](#), and in [2023](#), the pandemic has had a devastating impact on homeless New Yorkers, and it continues to present a dangerous threat to those who sleep in shelters, those living unsheltered on the streets, and those who are at risk of becoming homeless due to the economic fallout. While the number of people sleeping in New York City shelters fell in 2020 and 2021, largely due to the eviction moratoria and the conversion of cluster site shelters back to permanent housing, the number of people sleeping in Department of Homeless Services (DHS) shelters climbed through 2022, and has reached ever-higher record levels since October of last year – and the increase is not just due to the influx of individuals and families seeking asylum.



So many individuals are precariously housed – renting rooms by the week, living doubled-up, surviving paycheck-to-paycheck – and their fragile hold on a safe place to stay in the midst of a pandemic is jeopardized, especially since the eviction moratorium expired. Too many people, including very large numbers of individuals living with various disabilities and serious health conditions, are left with a choice between entering a shelter system that still relies too heavily on congregate shelters where they may be exposed to aerosol transmission of the deadly coronavirus, or sleeping rough on the streets, where they may die of exposure or as a result of a violent act. Furthermore, due to systemic racism and persistent inequities, New Yorkers of color are more likely to experience homelessness *and* more likely to succumb to the virus.

In December of 2022, there were 68,884 homeless people, including 21,805 homeless children, sleeping each night in New York City’s main municipal shelter system, consisting primarily of DHS shelters. This is an increase of more than 20,000 people in the span of just one year. Over the course of City fiscal year 2022, 102,656 different homeless adults and children slept in the New York City DHS shelter system. This includes 21,805 homeless children. The number of homeless New Yorkers sleeping each night in municipal shelters is now **39 percent higher** than it was 10 years ago, and **29 percent higher than it was a year ago**.

Homelessness: A Crisis Deepening Over Four Decades

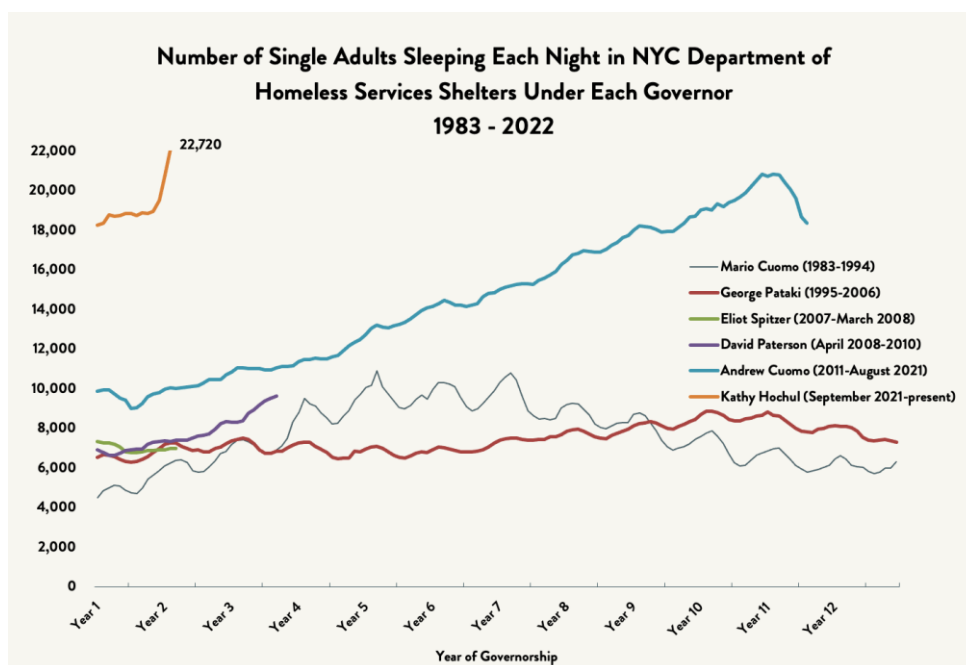
It has been more than 40 years since the right to shelter was first established in New York City with the signing of the *Callahan* Consent Decree in August of 1981. At that time, it was inconceivable that the number of New Yorkers without homes would grow almost unchecked for four decades, creating a need for a shelter system that provides beds for nearly 70,000 people each night.

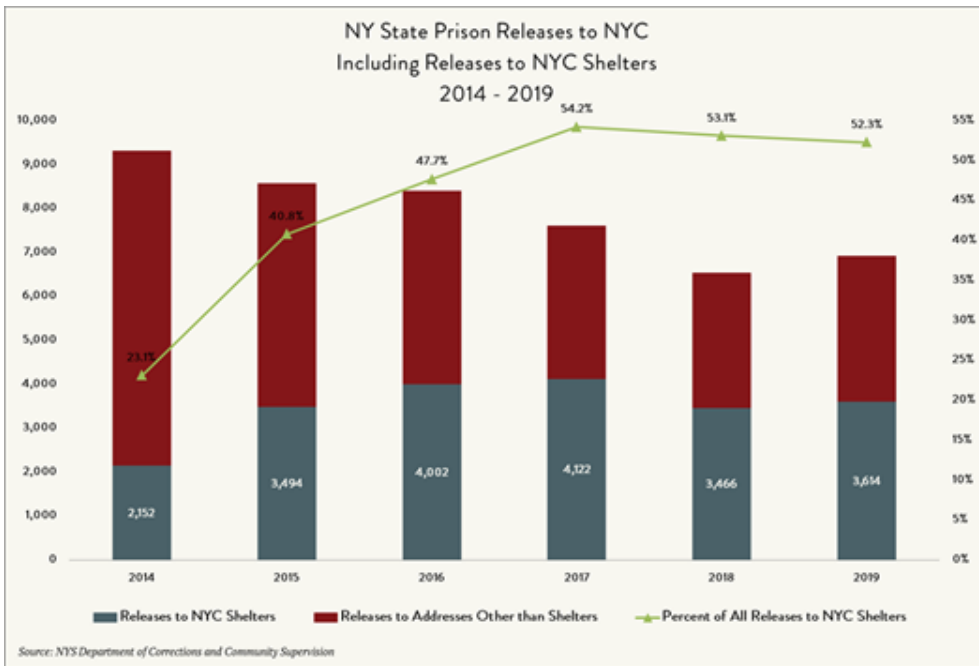
The root of this problem is, and has always been, the Federal government's abdication of its responsibility to provide housing for low-income renters, and the subsequent failure of the City and State to view it as a housing crisis and not a homelessness crisis. This mindset has fueled decades of shortsighted policies and a reflexive retreat into simplistic, often ideological attempts to manage the problem, rather than solve it. The City's failure to plan for adequate shelter capacity has become a persistent, though solvable problem. The cost of these failures has been massive in both its human and monetary quotients. Make no mistake: The present crisis in New York City is not caused by an unexpected influx of people seeking asylum.

Immigrants have always been with us, enriching our city, and were it not for the eviction moratoria, the New York City shelter census would have likely reached its present level, but at a more constant and still unrelenting upward pace, even if a larger number of people seeking asylum had not arrived in 2022.

While the right to shelter in NYC creates a critical baseline of decency in our city – and has, over the past four decades, saved countless lives by providing those who have lost their homes with an alternative to bedding down on the streets – shelters alone do not solve homelessness. Housing does. The moral imperative of providing all with the dignity and safety of a home has never been more strikingly obvious than it has during the pandemic.

There are far more single adults seeking each night now in New York City than at any point since modern mass homelessness began. The reasons for this are clear: Our former governor, Andrew Cuomo, (1) failed to ever raise the “shelter allowance,” the amount allotted to recipients of cash assistance, which was last updated for many families in 2003 and most other households in 1988; (2) eliminated State funds for a mediocre rent subsidy program without ever replacing it with a better one; (3) failed to spend rent supplement funds appropriated by the Legislature; (4) dragged out the process of starting a new State supportive housing program for years; and (5) released increasing numbers of people from State prisons directly to NYC shelters rather than investing in adequate reentry planning.





The supply of apartments affordable to low-income renters, including those relying on a public assistance shelter allowance, has rapidly disappeared, and many New Yorkers have been shut out of the housing market entirely. Since the lack of affordable housing is the fundamental cause of the homelessness crisis, it is fiscally prudent and, at the same time, far more humane to bridge the difference between incomes and rents to enable people to stay in their homes and communities instead of being forced into the costly and impermanent shelter system, and to help those who are already homeless move out of shelters. The US Department of Housing and Urban Development calculated that the 2023 Fair Market Rent for a two-bedroom apartment in New York City is \$2,696 per month, but the public assistance shelter allowance for a typical family of three with at least one child remains only \$400 per month. The Fair Market Rent for a one-bedroom apartment is \$2,387 per month, while a single adult is provided with a public assistance allowance for rent of just \$215 per month.

It is a well-documented fact that more New Yorkers become homeless than escape homelessness each year, and that New York City and other localities have had to add tens of thousands of shelter beds to accommodate the need, even as the State cut funds for local housing assistance and shelter operations and shifted many of these costs to municipal governments and taxpayers.

In City fiscal year 2022, the **average length of stay** in the DHS shelter system was 509 days for single adults, 534 days for families with children, and 855 days for adult families. These metrics alone prove that it is impossible to exit homelessness in the absence of adequate housing assistance. But we also know that affordable rental housing in New York City has become extremely scarce – for units renting below \$900 per month, the vacancy rate in 2021 was 0.86 percent, and between \$900 and \$1,499 per month it was 0.93 percent.

Responses to the Executive Budget

Public Assistance

We appreciate that the Executive Budget included another \$100 million for rent supplements in addition to the \$100 million provided last year as well as the year prior, initially at the behest of the Legislature. However, this is a relatively small capped appropriation with restrictions on how it may be used, and is only enough to support a relatively small and fixed number of households. Not everyone who is eligible

will be entitled to or actually receive benefits.

By contrast, single adults as well as families with and without minor children who are entitled to public assistance are entitled to a rent allowance, but they are currently consigned to monthly rent allowances set at levels so low that there are no apartments that can be rented at those levels, and they are driven into homelessness. For example, in New York City, the allowance of \$400 per month for a family of three with minor children, and the entitlement to \$215 per month for a single adult to rent an apartment are detached entirely from the reality of the housing market. The capped rent supplement appropriations may provide limited assistance to a fraction of those eligible, but without an increase in public assistance rent allowance entitlements to Fair Market Rents at the same time, homelessness will continue at high levels.

With this reality in mind, we again urge the long-overdue adoption by the Executive of shelter allowance schedules for families and individuals that equal current Fair Market Rent levels as calculated by the Federal government each year.

We also support legislation to raise the paltry personal needs allowances (as low as \$45 per month) provided to individuals and families sleeping in certain shelters to a level equal to the non-shelter cash assistance provided to others residing in most shelters or in their own apartments.

The Executive Budget places certain restrictions on State reimbursements to New York City for various rent supplements, including those funded via Temporary Assistance to Needy Families, Safety Net Assistance, and General Fund appropriations and re-appropriations. We urge the adoption of 30-day amendments to remove all such restrictions. Similarly, the Temporary Assistance for Needy Families and Emergency Assistance to Families cost-sharing requirement exclusively imposed on New York City should be dropped in the 30-day amendments.

Mental Health

While this hearing is held to review the Human Services budget area, not unrelated, are the initiatives contained within the Office of Mental Health budget to expand inpatient capacity, outpatient care, and housing. I will make just a few brief observations:

- The additional housing is long-overdue, and generally a welcome development. It is particularly heartening to see so much capital development authority within the OMH budget. However, the Executive has not followed our most important mental health recommendation: the development of at least 1,000 “Pathways” type housing first beds with dedicated ACT teams to serve unsheltered homeless people struggling with mental illnesses in New York City. This model is far preferable to the fragmented service model OMH is deploying because it affords people an immediate, permanent place to live and places voluntary mobile mental health services at their disposal, in contrast to the less expensive approach currently under way that moves people from setting to setting – the very thing unsheltered people do not want to face. They want stability.
- The added outpatient capacity is welcome as well. But until the mess that is Medicaid managed care for those with serious mental illnesses is completely revamped, we have doubts about how effective it will be. It is quite possible that the more effective approach will be to revert to Fee-for-Service Medicaid mental health care with robust intensive case management services instead of managed care, which serves more as an obstacle than a path to care.
- The added fines to force hospitals to reopen their psychiatric units may not be substantial enough to have that effect.

Thank you for the opportunity to submit testimony. We look forward to working with the Legislature in the coming weeks and months as you work on the budget and legislative remedies to address homelessness.