



Testimony of
Coalition for the Homeless

before the Fiscal Committees
of the NYS Legislature

NYS Executive Budget Proposal
For Human Services 2024

submitted by

Will Watts
Deputy Executive Director for Advocacy
Coalition for the Homeless

January 31, 2024

The Coalition for the Homeless (the “Coalition”) welcomes this opportunity to testify before the Fiscal Committees of the New York State Legislature. Founded in 1981, we are the court-appointed independent monitor of the New York City (“NYC”) Department of Homeless Services (“DHS”) shelter system for single adults and the city-appointed independent monitor of the shelter system for homeless families, and plaintiff in the historic *Callahan v. Carey* case that first guaranteed the legal Right to Shelter. For this reason, coupled with over 40 years of providing innovative direct service programs that offer vital services to homeless, at-risk, and low-income New Yorkers, we are uniquely situated to provide insight into the impact of the Governor’s proposed budget on the communities we serve.

The Coalition plans to submit testimony in various Fiscal Committee hearings addressing issues that impact unhoused people. As such, the testimony set forth herein relates solely to those issues that are before the Committee today.

New York State stands at a critical juncture in its long battle against mass homelessness, a crisis that derives from a severe lack of affordable housing and that has been exacerbated by a history of misguided public policies and systemic failures. Fundamental to New York’s frontline response to mass homelessness is the legal Right to Shelter, but New York City’s municipal shelter system is confronted with increasing demands and insufficient resources. The recent influx of new arrivals has only highlighted and intensified existing shortcomings, underscoring the urgent need for better policies and meaningful investment in homelessness prevention, affordable permanent and supportive housing at a scale to meet the level of need, and a functioning social services infrastructure calibrated to meet the needs of homeless and at-risk individuals and families.

Longstanding Policy Failures Have Fueled Mass Homelessness

Shelter census data over time reflects a distressing trend: a consistent increase in the need for, and use of, the emergency shelter system over the past 43 years. In the past year, the crisis has been exacerbated by the continued depletion of housing that is affordable to those at the lowest income levels, the expiration of pandemic-era eviction moratoria, and policies that make it more difficult for homeless individuals and families to exit shelter into permanent housing. These factors, in conjunction with the capacity crisis created by the influx of asylum seekers and other new arrivals, have resulted in longer shelter stays and a dwindling number of shelter vacancies and help explain why, December 2023, there were roughly 123,000 people being sheltered in NYC, including about 55,000 homeless longer-term New Yorkers and 68,000 new arrivals.¹

Underlying this significant increase in the shelter census is a shortage of housing affordable to those at the lowest income levels. A recent study found that the vacancy rate for units renting below \$1,500 per month was less than one percent. By contrast, units with rents of \$2,300 or more had a rental vacancy rate of 13%. This asymmetry in housing availability appears to be worsening: Between 2017 and 2021 alone,

¹ *Accounting for Asylum Seeker Services, NYC Office of the Comptroller, available at <https://comptroller.nyc.gov/services/for-the-public/accounting-for-asylum-seeker-services/asylum-seeker-census/>.*

NYC lost 96,000 housing units with rents under \$1,500, while gaining 107,000 units with rents of \$2,300 or more.²

Such a dramatic loss in the supply of apartments affordable to low-income renters, including those relying on a public assistance rental allowance, shuts many New Yorkers out of the housing market entirely. This trend is likely to continue, given that the US Department of Housing and Urban Development calculated that the 2024 Fair Market Rent (“FMR”) for a two-bedroom apartment in NYC is \$2,752 per month, while the public assistance rental allowance for a typical family of three with at least one child remains only \$400 per month. The FMR for a one-bedroom apartment is \$2,451 per month, however, a single adult only receives a public assistance rental allowance of \$215 per month.³ This situation is not tenable. Real commitments are needed by the State to help reverse this trend.

Crisis of Leadership, Not of Immigrants

Last year, Mayor Adams asserted that the influx of new arrivals “will destroy NYC.”⁴ This unacceptable and alarmist scapegoating of migrants – who have always been the heart and soul of New York – distorts reality. For the reasons previously discussed, in March 2022, before the new arrivals entered our system, there were already an average of 48,524 people per night sleeping in NYC shelters (this number, of course, does not fully account for all unhoused people in NYC and was partly suppressed by COVID-era policies that *temporarily* reduced the number of people utilizing the shelter system).⁵ If NYC and the State had done a better job helping homeless New Yorkers move into permanent housing, or avoid having to enter the shelter system altogether, more of those shelter beds would have been available to absorb the new arrivals. The correct humanitarian approach of helping homeless New Yorker access permanent housing would have also mitigated the current shelter capacity crisis and saved taxpayer dollars.⁶

Historically, New York’s governors have recognized homelessness as a critical responsibility that is integral to their legacy as stewards of the State. Previous administrations have undertaken reforms to address homelessness, despite the challenges of the moment. One of the more notable efforts was Mario Cuomo’s significant investments in supportive and affordable housing, the impact of which can be seen in the chart below.

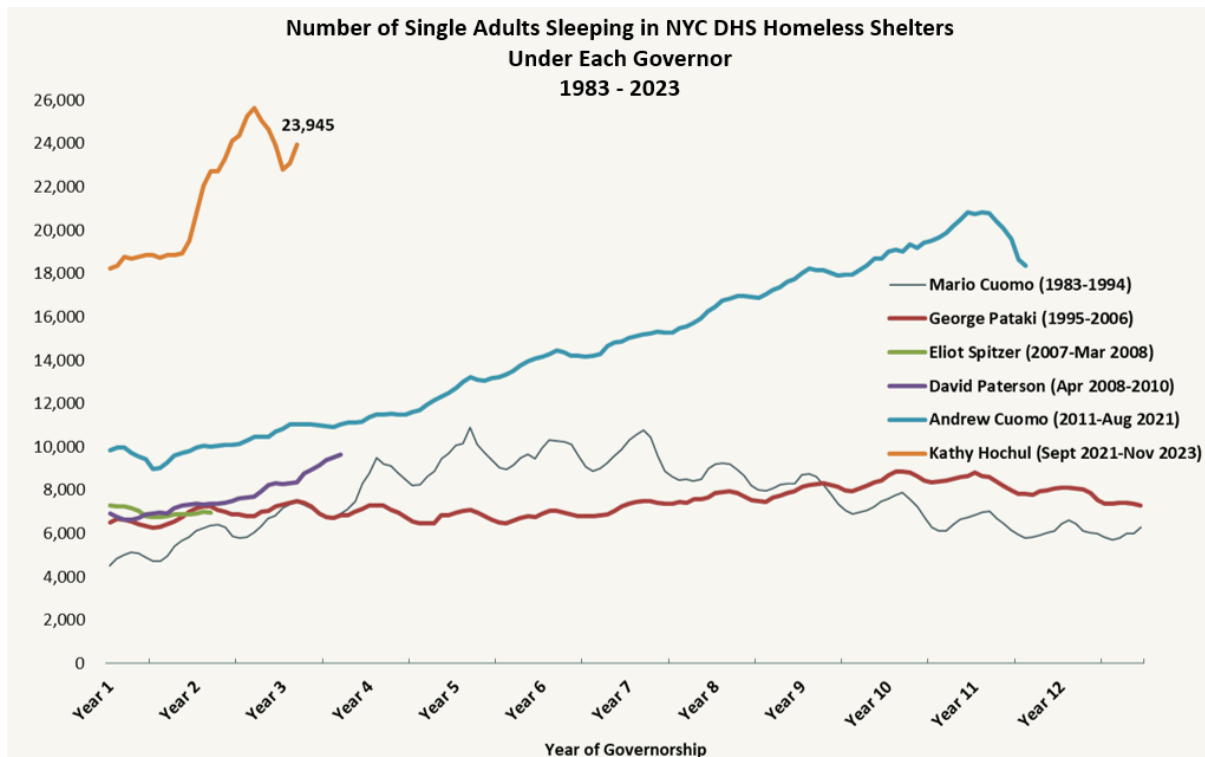
² (2022) *2021 New York City Housing and Vacancy Survey Selected Initial Findings*, available at <https://www.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>.

³ (2023) *FY 2024 Fair Market Rent Documentation System*, available at https://www.huduser.gov/portal/datasets/fmr/fmrs/FY2024_code/2024summary.odn.

⁴ Fitzsimmons, E.G. (2023) *In escalation, Adams says migrant crisis ‘will destroy New York City’*, *The New York Times*, available at <https://www.nytimes.com/2023/09/07/nyregion/adams-migrants-destroy-nyc.html>.

⁵ *REPORT ON LEGISLATION TO ENSURE INTERNET ACCESS TO ALL INDIVIDUALS RESIDING IN TEMPORARY HOUSING* (2022) *New York City Bar Association*, available at https://www.nycbar.org/wp-content/uploads/2023/05/InternetAccessHomelessShelters_JointSupportMemo.pdf.

⁶ *The Evidence is Clear: Housing First Works* (2020) *National Low Income Housing Coalition*, available at <https://nlihc.org/sites/default/files/Housing-First-Evidence.pdf>.



Source: Data from NYC Department of Homeless Services (DHS)

As the data show – and as the Coalition for the Homeless and other advocates have been underscoring for decades – the only solution to mass homelessness is permanent housing. And given the scale of the crisis, State must work with the City to ensure that 1) we have sufficient shelter capacity to ensure that no one is left to sleep on our streets, and 2) those without homes – wherever they are originally from – have access to affordable permanent housing, jobs, and long-term stability.

We are thus very concerned by Governor Hochul's responses to the shelter capacity crisis fueled by the influx of new arrivals to New York, especially as she has repeatedly taken the position that the crisis is NYC's responsibility, and any help from the State is purely voluntary. Traditionally, refugee resettlement is a State, not City, responsibility, and yet NYC has been left carrying the lion's share of the operational and financial burdens for the current crisis.

However, the Governor has, distressingly, joined Mayor Adams in efforts to dismantle the legal Right to Shelter – a right that derives from Article XVII Section 1 of the State constitution, which declares that “the aid, care and support of the needy are public concerns and shall be provided by the State.”

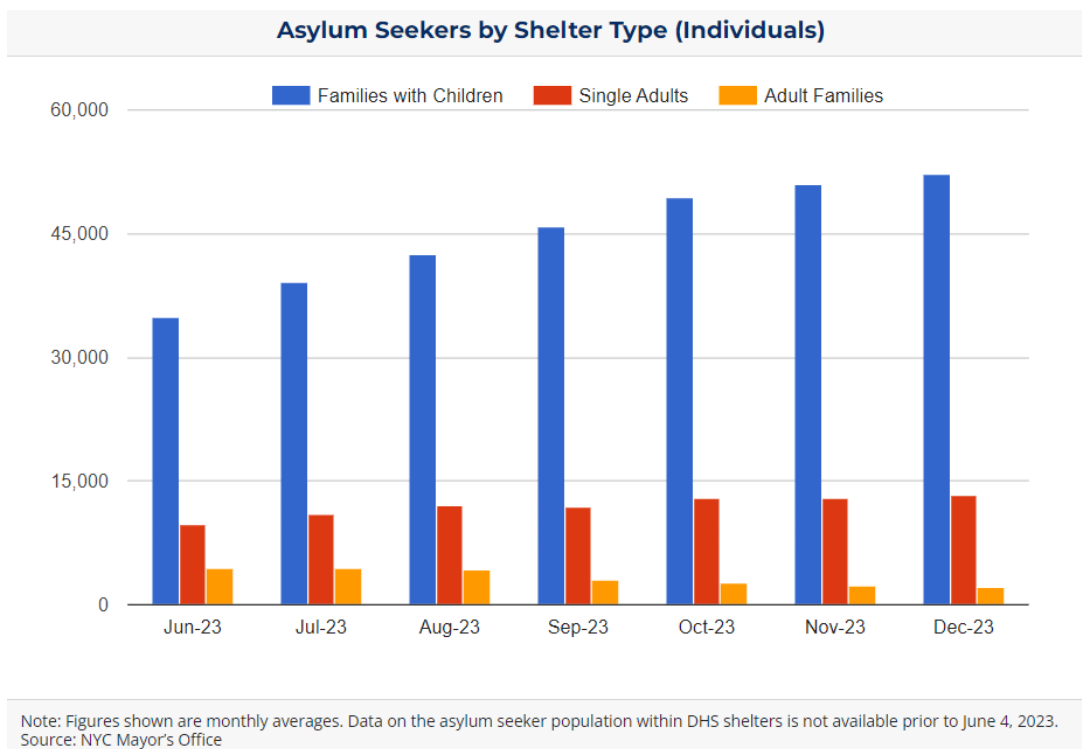
Our deepest hope has been that Governor Hochul would develop and implement a comprehensive statewide decompression and resettlement plan to humanely and effectively address the influx of new arrivals, and we were pleased to see her announcement of the Migrant Relocation Assistance Program (“MRAP”) last summer, and subsequent announcement of a job portal to help connect asylum seekers with job opportunities throughout the State. However, neither of these initiatives has been effectively operationalized, and so have had little impact on the crisis.

As a result, there are now far more adults and children in shelters each night in NYC than at any point since the onset of modern mass homelessness. Both homeless longer-term New Yorkers and the tens of

thousands of new New Yorkers look to Governor Hochul for help in finding housing, jobs, and stability as members of our community.

Our Newest Neighbors

New arrivals to NYC come from diverse countries, often escaping violence, hardship, and other dire circumstances in search of safety and opportunity. The majority of New York’s recent immigrants have come from Latin America, particularly Venezuela, Ecuador, and Colombia, as well as Mauritania, Senegal, and other African nations.⁷ Since NYC lacks a pre-existing community of individuals from several of these countries, new arrivals speaking Wolof or local dialects have encountered cultural challenges and language barriers that complicate their resettlement and access to services. In addition, because of their immigration status, many new arrivals have an increased need for legal support to navigate the complex and often counter-productive federal immigration system as well as to secure work authorization – something that further strains their ability to stabilize and contribute economically. As illustrated in the graph below, this most recent cohort of new arrivals also has a noticeably high number of families arriving with children, reinforcing the need for stability to better integrate these children into school and community.⁸



⁷ Donaldson, S. (2023) *Venezuela, Ecuador and Colombia are top countries of origin for NYC asylum-seekers*, City & State NY, available at <https://www.cityandstateny.com/policy/2023/08/venezuela-and-colombia-are-top-countries-origin-nyc-asylum-seekers/389888/>.

⁸ Spauster, P., Nesta, A. and Whitford, E. (2023) *Tracking NYC’s record-high homeless shelter population*, City Limits, available at <https://citylimits.org/2023/12/07/tracking-nycs-record-high-homeless-shelter-population/>.

New York is Always Hopeful

It is imperative that Governor Hochul’s administration confront this crisis head-on. This entails renewing the commitment that we, as a community, must ensure that no one is ever relegated to sleeping unsheltered on our streets. We look to the Governor to defend and protect the State constitution and the commitment to provide aid, care and support for the needy.

It is imperative that the Governor implement a functioning statewide resettlement program to support our newest residents in settling into their new homes, as countless generations of immigrants have done before them. There are 460,000 open jobs in New York State, with thousands of new arrivals ready to work and eager to become a part of our community.⁹ This is an opportunity that must not be squandered. Our call to action is clear: we urge the State’s leadership to embrace its responsibility and invest in creating a sustainable, compassionate system that meets the needs of our most vulnerable populations.

There is no better example of the spirit needed to confront this pivotal moment as the leadership of Mario Cuomo, who, in 1990, signed the pioneering New York/New York Agreement – a joint commitment by the State and City to create the largest supportive housing initiative in history for homeless people living with mental illness. This significant investment was made when supportive housing was still in its infancy and served to significantly lower the number of people living in shelter, and paved the way for two additional NY/NY Agreements that would cumulatively generate over 14,000 units.¹⁰

When asked by the New York Times about this plan, Governor Cuomo spoke plainly: **“Will it be expensive? It will cost a fortune. But, if government can’t take care of the homeless, the mentally ill, and the people who are addicted, what is government for?”** We call for a renewed commitment from State leadership to address this moment with innovative solutions and substantial investments. The sections that follow detail several policy recommendations necessary to begin addressing the multifaceted dimensions of homelessness in New York State – namely, certain reforms to income supports and managing the influx of new arrivals. Both are critical to building a more compassionate, effective, and resilient social services infrastructure to better serve all New Yorkers.

⁹ Mirand, K. (2023) *Hochul needs ‘objective’ for a special session, pushes work permits for asylum seekers*, WKBW 7 News Buffalo, available at <https://www.wkbw.com/news/local-news/hochul-needs-objective-for-a-special-session-pushes-work-permits-for-asylum-seekers>.

¹⁰ *Taking stock of the New York/New York III supportive housing agreement* (2014) *The Supportive Housing Network of New York*, available at <https://shnny.org/uploads/ny-ny-iii-network-report.pdf>.

Income Supports

It is well-established that income supports help lift families out of poverty while also contributing to the overall health and well-being of recipients. Therefore, we support efforts that provide the resources unhoused and other low-income families need in order to achieve self-sufficiency. This includes proposed appropriations for programs such as (1) legal assistance for those whose federal disability benefits were denied or may be discontinued, and (2) targeted investments in areas of concentrated poverty, including Rochester, Buffalo and Syracuse, to assist TANF-eligible families with minor children living below the 2024 federal poverty level. While appropriations of \$5 million and \$50 million, respectively, are not sufficient to fully address the needs of the thousands of New Yorkers living in poverty, this is a valuable step in the right direction.

By contrast, this budget once again fails to address Cash Assistance levels, and particularly certain types of Cash Assistance that have not been increased during the 21st Century despite changes in inflation and the cost of living. More specifically, certain clients we serve who live in NYC shelters receive personal needs or special needs grants in lieu of the basic Cash Assistance award. Inadequate at their current levels, these grants are intended to cover all of the recipients' daily living expenses outside of food and shelter. The paltry sum received by some single adults under this program is \$45 a month – a figure that has not increased since 1997. A family of three does not fare much better, receiving only \$189 a month to cover any needs such as diapers, soap, over-the-counter medicines and clothing for children.

But even if an individual is eligible for basic Cash Assistance benefits, those amounts similarly are insufficient to address the recipient's basic needs or their goal of achieving self-sufficiency. For instance, a family of three not living in shelter would only receive \$389 a month, inclusive of money for utilities. The expectation is that such monthly payment should cover food and other daily necessities in addition to utilities in NYC. According to the United Way of New York City, the 2023 True Cost of Living in the least expensive borough of NYC is almost *13 times this amount*.¹¹

Consistent with prior State actions,¹² each of these Cash Assistance benefits – personal needs assistance, special needs assistance, and basic Cash Assistance – should be increased, with maximum subsidy levels set at 100% of FMR.

Addressing the Influx of New Arrivals

We welcome the proposed \$2.4 billion of State funding to address the significant influx of new arrivals into New York. However, the State should be doing more to address this crisis, including by ensuring that the earmarked funds are utilized in the most effective manner to address this situation.

One of the areas of greatest concern, as noted above, is MRAP. As you are aware, the stated goal of this program is to provide at least 1,250 households with supportive services and one year of permanent housing (in the form of rental payments made directly to landlords) located outside of NYC. Currently, the program only focuses on families with children and adult families who are interested in relocating and where at least one household member is eligible for Public Assistance and has at least filed an application

¹¹ See UNITED WAY OF N.Y.C., <https://unitedwaynyc.org/true-cost-of-living/> (last visited Jan. 30, 2024) (reporting that for the Bronx, the 2023 True Cost of Living was \$4977 per month (or \$2,866 per month excluding rent)).

¹² In December 2021, the Governor signed legislation which increased the maximum Cash Assistance subsidy level to 100% FMR for New York City families with children experiencing, or at imminent risk of, homelessness and who are eligible for the State's Family Homelessness and Eviction Prevention Supplement.

for immigration relief that is anticipated to permit them to apply for employment authorization. Based on publicly available information, the four contracted providers, each with extensive experience working with immigrant communities in New York, have been authorized to spend up to \$25,000 per relocated family in furtherance of program goals.

The State's overall results thus far have been appalling. Since the program began last summer, only about 100 families have been relocated through MRAP. Meanwhile, thousands of other eligible families, including hundreds of families with children sheltered in highly inappropriate conditions at Floyd Bennett Field at a per bed cost of roughly \$331 a day (or \$120,667 annually), remain in NYC shelters, unnecessarily confronted with the possibility of being relegated to the streets in the middle of winter when their 60-day shelter placements end. These resilient individuals have brought their resourcefulness and desire to work and build community to New York, and yet funds already allocated for their resettlement have yet to be deployed in a manner to realize the intended goal, while they languish in shelters at great human and financial cost. Because this program is shrouded in a lack of transparency, other than the number of relocated families and the limited amount of publicly available information, we do not know how the program is operating, the amount spent thus far, or the reasons why so few families have been relocated. It is critical that OTDA provide this information to assess program performance and to identify necessary modifications and funding needs. Thus far we would strongly recommend:

- **Longer-Term Rental Commitments**: We understand that providers contracted by the State are having difficulty securing apartments for new arrivals because many landlords are reticent about signing a lease with only one year of guaranteed support. OTDA must extend the rental commitments to two years in order to encourage landlords to participate, and to give the families adequate time to achieve financial stability. Even at *twice* the cost, MRAP is a fraction of the cost of placing a family at Floyd Bennett Field.
- **Expansion of MRAP to Other Counties**: The cultural, humanitarian, fiscal and other benefits deriving from the influx of new arrivals into New York should not only accrue to NYC and the five counties currently participating in MRAP. As such, there should be greater coordination between OTDA and the Department of Labor to align resettlement with the Governor's reported 40,000 private sector jobs identified in December that are part of her Statewide initiative to connect available jobs with new arrivals.¹³ The State identified over 2,000 jobs located in regions of New York other than NYC and the five counties in which MRAP operates.¹⁴ If the ultimate goal is to ensure new arrivals are on a path to self-sufficiency, it makes no sense to not extend the services and resources provided through MRAP to individuals and places where jobs are located.
- **Permit MRAP Contractors to Temporarily Use Hotels**: Currently, new arrival families cannot move to their new county until their MRAP-funded apartment has been secured and is ready for occupancy. This further delays the family's integration into their new community and ties up

¹³ Governor Hochul Announces 18,000 Jobs Available to Asylum Seekers and Migrants as Part of Statewide Initiative to Move Individuals Out of Shelter and Into Independent Living (Oct. 2, 2023), *available at* <https://www.governor.ny.gov/news/governor-hochul-announces-18000-jobs-available-asylum-seekers-and-migrants-part-statewide>

¹⁴ *Id.* Per the Governor's October announcement, there were 2,183 jobs available for new arrivals in the following regions: Central, Mohawk Valley, North Country, Southern Tier and something labeled "Other". Because the announcement reported available jobs by region and not county, it is likely that jobs are available in counties within the same region as any of the five MRAP counties. As such, after accounting for the jobs in New York City, the real number of jobs available in non-MRAP counties is somewhere between 2,183 and 8,199.

shelter capacity that could be used for other new arrivals. A simple solution is allowing contracted providers to temporarily place families in hotel rooms in the communities where they will eventually be relocating until they are able to move into their apartment. This would allow the families to enroll the children in their schools earlier and to get to know their new communities and would allow the local nonprofit provider to begin working with the families earlier on their work authorizations and plans to long-term stability. Certainly, the families and children living in atrocious conditions in tents at Floyd Bennett Field would be better served in hotel rooms becoming acclimated to their new communities while freeing up desperately needed shelter space in NYC.

To the extent proposed budget funds are insufficient to address these changes, the State must either release more funds from the reserves or, at a minimum, modify how the Governor’s proposed \$2.4 billion is allocated.

- **Reserves:** The Governor credits sound investments for building the reserves to their current level. Similar wisdom should also guide the decision to release such funds for this unprecedented humanitarian crisis. Making investments in solutions that work – like resettlement – will not only benefit the new arrivals, they will also generate numerous long-term benefits for the State. First and foremost, it will result in overall savings by reducing the burden of shelter costs. In addition, by connecting individuals to the thousands of open jobs across New York, the new arrivals will become self-sufficient while also enabling the State to address existing labor force shortages. It goes without saying that more employed individuals means increasing the State’s tax base. Further, as with each previous wave of immigrants to our shores, resettling this wave of new arrivals will expand the rich cultural diversity of our State.

In her presentation of the Executive Budget, Governor Hochul emphasized that “[r]eserves are used for one time emergencies and one time crises.” Although immigration to New York is a deep-seated part of our State’s identity, this influx of new arrivals in this magnitude and under these particular conditions is such an emergency. The Governor acknowledged such not only when announcing the release of \$500 million from the reserves to fund ongoing assistance for the new arrivals, but also when she declared a State of Emergency last May and with each of the nine extensions since.

This release of \$500 million from the reserves is a good start, but given the extent of the emergency, more should be released. The Governor has already stated that she is “willing to use”¹⁵ the amount of reserves in excess of the 15% reserves target. By funding MRAP, she also has acknowledged that the only answer to this crisis is resettlement. At a minimum, the State therefore should release any portion of the \$19.5 billion reserve balance in excess of such target to ensure more families are resettled through MRAP.

- **Reallocating Certain Portions of the \$2.4 Billion:** Governor Hochul often touts the over 2,000 National Guard members deployed to aid in the migrant crisis, at least 250 of whom are providing case management services. With an estimated \$162 million allocated to National Guard deployment in the current fiscal year, it is unclear why \$262 million is proposed for next fiscal year while only an additional \$5 million per year is being allocated to “asylum seeker

¹⁵ Transcript: Video, Audio, Photos & Rush Transcript: Governor Hochul Announces Highlights of FY 2025 Budget (Jan. 16, 2024), available at <https://www.governor.ny.gov/news/video-audio-photos-rush-transcript-governor-hochul-announces-highlights-fy-2025-budget>

resettlement” for the next two fiscal years. MRAP has been designed to utilize experienced professionals to provide the case management and other services new arrivals need in a manner that is directly connected to their resettlement and future self-sufficiency. As such, a better policy, from both a humanitarian and fiscal perspective, is using fewer members of the National Guard to provide logistical support and case management services and to instead fund the resettlement of significantly more families as part of MRAP. The more successful placements that occur through MRAP, the fewer National Guard members will be needed which ultimately should be the goal.

Thank you for the opportunity to submit testimony. We look forward to working with the Legislature on the budget and other legislation to address the needs of those who are unhoused or precariously housed throughout the State.