

**Testimony of Steven Banks, Commissioner
Department of Social Services**

**Before the New York City Council Finance and General Welfare Committees
Oversight Hearing: Homeless Shelters
December 17, 2018**

Good afternoon Chairperson Levin and members of the General Welfare Committee. Thank you for inviting me to appear before you today to discuss the Department of Homeless Services shelter system, specifically the progress made over the past few years to transform the shelter system as we work to help New Yorkers experiencing homelessness get back on their feet with dignity.

My name is Steven Banks and I am the Commissioner of the New York City Department of Social Services (DSS). In this capacity I oversee the Human Resources Administration (HRA) and the Department of Homeless Services (DHS).

To begin, I would like to address the extremely troubling incident at one of our Brooklyn client locations which culminated in the arrest of an HRA client. What happened at the Human Resources Administration's DeKalb Center on Friday, December 7, 2018, was completely unacceptable and should never happen again in New York City. On behalf of our agency and our dedicated front-line staff in all five boroughs, I apologize to Jazmine Headley and her one-year-old son and to the people of the City of New York for the actions that were taken that day.

- As reflected in the NYPD body worn camera videos, there were multiple points at which this incident could have and should have been defused.
- Last Monday, I placed two HRA Peace Officers on modified duty with no client contact.
- Consistent with their collective bargaining agreement, on Friday I suspended these two officers without pay for the maximum period of time and DSS will file disciplinary charges against them that could result in termination.
- Going forward, unless there is an immediate safety threat, I am directing that HRA Peace Officers shall not request the intervention of the NYPD without first contacting the Center Director or Deputy Director or her/his designee to attempt to defuse the situation by addressing a client need.
- Within the next 90 days, DSS will conduct retraining sessions for all HRA Peace Officers, with an emphasis on techniques for deescalating disputes in HRA Centers. Thereafter, this enhanced training will be a mandatory annual requirement for each officer.

- I intend to attend each of these retraining sessions to speak to the HRA Peace Officers regarding the importance of deescalating disputes.
- DSS has directed the City’s contracted security services vendor to provide retraining sessions for all security guards assigned to HRA Centers, with an emphasis on techniques for deescalating disputes in HRA Centers. Thereafter, this training will be a mandatory annual requirement for any contracted security officer assigned to an HRA office.
- In addition to existing DSS customer service staff training, DSS has requested and received an OMB funding commitment to develop implicit bias training for all 17,000 DSS staff members to promote diversity in the workplace and dignity-centered client services.
- Building on its reforms through which 85% of SNAP/food stamps applications and recertifications are submitted online without the need for clients to come into an HRA Center, HRA will continue to move forward with expanding online access for cash assistance clients, subject to any necessary State approvals.
- Together with the NYPD Commissioner, we will take the following actions:
 - The NYPD and DSS will develop a protocol for determining appropriate instances in which HRA Peace Officers in HRA Centers should seek the assistance of the NYPD.
 - The NYPD and DSS will develop a protocol to deploy an NYPD supervisor to be part of the NYPD response team for such HRA assistance requests.
 - The NYPD and DSS will develop a protocol for transferring control of an incident to the NYPD when the NYPD arrives at an HRA Center.

A System Built Up Over Time

I would like to begin my testimony today by briefly providing some historical context of the shelter system that built up haphazardly over the past four decades. From 1994 to 2014, the shelter population in NYC increased 115 percent. And between 2011 and 2014, following the abrupt end to the Advantage rental assistance program, the DHS census increased by 38 percent. During this same time, New York City faced increasing economic inequality as a result of stagnant wages, a lack of affordable housing, and an increased cost of living – rents increased more than 18% while wages increased by less than 5% and 150,000 rent regulated apartments were lost. The resulting dramatic increase in the shelter population coupled with underinvestment created real challenges as DHS and the agency’s not-for-profit partners worked to adequately ensure safe, clean, and secure conditions.

While we know there is much work to be done, the data shows that our strategies to address this crisis that has built up over 40 years are beginning to take hold:

- Prevention first – evictions by City Marshals are down by 27% since 2013 through our investments in tenant legal services and rent arrears payments.
- Addressing street homelessness – more than 2,000 individuals have come in off the street and remained off since we implemented HOME-STAT in 2016.
- Expanding social services rehousing initiatives – since 2014, more than 100,000 men, women and children have moved out of shelter or averted homelessness altogether through our new rental assistance and other rehousing programs.

- Transforming the approach to providing shelter and services – last year the DHS shelter census was flat year over year for the first time in a decade, and this year it is essentially flat again despite providing shelter to more than 500 Puerto Rican evacuees whom the Trump Administration abandoned. And we have reduced the DHS shelter footprint from 648 shelter sites reported in *Turning the Tide* to 464 today, and we have sited 29 new borough-based shelters, with 18 already operating.

With respect to shelter conditions specifically, the Administration has set out to address the cumulative impact of years of underinvestment in shelter maintenance, security, and client services. Following the 90-day review of homeless services in 2016, we developed and are currently implementing comprehensive reforms to transform the City’s approach to providing services and shelter to New Yorkers experiencing homelessness.

A Multifaceted Strategy: Immediate and Long-term Efforts

In order to address both the immediate and long-term needs of shelter infrastructure and to maximize our efforts as we help homeless families and individuals get back on their feet, we employed a multifaceted approach through which we engaged in rapid-response efforts to immediately address and improve conditions in shelters, while simultaneously working to raise the bar and strengthen the agency from top to bottom.

Since the 90-day review in 2016, the Administration has reduced building violations and is working to create a safe and dignified physical environment in shelter. We are making progress towards this goal by:

- Committing to get out of 360 cluster sites and commercial hotel locations, with a priority to exit cluster sites with the worst physical infrastructure.
 - Since January 2016, the City has closed more than 1,800 cluster units, including transitioning roughly 300 units at a handful of cluster sites to operate as State-licensed Tier II non-profit shelters — representing a more than 50% reduction in the Cluster Site program citywide. The City was managing 3,658 cluster units on January 1, 2016. As of October 31, 2018, the City is utilizing fewer than 1,800 cluster units as shelter and continues closing cluster units at a rapid pace.
 - Earlier this month, we announced that the City is concluding an agreement for the acquisition and conversion of nearly 500 cluster units across 17 buildings into permanent affordable housing for over 1,000 New Yorkers in need, as part of this Administration’s broader initiative to address homelessness in New York City.
- Expanding the shelter repair squad, a multi-agency task force to inspect shelters and repair building code violations.
 - As a result of more comprehensive inspections, partnering with all four inspection agencies (DOB, HPD, FDNY, DOHMH) to undertake coordinated inspections of all shelter buildings, we have identified and remediated more violations than ever before. Over the

last three years, the City and shelter providers have addressed more than 25,000 violations.

- Since 2015, unremediated violations within DHS shelters have reduced by 86%.
- Building and instituting a system which allows the inspection agencies to efficiently track building code violations across all shelter buildings.
 - This system provides an expansive view of the shelter system as a whole and allows DHS to communicate meaningful data about shelter conditions and amenities, both internally and across city and state agencies.
- Developing and publishing the shelter repair scorecard: a monthly public report on all unremediated violations and conditions present within DHS shelter buildings.
- Significantly increasing investments in capital repairs and significantly increasing investments in our not-for-profit partners so that providers are more readily able to address issues in their buildings.
 - We have invested \$600 million over 10 years to expand capacity and improve physical conditions at family and adult shelters.

These efforts are part of DHS's overall strategy to raise the bar for shelter performance, strengthen the agency through effective policies, procedures, and data, and to expand and improve shelter capacity. With this framework in place, we and our partners are committed to delivering the best services possible for New Yorkers experiencing homelessness, so they can get back on their feet as quickly as possible.

Getting Out of Clusters

Last year, we announced *Turning the Tide*, the Mayor's plan to transform the City's approach to providing shelter. The plan puts people and communities first by ending the use of decades-old stopgap measures, like cluster shelter sites and commercial hotel rooms, and instead opening a smaller number of new borough-based shelters to help families and individuals stay connected to the anchors of life—such as schools, jobs, health care, families and houses of worship—as they get back on their feet.

The City's effort to get out of clusters is a key component to improving the lives of New Yorkers experiencing homeless, as 2015 data showed that approximately 70 percent of building violations were found at cluster sites. Moreover, we have prioritized closing the clusters with the worst violations to address the most pressing infrastructural issues. As I noted above, we have exited more than 50% of cluster units and we are on pace to end the use of cluster units as shelter by our end of 2021 deadline.

As part of the implementation of the *Turning the Tide* plan, the Administration is proceeding with an initiative to convert cluster shelter units to permanent housing, including through eminent domain if necessary, to help end the 18-year-old cluster program. As the first part of this effort, we announced earlier this month that the Administration is moving forward to finance the acquisition of 17 cluster buildings by trusted locally-based not-for-profit developers, who will rehabilitate the sites working with the City's Department of Housing and Preservation and Development (HPD) and create affordable housing for homeless families. The cluster buildings included in this first phase of conversion to

permanent housing will help nearly 500 families, including more than 1,000 people, experiencing homelessness secure permanent affordable housing. We expect to finalize this first phase in early 2019.

When these sites transition to not-for-profit ownership, the new not-for-profit owners will enter into a regulatory agreement with HPD to ensure the long-term affordability of the former cluster housing for homeless families and other low-income New Yorkers. At this point, homeless families residing at these locations eligible for rental assistance and prepared for housing permanency will be offered the opportunity to remain as tenants with a new rent-stabilized lease should they wish to remain in the building. Additionally, all non-cluster tenants living in a cluster building at the time of purchase will be able to remain in their apartments with rent-stabilized leases and additional protections under HPD's regulatory agreement.

This recent agreement is a testament to the potential for success in transitioning cluster sites into affordable permanent housing through a negotiated resolution. And we are working on additional conversions. If negotiations to finance the purchase of additional cluster buildings for permanent housing are not successful, the eminent domain tool remains on the table as an option to acquire additional locations.

Clearing Building Code Violations

Complementary to the plan of getting out of cluster sites are our efforts to ensure clients can safely access services in traditional shelters by identifying and mitigating building violations.

The Mayor established the Shelter Repair Squad as a multi-agency task force to inspect shelter buildings and repair building code violations. The task force is comprised of the Fire Department (FDNY), the Department of Buildings (DOB), the Department of Housing Preservation and Development (HPD), the Department of Health and Mental Hygiene (DOHMH) and the Department of Homeless Services (DHS). Each agency has assigned teams to the Shelter Repair Squad for both inspection and repair. And through this task force, skilled trades and inspection personnel are deployed to address violations and accelerate critical repairs at homeless shelters citywide.

At least two times per year, each agency will inspect facilities for code violations and inform providers of the results. Efforts are coordinated between agencies to maximize the efficiency of inspections, minimize duplication of efforts across teams and agencies, and reduce the burden of frequent inspections.

At DHS, we also conduct Routine Site Review Inspections (RSRIs) to identify both direct violations as well as conditions that may become problematic over time. RSRIs assist us in identifying and mitigating the most immediate safety hazards, while also providing an opportunity to conduct preventive maintenance and minimize the number of units placed off-line at a given time. During the RSRI, a DHS inspector is accompanied by the landlord, building manager, shelter director, head of maintenance, security, owner representative, caseworker, and/or other managerial staff. If any conditions are deemed hazardous or dangerous, the inspector immediately notifies those who are part of the walkthrough. Upon receiving an email of the RSRI results, the provider has 24 hours to address severe deficiencies in the building's

infrastructure. The RSRI report provides sufficient detail to help the providers develop and implement a remediation plan for the identified building conditions that require attention.

The Shelter Director also submits a Corrective Action Plan (CAP) to DHS, which informs next steps to address the conditions identified in the RSRI at the shelter. Multiple re-inspections are conducted throughout the process of completing a CAP, which occur prior to the next scheduled RSRI inspection.

In this way, when the inspectors perform the next RSRI, the action plan informs the walkthrough so that they can ensure all identified needs have been addressed. This inspection system allows city agencies to work with shelter providers to identify building issues, immediately address dangerous or hazardous conditions, prevent deeper infrastructural issues, and follow through to improve the conditions of each shelter.

The Shelter Repair Squad is a prime example of interagency collaboration to address longstanding issues across the shelter system. In the first year of this program, more than 12,000 building violations were corrected. And applying lessons learned from the first year, the administration announced in 2016 the rollout of the Shelter Repair Squad 2.0. As we have reported previously, the Shelter Repair Squad conducted more than 42,000 shelter inspections from 2015-2017, reducing violations that went unaddressed for many years by 86 percent. Today, many of the remaining repairs involve normal wear and tear, and capital projects which we are funding and will be discussed later in this testimony.

During the 90-day review in February of 2016, the City also established a shelter hotline to enable shelter residents to formally communicate issues about shelter conditions. This not only provides an empowering avenue through which shelter clients can become involved in improving shelter conditions, but it also helps us keep our ear to the ground and identify potential conditions that require attention.

Tracking Progress through the Shelter Repair Scorecard

Another critical component of the Shelter Repair Squad is the ability for the City to track all shelter building violations, along with measuring the progress made towards ameliorating the identified issues. To drive this task, the City developed a system to report on all city shelters and every violation attributed to each building. Essentially, this acts as a real time tracker for shelter building violations, allowing the City to appropriately allocate Shelter Repair Squad staff to work with providers to inspect buildings and develop and implement remediation plans. As a testament to the utility of this system, the framework has since been adopted by the State to develop their Shelter Management System (SMS), which allows our oversight agency to more efficiently monitor building systems by tracking the status, remediation, and lifecycle of deficiencies and their responses by providers and users.

Information is aggregated from various sources available to DHS to provide a central clearinghouse where users retrieve information about shelters or evaluate and track the status of repairs at shelters or information that informs intake decisions, including requests for reasonable accommodation. This approach facilitates interagency collaboration in improving conditions in shelters and makes it possible to formulate the monthly *Shelter Repair Scorecard*, which publicly reports on the conditions of homeless shelter facilities. The scorecard helps define the scope of any problems by publicly listing conditions at

all homeless shelters in New York City that do not meet applicable regulations and makes it possible to track progress in dealing with them.

The Shelter Repair Scorecard Contains:

- A summary page showing the total number of inspections conducted, any new problems found, and violations and other conditions resolved each month.
- A list of all shelter buildings, with summaries of the conditions in each building.
- A report card for each individual shelter with the number of each type of violation and progress in fixing them. This page will describe the type of shelter, the total number of units and the owner of the building.

Financing

On a parallel track to the efforts of the Shelter Repair Squad, we are doubling down in our short- and long-term determination to adequately fund our not-for-profit sector and provide our partners with efficient mechanisms so that they are able to deliver the services our homeless clients rely on as they get back on their feet.

As part of the *Turning the Tide* plan to reduce our footprint while meeting capacity needs, and improve physical conditions at family and adult shelters, \$600 million in capital funding was allocated in FY18 over 10 years to help achieve this goal. This builds on over \$52 million over four years in FY16 for 30 new capital projects at shelter facilities to address DHS shelter conditions and \$90 million added over 5 years in FY17 for building upgrades at facilities, including 61 new capital projects.

Our commitment to adequately fund our not-for-profit sector is further exemplified in the FY19 Executive Budget, in which we invested an unprecedented \$236 million to increase funding for providers to both maintain and repair the physical infrastructure of shelters and provide social services in shelters. This increase in funding is complementary to the additional \$163 million we spend annually for health and mental health services in shelter.

Overall, the FY19-22 September capital budget contains more than \$350 million for capital projects. DHS manages some of our projects in-house, and other generally larger projects are managed in partnership with the Department of Design and Construction (DDC).

As of this moment, we have 61 projects actively being designed and 24 projects are in construction. DHS and DDC have forty-five (45) projects in the planning stage preparing for design, all of which are planned to begin during this Fiscal Year.

Responding to Introductions

Proposed Int. No. 915

Int. No. 915 would amend the administrative code of the city of New York, in relation to requiring the department of homeless services and human resources administration to post shelter, supportive housing and cluster site data. DSS has already made a commitment to engage in efficient shelter

reporting, including items such as rental assistance placements, information regarding the census of shelter facilities, supportive housing placements, security, and model budget contracts. We look forward to working with the sponsors to address the intent of this bill through our reform initiatives and practices, including any modifications that would be helpful based on discussion with sponsors.

Proposed Int. No. 1110

Int. No. 1110 would amend the administrative code of the city of New York, in relation to housing specialists within the human resources administration and department of homeless services. We agree that having professionals available to help individuals experiencing homelessness find permanent affordable housing is one of many important components needed to help individuals and families get back on their feet. Accordingly, we would like to work with the sponsors to craft legislation that is both effective and operationally feasible.

Proposed Int. No. 883

Int. No. 883 would amend the administrative code of the city of New York, in relation to requiring the department of homeless services to provide customer service training. DHS agrees that training staff is an important effort. We are already working to implement a comprehensive array of trainings for shelter staff and we look forward to working with the sponsors to align this bill with our reform initiatives that are in progress.

Proposed Intros No. 884, 1232, and 1233

These three proposed bills would amend the administrative code of the city of New York in relation to various components of shelter transfers. As part of the 90-day review, we identified reform of the shelter transfer process as a priority. DHS has drafted a transfer policy to reform the long-standing process. While we comply with current state shelter transfer regulations that have governed transfer policy, the State Office of Temporary and Disability Assistance (OTDA), our oversight agency, has advised us that it is issuing additional regulations that would preempt any local procedures that we had planned to implement. State OTDA has advised us that these regulations will be issued this month. Upon the issuance of these State regulations, DHS will finalize an updated transfer policy. We would like to work with the sponsors to align the language in the proposed legislation with the OTDA requirements when they are promulgated.

Conclusion

Overall, the Administration has made comprehensive and concerted efforts to address years of underinvestment in the infrastructure of the shelter system with a combination of immediate investments alongside top-to-bottom organizational improvement reforms. We have taken substantial steps towards improving shelter system conditions by reducing the Giuliani-era cluster program by more than 50 percent. And with this month's announcement that nearly 500 cluster units will become permanent affordable housing in early 2019, we remain on pace to end the cluster program by 2021. Further, the City has stepped up its efforts to use data-informed strategies to identify and address

building code violations through the Shelter Repair Squad, including utilizing Shelter Repair Scorecard to track the City's progress towards improving the conditions in shelters. Our new systems, which allow a great deal of interagency collaboration, are complemented by the City's increase in funding that supports our historically underfunded non-profit-partners to conduct maintenance and repairs within their shelters.

There is still work to be done to address the decades of disinvestment in shelter infrastructure, and we remain committed to helping homeless families and individuals get back on their feet in a safe, secure, and clean environment.

Thank you again for this opportunity to testify and I welcome your questions.