



City Council Preliminary Budget Hearing
Fiscal Year 2015
General Welfare Committee
Monday, March 24, 2014

Good afternoon Chair Levin and members of the General Welfare Committee. I am Gilbert Taylor, Commissioner of the Department of Homeless Services (DHS). Joining me this afternoon are Lula Urquhart, Deputy Commissioner for Fiscal, Procurement Operations and Audits, and Erin Villari, Assistant Commissioner for Budget and Revenue.

Today I'll outline Mayor de Blasio's Fiscal Year 2015 Preliminary Budget for DHS. This year the agency is fortunate to have several important financial restorations which reflect programmatic improvements that I hope will effectively demonstrate this Administration's priorities for the Department.

The Mayor's Preliminary Budget reflects over \$41 million in new needs for FY15 as a result of growth in both the family and adult shelter census. On Thursday of last week, DHS' total shelter census reached 52,267 which include over 22,000 children living in shelters throughout the five boroughs. The figures are overwhelming however with a new administration and with a 1 billion dollar budget we have an opportunity to develop effective policy solutions to help stem the tide of new shelter entries.

Working through the Mayor's Office and with our partner agencies, DHS is establishing a strategic plan to reduce shelter census with the goal of both preventing new shelter entries and by providing successful, permanent placements to those who are already in shelter. In furtherance of these goals, we have recently begun advocating with the Executive and the Legislative bodies in Albany to remove budgetary language that restricts the City's ability to utilize State funds to provide rental assistance to homeless shelter clients. I know that the Council supports this measure and I welcome your efforts to advocate for this change with us. I have expressed our request to remove the prohibitive language to the Governor's staff so that we have the ability to move forward with a viable state and city funded rental assistance plan. My office met with the State legislative officials last week at the State Capitol to advance this plan and staff will return to Albany tomorrow to join the Mayor's State Legislative Affairs Office in recommending immediate action.

Should the Legislature remove the shelter restriction and allow the City to use Public Assistance funds for a new homeless rental subsidy program, the City will propose piloting a program targeted towards working families who have been unable to exit shelter. There are over a thousand families living in shelter who work full time. A rental assistance proposal is part of a larger housing strategy that includes Mayor de Blasio's commitment to building 200,000 units of affordable housing and it will also include working with New York City Housing Authority (NYCHA) to place homeless families into NYCHA housing.

Expanding Prevention Services

This Administration, like the Council, also believes that preventing homelessness is a pivotal part of any strategy to address homelessness. We know that prevention works and we are committed to making it bigger, better and stronger. For starters, we are developing a strategy to increase the Homebase presence in high need communities in all five boroughs. Part of that plan will include more anti-eviction legal services and work with our colleagues in other city agencies to better coordinate these services. We also plan to launch a new public awareness campaign to continue to spread the word about prevention services. And, we will continue to add new sophisticated tools to outreach to families who are on the brink of homelessness before they come to shelter.

The Agency also recognizes how important it is to provide a range of aftercare services to families transitioning from shelter to the community. These services need to be tailored to individual family needs. For example, some families may need support furnishing their new home, enrolling their children in school, linking with community resources when they first move out of shelter. On an ongoing basis, they may need help finding a new job or negotiating a dispute with their landlord. Other families may need more intensive services that begin while they are still in shelter and continue for a period of time when they exit. DHS is prepared to work with our city partners to make sure that the appropriate aftercare services are available to all families exiting shelter on a rental assistance program.

DHS believes in bringing prevention services to families when and where they need it the most. We are pleased to partner with Fern Fisher, the Deputy Chief Administrative Judge for New York City Courts, on a new pilot program in Brooklyn Housing Court to help unrepresented tenants by providing one-on-one assistance by experienced court navigators. We will continue to work with all of our partners to test new and innovative approaches to this very important work.

Shelter Exit Transitional Jobs Program

The Shelter Exit Transitional (SET) jobs program, which was created and run in conjunction with HRA, subsidizes private sector jobs for shelter clients with the goal of helping them achieve and maintain independence.

The program combines job readiness services, job placement, and aftercare services and has achieved promising results thus far. We are in the process of analyzing data collected during our pilot period, conducted from May 2013 to December 2013, and the early results are promising. The program had a job placement rate over 50 percent and more than 90 percent of program recipients who were placed into jobs have exited shelter and not returned. In addition, 98 percent of SET clients placed into jobs who completed their subsidy period became permanent employees with the same employer. We are excited to continue this program and to offer job ready single adults this opportunity.

Improving Shelter Conditions

We have also begun to assess the shelter environment where clients reside. When I met with this Committee last month, I shared that I would focus on the agency's efforts to improve the quality of DHS shelters because every homeless shelter client deserves an environment that is safe, secure and supportive. In November, DHS received \$5 million in additional funding to enhance

security at several contracted and directly operated facilities. We have also received \$36 million in new needs for capital projects for building upgrades and information technology. These investments will improve the health and safety of our clients with projects focusing on exterior renovations, heating, electrical and plumbing upgrades as well as enhancing security through the installation of security cameras.

I also mentioned last month that we should be holding ourselves to consistently high standards by providing intensive case management and an abundance of support to our clients. To that end, at each meeting with our providers, I have asked them how they would accomplish this goal and what specifically they would need to be successful in doing this from a programmatic standpoint. While not every suggestion will work for every provider or population they serve, I am considering ways to enhance our service model and will continue to build on our mutual successes.

Street Outreach Enhancements

DHS is committed to serving all unsheltered individuals across the city. In 2007, we restructured services for street homeless individuals with one single provider in each borough. The new contracts were focused on chronic homeless individuals, emphasized placements not just contacts, and included performance based contracting. Since then, DHS has also developed a network of transitional housing specifically with this population in mind. Over 4300 clients have been placed since the contracts began.

Additionally, the overall number of people sleeping on the streets since 2005 has decreased by 62 percent. While we have seen great success in reducing the number of clients sleeping on the streets there has concurrently been a 118 percent increase in the number of people sleeping in the subways since 2005. This culminated in 2013 when the number of people sleeping in the subways of overall percentage of unsheltered homeless rose to 58 percent up from 19 percent in 2005.

DHS had been in conversations with the MTA about enhancing the subway outreach program for several years. In 2013 after the Homeless Outreach Population Estimate (HOPE) report was released, the MTA agreed to move forward and coordinate with DHS around a more robust service program. The MTA was currently funding \$800,000 for outreach to 468 subway stations compared to \$11 million funded by DHS for street teams. Due to a lack of funding, the services offered below ground were not as comprehensive as those accessible to clients working with one of the street teams. By managing the MTA contract, DHS could implement best practices already seen through the work with the street population and decrease any duplication of services between street and subway teams. The MTA has agreed to fund \$3 million of a \$6 million contract for outreach services in the subway and allow DHS to manage the contract under their existing umbrella of street services.

As we look forward to enhancing our efforts to reach those seeking refuge outside of shelter, DHS has advanced our collaboration with NYPD. The well being of the homeless and their impact on quality of life issues both on the streets and in the subway system are major concerns for the Agency. Currently, DHS works closely with the Homeless Outreach Unit (HOU) of the NYPD and at the precinct level with Community Affairs Officers to engage street homeless

clients. In an effort to build on these existing relationships and expand our collaborations, we've set up monthly meetings with the NYPD to support our respective efforts to address homelessness on the streets and in the subway. DHS outreach teams will be a resource to officers both in precincts and in transit districts who are encountering homeless individuals with a variety of issues that may require clinical intervention and specialized placement options.

FISCAL YEAR 2015 PRELIMINARY BUDGET

DHS' current FY14 expense budget is \$1.04 Billion; for next year, FY 15, the budget is \$981 million. We expect the \$62 million difference to be made up with grant funding that is added to our budget after the close of the Fiscal Year. Variances in the FY14 Preliminary Budget and the projected FY15 Preliminary Budget can be attributed to the following:

- \$22 million in Emergency Assistance Funds (EAF) a portion of which will be added to the Executive Budget and the balance will be added in FY15.
- \$14.9 million for the Emergency Solutions Grant (ESG) and the Homeless Management Information Systems (HMIS) grants which will be added to the FY15 at the beginning of the fiscal year.
- \$13.7 million in funding for expenses associated with Hurricane Sandy and the National Emergency Grant (NEG) that provided temporary employment to assist with the clean up after Hurricane Sandy. Funding will be added as needed in FY15.
- \$5.4 million for PEGs that were restored for FY14 only and have been deducted from the FY15 Budget.
- \$3.8 million in funding for Catherine and Auburn Street that was approved for FY14 only but will be increased and annualized in the FY15 Budget.
- \$2 million in City Council funding that is added yearly as a one-time initiative.

Of the \$981 million, \$481 million are City funds, \$116 million are State funds, \$379 million are federal funds, \$4 million are Community Development grant funding, and \$851,000 are intra-City funding. The \$981 million budget allocates \$393 million to services for single adults, \$526 million to services for families, and \$62 million to support services.

The DHS Capital Plan for the five-year period Fiscal Year 2014 through Fiscal Year 2018 is currently \$112 million. Capital projects for homeless families total \$33 million; projects for single adults total \$51 million; \$18 million has been allocated for support services; and \$10 million is designated for City Council-funded projects.

The Mayor's budget charts a new course, one that invests in the necessary supports to help homeless households achieve independence. Focusing on progressive policy, I hope that we can count on your support as we move forward with the Mayor's agenda to bridge the inequality gap and assist our homeless New Yorkers in reaching their full potential.

My staff and I will now answer any questions you may have.