

**Testimony of Molly Park, First Deputy Commissioner
NYC Department of Homeless Services**

**Before the New York City Council, Committee on General Welfare
Oversight Hearing: State of Single Adult Homelessness in NYC**

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Good morning, I want to thank the Committee on General Welfare for holding today's hearing and for the opportunity to testify.

I am Molly Park and I am the First Deputy Commissioner at the New York City Department of Homeless Services (DHS). I am joined by Erin Drinkwater, Deputy Commissioner for Intergovernmental and Legislative Affairs at the Department of Social Services (DSS).

We appreciate the opportunity to discuss single adults experiencing homelessness in New York City and the steps this Administration has taken to support our most vulnerable New Yorkers.

At the outset, I want to acknowledge our DHS and contracted provider staff for their work at the frontlines. They work each day to provide shelter and critical services to New Yorkers in need to help them get back on their feet.

As we begin our discussion today on the state of single adult homelessness in New York City, we should acknowledge that the vast majority of people experiencing homelessness in our city are sheltered indoors across our shelter system because we have a right to shelter. That stands in stark contrast with other jurisdictions around the nation, particularly on the West Coast, where the proportion of unsheltered individuals experiencing homelessness on the street is exponentially greater than in New York City. To better understand this context, it is important to understand the background that has brought us to this point and the steps that this Administration has taken to address homelessness.

Over the course of the last 40 years, New York City has been under court order to provide shelter to single adults and families experiencing homelessness. Against the backdrop of this legal and moral obligation to provide shelter from the elements, New York City saw steep increases in housing instability and decreases in housing affordability, with homelessness increasing by 115% between 1994 and 2014. In the decade between 2005 and 2015, household rents in the city increased by 18.4%, while at the same time incomes failed to keep pace by only increasing by 4.8%. Looking at affordable housing supply, between 1994 and 2012, the city suffered a net loss of about 150,000 rent-stabilized units. As a result, by 2015, the city had only half the housing needed for about three million low-income New Yorkers. These trends, along with factors such as economic inequality, domestic violence, overcrowding, housing evictions, untreated mental health

challenges and inadequate discharge planning from State institutions have driven homelessness and displacement in our communities over the past several decades.

Turning the Tide on Homelessness

Now, we want to update the Committee on the progress that this Administration has made to address homelessness and address the policy failures that have exacerbated challenges for vulnerable New Yorkers. While the devastating impacts of the factors mentioned earlier, along with inaction from prior administrations, have led to the homelessness conditions we face today, the NYC Department of Social Services (DSS), Human Resources Administration (HRA) and DHS are beginning to reverse the trend. Today, the DHS census stands at approximately 46,000 – well below the level it was at the start of this Administration, and significantly less than the high point of more than 61,000. Without the Administration's initiatives, projections indicate there would be 71,000 people in shelter today.

This reduction in the DHS shelter census is driven by a substantial reduction in the number of families experiencing homelessness and residing in shelter. The peak number of individuals across those families declined by more than 17,000 people between 2014 and today.

Our agency has taken aggressive action to break and reverse the trajectory of an ever-increasing DHS shelter census over the past several decades, such as restoring the City's rental assistance and rehousing programs. We have directed unprecedented resources toward a new comprehensive and holistic approach to fighting homelessness, focused on:

- prevention, including expanded civil legal services for tenants
- outreach and support for unsheltered New Yorkers
- closing substandard shelter facilities
- expanded transitional housing options
- improved shelter conditions, and
- more robust rehousing and aftercare services

In February 2017, the Mayor announced “Turning the Tide on Homelessness in New York City,” a neighborhood by neighborhood blueprint for transforming a shelter system that was built up in a haphazard way over four decades. This plan takes the reforms that resulted from the 90-day homeless services review in 2016 even further, finally ending the use of ineffective stop-gap measures and band-aid approaches that date back decades, and replacing them with a smaller number of high-quality borough-based transitional housing facilities.

The Turning the Tide plan consists of four core pillars: 1) preventing homelessness whenever we can; 2) rehousing families and individuals so they can move out of shelter or avoid homelessness altogether; 3) addressing unsheltered homelessness; and 4) transforming the haphazard approach to providing shelter and services that has built up over the last four decades. Our strategies have taken hold and are headed in the right direction. To highlight this, we have made the following progress under each pillar:

Pillar 1 Progress – Preventing Homelessness Whenever We Can:

This Administration has aggressively expanded free legal assistance for New Yorkers in danger of illegal eviction, increasing funding for legal services for tenants more than 25-fold, from roughly \$6 million in 2013 to \$166 million in FY22 – which is the largest annual investment ever by a Mayoral administration in legal services for tenants. Evictions then dropped by 41% pre-pandemic and thousands of New Yorkers were able to stay in their homes from 2014 through 2019 because of reduced evictions. Moreover, we have dramatically expanded legal representation for tenants: By 2020, 100 percent of tenants with calendared eviction cases had access to legal services, and 71 percent of tenants who appeared in Housing Court had full representation by attorneys – nearly double the pre-pandemic rate of 38 percent, and an exponential increase over the 1 percent of tenants who had lawyers in 2013. Overall, more than 500,000 New Yorkers have received free legal representation, advice, or assistance in eviction and other housing-related matters since 2014.

Amid the unprecedented COVID-19 pandemic, DSS’s right-to-counsel program has continued to be a vital tool for protecting New Yorkers during this crisis and helping them keep their homes. Since the outset of the pandemic, DSS has worked closely with our dedicated legal services provider-partners on a range of immediate, comprehensive steps to ensure New Yorkers can access this vital resource. Furthermore, during the pandemic and as now codified in local law, legal services offered to New Yorkers via the right-to-counsel program are now available citywide, regardless of ZIP code, with eviction defense legal services available to all tenants in the city facing eviction in Housing Court as well as NYCHA residents in termination of tenancy proceedings.

Pillar 2 Progress – Rehousing Families and Individuals:

Immediately upon taking office, the de Blasio Administration stepped in to fill the gap left by the City and State’s cancellation of the Advantage rental assistance program in 2011 by creating and implementing new rental assistance programs as well as reinstating rehousing programs. Through September 2021 these initiatives have helped more than 175,000 children and adults remain in or secure permanent housing, with the vast majority – more than 145,000 – moving out of shelter into housing.

As a result of these rehousing initiatives and the pre-pandemic efforts to reduce evictions by 41%, the number of people residing in DHS shelter is now well below where it was when this Administration began.

Move-outs to permanent housing have continued during the pandemic thanks to the incredible work of our essential staff and not-for-profit provider partners who reported for duty every day throughout this crisis and did extraordinary work, going above and beyond in unprecedented and challenging circumstances.

Pillar 3 Progress – Addressing Unsheltered Homelessness

Since the start of HOME-STAT, the most comprehensive outreach program in the nation, outreach teams have helped more than 4,200 New Yorkers experiencing unsheltered homelessness off the streets citywide, thanks to unprecedented new investments and expanding the size of those teams. As part of the City’s 24/7/365 outreach efforts, hundreds of highly-trained not-for-profit outreach staff, including licensed social workers and nurses, canvass the streets proactively engaging New Yorkers experiencing homelessness. These dedicated outreach teams offer services and assistance, working to gain individuals’ trust with the goal of addressing the underlying issues that may have caused or contributed to their homelessness – all to ultimately help these individuals transition off the streets.

Since 2014, the City has redoubled outreach efforts, dedicating unprecedented new resources to outreach programs and providers. This Administration has tripled the number of outreach staff engaging New Yorkers on the streets since 2014, from fewer than 200 to more than 600. Those dedicated staff canvass the streets every day, building relationships over weeks and months through regular contact and concerted engagement with New Yorkers experiencing homelessness, focused on encouraging them to accept services and transition off the streets. The City has more than quintupled the number of emergency ‘safe haven’ and ‘stabilization’ beds dedicated to serving unsheltered New Yorkers citywide since taking office. Thousands of these specialized beds have opened during this Administration, bringing the total up from 600 in 2014 to more than 3,000 open today, with hundreds more planned. Moreover, we have increased the joint outreach operations to engage more New Yorkers and offer more support, including expanding joint outreach operations with partner Agencies such as NYC Department of Health and Mental Hygiene, the Parks Department, Department of Sanitation, and the Metropolitan Transportation Authority to address conditions as they occur and provide alternative pathways to permanence.

Pillar 4 Progress – Transforming the Shelter System:

The Administration has prioritized transforming and improving the shelter system, and these efforts are reflected by our closing of more than 290 shelter sites that did not meet our standards (out of the 647 sites reported in the Turning the Tide plan), thus decreasing the DHS shelter footprint by 45%. We have also recently completely phased out the City’s use of cluster units – ending the 21-year-old, Giuliani-era program that at its high point included more than 3,600 units – through innovative strategies, such as converting cluster units to permanent affordable housing and outright closure of other units.

We continue to address decades of disinvestment and restore our infrastructure through aggressive repairs, renovations, and funding. Over the past several years since the 2016 launch of the Shelter Repair Squad and the subsequent release of the Turning the Tide plan, the Mayor’s interagency Shelter Repair Squad task force has conducted more than 63,000 shelter inspections, driving down violations in shelter that went unaddressed for many years by more than 94% to an all-time low. We have also allocated millions of dollars to address remaining violations.

Fiscal Landscape

While this Administration continues to address homelessness and improve conditions for vulnerable New Yorkers, it is important to understand the fiscal landscape affecting funding for our services. New York City has continued to increase investment to prevent and alleviate homelessness, while the State has continued a multi-year trend of disinvesting in services to address homelessness and walking away from its responsibility to support New Yorkers experiencing homelessness, resulting in substantial cost shifts to City programs and services. At the City level, we will continue to invest in the proven-successful programs this Administration created from the ground up, which will help even more individuals and families avert shelter entry and/or find available apartments that work for them. For example, the Council and the Administration have taken action this year to set the rent levels for the 100% city-funded CityFHEPS program at the same levels as the NYCHA Section 8 payment standard; and our agency implemented the increase ahead of schedule and with reforms to address the “income cliff” affecting continuing eligibility for families and individuals with increased employment income. State legislation to do the same for the rent levels for the State FHEPS program has passed the Assembly and the Senate. We hope the State will step up in kind, to ensure State vouchers remain competitive, protect State voucher-holders from being left behind, and join us in this mission, which can only be resolved by collaborating across all levels of government.

As we testified at this year’s Council budget hearings, the State has steadily disinvested in efforts to address homelessness in New York City over the past decades, which historically was an obligation evenly shared by both levels of government. Independent experts who have analyzed this dynamic for years have identified this pattern of State disinvestment. For example, the NYC Independent Budget Office (IBO) reported¹ that:

“changes implemented in Albany have reduced the state’s contribution to fund shelters for single adults, leaving the city to fund the increased costs associated with the rising adult shelter population.”

Likewise, in a report² measuring State disinvestment in homelessness services, the IBO highlighted that, as the City invests in an improved shelter infrastructure and a more holistic approach to homeless services, the State’s contribution dropped – pre-pandemic – to a 9% share of homeless services in New York City. The State’s diminishing support for these critical services is dire, and we have continued to call for a fair share of funding to help New Yorkers experiencing homelessness get back on their feet.

Looking further back, beginning in the 1990s, New York State capped the funding it provides to New York City for sheltering single adults. Not only has the State failed to proportionally increase that funding as homelessness increased over the past several decades, but it has progressively cut the cap, and with inflation the value of the State share has eroded even more. Before the implementation of the cap in the 1990’s, the State reimbursed 50% of the cost of sheltering single

¹ <https://ibo.nyc.ny.us/iboreports/albany-shifts-the-burden-as-the-cost-for-sheltering-the-homeless-rises-federal-city-funds-are-increasingly-tapped-october-2015.pdf>

² <https://ibo.nyc.ny.us/iboreports/governor-questions-citys-homeless-efforts-despite-nycs-expanded-outreach-and-prevention-programs-march-2018.pdf>

adults. During the Giuliani and Bloomberg Administrations, as shelter and street populations continued increasing, the State continued cutting funding, which meant that by 2005, the State contribution had shrunk to 35% of costs.

Today, funding provided by the State has dropped to just 9% of spending on single adult shelter services, with costs and responsibility shifting significantly to the City. New York City continues to shoulder the associated increases every year, despite the fact that the court-ordered right to shelter across New York State is based on the New York State Constitution that applies to both the State and the City. This has led to substantial cost shifts of millions of dollars over many years from the State to the City, requiring the City to take on more and more fiscal responsibility that has impacted the City's resources to deliver support to New Yorkers in need. It is also worth noting the State-set public assistance rent allowance for a single adult is \$215 per month – a grossly inadequate amount for rent payments in New York City that has not increased in several decades and fails to keep up with the increasing rent costs. The \$215 State-set rent allowance for single adults is a major driver of single adult homelessness in New York City and across the State.

We have repeatedly called on the State to support services to address homelessness by restoring the State's traditional 50/50 cost split for shelter and other services to address homelessness for single adults in New York City, outreach workers, safe havens, stabilization beds, and the cost of homeless services for the overnight MTA initiative. Nevertheless, despite the fact that a Consent Decree enforcing the State Constitution obligates both the State and the City to provide shelter to single adults experiencing homelessness, the State has steadily reduced its support to address single adult homelessness in New York City from 50/50 to a mere nine percent.

Moreover, the State provides zero dollars to support the more 600 outreach workers who help unsheltered New Yorkers and the more than 3,000 safe haven and stabilization beds that the City has funded that have enabled more than 4,200 people to come off the streets and subways and remain off since 2016.

To summarize this simply, the State must return to paying its fair share for life-saving services for single adults experiencing homelessness. Even as the overall DHS shelter census and the number of children and adults in family shelters have been reduced significantly, there are record numbers of people in DHS single adult shelters, and State support is critically needed.

State Parolees and Shelter

NYC DSS-DHS has invested more than a quarter-billion dollars annually in our not-for-profit social service provider partners who operate shelters to enhance the services they provide to New Yorkers in need, including increased investments for mental health services. As I mentioned earlier, in our City, all people experiencing homelessness have a right to shelter, and we are committed to providing shelter to any New Yorker experiencing homelessness who needs it, regardless of their background, including criminal justice involvement.

Along with the ongoing affordable housing crisis, including the \$215 State-set monthly public assistance rent allowance for single adults, a driver of the single adult DHS census growth is the State's failure to invest in reentry services to prevent discharges from State prisons to DHS

shelters. Tragically, history is repeating itself. Just as State deinstitutionalization from State mental health facilities without sufficient community mental health services has contributed to modern day mass homelessness for single adults, now State decarceration without sufficient community reentry services is resulting in a State prison to shelter pipeline.

As a result, at any given time, there are approximately 1,500 State parolees residing in DHS shelters. The State sends these individuals directly to DHS shelter, even when they have housing options available to them. Instead of discharging parolees directly from State prisons to shelter, the State needs to invest in a real re-entry program, so individuals in need don't go straight from State prison to a City shelter. The State should work directly with parolees as part of the release process to assist them in reintegrating into society, including identifying suitable housing where they may be supported. The fact is, this sequence of events is preventable with better discharge planning and reentry services by the State, which provides little oversight on whether discharged individuals have viable housing options to help them get back on their feet and stabilize.

Outreach and Supporting Unsheltered New Yorkers

Now, I would like to shift to updating the Committee on our services for New Yorkers experiencing unsheltered homelessness. Since the start of HOME-STAT, the most comprehensive outreach program in the nation, outreach teams have helped more than 4,200 New Yorkers experiencing unsheltered homelessness off the streets citywide, thanks to unprecedented new investments and more than tripling the staffing of those teams. As you know, as part of the City's 24/7/365 outreach efforts, hundreds of highly-trained not-for-profit outreach staff, including licensed social workers, canvass the streets, proactively engaging New Yorkers experiencing unsheltered homelessness, offering services and assistance, working to gain their trust with the goal of addressing the underlying issues that may have caused or contributed to their homelessness in order to ultimately help these individuals transition off the streets.

Since 2014, the City has redoubled outreach efforts, dedicating unprecedented new resources to outreach programs and providers, including action such as: more than tripling the number of outreach staff canvassing the streets engaging New Yorkers 24/7/365 since 2014, from fewer than 200 to more than 600, as mentioned earlier; more than quintupling the number of emergency safe haven and stabilization beds dedicated to serving unsheltered New Yorkers citywide from 600 to more than 3,000; expanding the availability of Drop-In Centers (DICs) for New Yorkers experiencing unsheltered homelessness, with six City-funded DICs in operation 24/7, including one in each of the five boroughs, with two additional DICs planned to open in Manhattan; and lastly, increasing joint interagency street outreach operations to engage more New Yorkers and offer more supports.

Thank you for the opportunity to testify today and provide updates on our efforts to support New Yorkers experiencing homelessness. I welcome any questions you may have.