

**Testimony of Steven Banks, Commissioner
New York City Department of Social Services**

**Oversight Hearing regarding HPD's Coordination with HRA/DHS to Address the
Homelessness Crisis before the Committee on Housing and Buildings jointly with the
Committee on General Welfare**

November 20, 2017

Good afternoon. Thank you Chairman Williams and members of the Committee on Housing and Buildings and Chairman Levin and the members of the General Welfare Committee for giving us the opportunity to testify today. My name is Steven Banks and I am the Commissioner of the New York City Department of Social Services, overseeing the Human Resources Administration (HRA) and the Department of Homeless Services (DHS). I am joined by the Commissioner for Housing Preservation and Development, Maria Torres-Springer, and I want to thank the Commissioner for her support and partnership. I also want to thank the Council for your support as we continue to implement our reforms.

As you know, I have testified before the General Welfare Committee at a number of hearings about the challenges of homelessness faced by many New York City families and individuals, and the new and expanded initiatives this Administration has implemented to prevent and alleviate homelessness.

The Administration has made unprecedented investments to address the economic insecurity experienced by low-income New Yorkers, many of whom rely on HRA and DHS benefits, programs, and services. Many of the Administration's achievements squarely benefit New Yorkers who seek our assistance and services, including: a rent freeze and low rent increases for rent regulated apartments, wage increases for city workers, universal Pre-K, expanded Paid Sick Leave, the IDNYC identification card, and universal access to legal services for New Yorkers facing eviction.

The Challenge of Homelessness

To begin with, I want to talk about the rise in homelessness in New York City, over the last two decades. The average monthly census of DHS shelters increased 115 percent during that time — rising from 23,868 men, women, and children in January 1994, to 31,009 in January 2002, and reaching 51,470 in January 2014. Had this Administration not stopped this trajectory, the DHS

shelter census would have likely reached nearly 70,000 this year, rather than the 60,000 level it has been at¹.

As we described in the Mayor's *Turning the Tide* plan released earlier this year to reform the city's approach to homelessness, there are many factors that have contributed to the steady upward trajectory of the shelter census over the past nearly four decades:

- Stagnant wages resulting in an increasing gap between wages and rent – between 2005 and 2015, the median New York City household income increased by just 4.8 percent in real dollars, while the median rent increased by 18.3 percent in real dollars²;
- A net loss of about 150,000 affordable or rent stabilized apartments between 1994 and 2012³;
- Systematic reductions by the federal government to multiple anti-poverty tools such as cash assistance, food stamps and Medicaid;
- Insufficient support and resources to address barriers to housing facing New Yorkers with mental health and substance use disorders, including long periods of institutionalization or incarceration;
- And the abrupt end of the Advantage rental assistance program by the State and City, which offered subsidies for people in shelters if they took part in job training – between April 2011, when the Advantage program ended, and 2014, when this Administration reinstated rental assistance and rehousing programs, the DHS census grew by an extraordinary 38 percent – some 14,000 people⁴.

Combined, these and other trends mean that by 2015 the city had only half the housing it needs for about three million low-income New Yorkers⁵.

As a result, these New Yorkers end up sacrificing a great deal to stay in their homes and maintain their connections to their communities. Some 360,000 New York City households pay more than 50 percent of their income on rent and utilities. Another 140,000 households pay more than the 30 percent. This means a total of a half a million New York City households are paying an unaffordable amount of their income for housing⁶. Many people who face these rent burdens cycle in and out of poverty, living just one personal crisis away from homelessness. In fact, an ongoing longitudinal study suggests that nearly half of all New Yorkers lived in poverty at some point between 2012 and 2014 (the three-year period studied)⁷.

¹ *Turning the Tide on Homelessness in New York City*, pg 3. Retrieved from http://www1.nyc.gov/assets/hra/downloads/pdf/news/publications/Turning_the_Tide_on_Homelessness.pdf

² *Ibid.*, 4.

³ *Ibid.*, 4.

⁴ *Ibid.*, v.

⁵ *Ibid.*, 5.

⁶ *Ibid.*, 5.

⁷ *Ibid.*, 7.

As a result of these economic factors, 70 percent of the shelter system census now consists of families, and 34 percent of the families with children have an adult who is working⁸.

At the same time, domestic violence is a major driver of homelessness, with some 30 percent of the families with children in the DHS shelter system having a history of domestic violence⁹.

Homelessness in New York City and jurisdictions across the country is the very real result of decades of changes in our economy and past choices made in New York City, Albany, and Washington. The devastating impacts of economic inequality and past inaction from prior administrations led to the homeless crisis we face today, but the initiatives of both HRA and DHS are beginning to reverse the trend. A recent Furman Center study, for example, found that the year over year shelter census growth from calendar year 2015 to calendar year 2016 was the lowest increase since 2011 before the Advantage program ended. And the shelter census has remained roughly flat year over year for the first time in more than a decade.

Breaking the Trajectory

Breaking the trajectory of exponential shelter system growth is the result of significant policy reforms implemented by this Administration.

Since coming into office, the Administration restored the City's rental assistance programs and directed unprecedented resources toward a new comprehensive and holistic approach to fighting homelessness focused on prevention, street homeless outreach, expanded transitional housing options, averted shelter entry, expanded civil legal services, and more robust rehousing and aftercare services.

The City's prevention first strategy includes an array of tools, which recognizes that the path to homelessness is not linear and therefore our approach cannot be a one-size fits all approach.

Since FY14 we have enhanced our services and assistance, including these initiatives:

- **Creating and implementing rental assistance programs and restoring Section 8 and New York City Housing Authority priorities** which through September have helped 71,596 children and adults move out of, or avert entry into shelter, through this commitment of permanent housing resources;
- **Provided emergency rental assistance to 217,000 households through FY17**, helping rent-burdened New Yorkers at risk of eviction stay in their homes;
- **Launched the largest municipal commitment ever to build and expand supportive housing** by committing to developing 15,000 new units in 15 years;
- **Aggressively expanded free legal assistance for New Yorkers** in danger of illegal eviction by increasing funding for legal services for tenants to \$62 million by FY16 – a

⁸ Ibid., iii.

⁹ Ibid., 5.

more than tenfold increase. At the same time, evictions dropped by 24 percent and more than 40,000 New Yorkers were able to stay in their homes in 2015 and 2016;

- **Began implementation, over the next five years, to provide access to legal services** for all New York City tenants facing eviction in Housing Court, which at full implementation will serve 400,000 New Yorkers;
- **Implemented 46 systematic and management reforms** to streamline how we address homelessness as a result of the 90-day review of homeless services last year;
- **Closed, as of last month, more than 1,000 cluster units**, which is nearly a 30% reduction in the 17-year cluster apartment shelter program, which had 3,658 active cluster site units in January 2016 when the closure plan was first announced.
- Through HRA's Source of Income (SOI) discrimination unit, **taking action to prevent and prosecute housing discrimination based on source of income** – and fighting SOI discrimination, through the City Commission on Human Rights (CCHR) filing of five complaints against large landlords and brokerage firms that together control about 20,000 units citywide. (In 2015 CCHR quadrupled the number of investigations into SOI discrimination and in 2016 it filed more than 120 SOI discrimination investigations—the highest number in its history.);
- And created the **Homelessness Prevention Administration** housed within HRA to oversee prevention programs to improve program management and effectiveness.

We are moving forward in the implementation phase for these substantial changes in the four-decades-old homeless services system – but, as we regularly acknowledge, we are addressing systemic problems that built up over decades. As such, while many clients have already benefited from our reforms, others have not yet felt the full impact of these systemic changes that are underway.

Prevention and Averting Shelter Entry

The City's portfolio of prevention tools is more extensive than ever before; it includes historic investments in the agency's Homebase program, expanded payment of emergency grants, legal services, and rental assistance.

Homebase

Since 2014, we expanded the Homebase program from 14 locations in FY15 to 24 locations that exist today. We encourage families facing potential homelessness to seek help first at one of our Homebase offices in all five boroughs. As of FY18, a total of nearly \$59 million annually supports an enhanced HomeBase program that provides coordinated preventive, aftercare, and community support services, including benefits advocacy, budgeting, employment, short-term financial assistance, and assistance with housing relocation. As a result of the increased investment in Homebase, we reached 27,607 households in FY17, a 131% increase in

households served compared to FY14. Over 90% of these households remain in the community and have not entered shelter within one year of receiving services.

Payment of Emergency Grants

Helping New Yorkers at risk of eviction remains a crucial priority for this Administration. Clients facing eviction or other emergency situations can apply for an Emergency Cash Assistance grant, also called a One-shot Deal, at their local HRA Job Center. Eligibility for such a grant depends on household size, income, resources, ability to meet future rent obligations, and other factors. And some grants are issued as loans which require repayment.

By providing emergency assistance, we have helped more than 300,000 New Yorkers remain in their homes while saving taxpayers' money because rental assistance is much less expensive than the cost of a homeless shelter. In calendar year 2016, HRA provided rent arrears to 58,100 households at a cost of \$214 million, and between January 2014 and December 2016 a total of more than 161,000 household received assistance, representing a 24% increase in cases compared to 2013. The increase in spending resulted from increased monthly rents families and individuals have to pay, additional households being found eligible due to the increasing gap between rents and income, and enhanced targeting of these services to prevent homelessness through partnerships with community-based organizations.

Legal Services

With the enactment of Local Law 136 of 2017, New York City became the first city in the nation to make the commitment that anyone facing an eviction case can access legal assistance. Last February, we added an additional \$93 million to our \$62 million investment for tenant legal services, at full implementation in five years, for a comprehensive program to provide access to legal representation to all low-income tenants facing eviction proceedings in Housing Court earning up to 200% of the federal poverty line – about \$50,000 for a family of four – and brief legal assistance for all tenants facing eviction in court whose income is above that level. In five years, at full implementation, the City will spend \$155 million annually to cover the costs of this critical program keeping New Yorkers in their homes and communities.

As noted earlier, as a result of all of the Administration's prevention initiatives, evictions by Marshals have decreased 24% and some 40,000 New Yorkers have been able to remain in their homes in 2015 and 2016.

Tenants are encouraged to call 311 if they are facing an eviction and/or visit HRA offices located in the Housing Courts.

Move-Outs and Aftercare

In 2011, the State and City cut the Advantage rental assistance program, which had devastating impacts on the number of New Yorkers in need of shelter and the DHS shelter census. In order to reverse course, beginning in 2014, the Administration implemented the City's LINC rental assistance programs to help families and individuals move from temporary, emergency shelter back to the community by paying a portion of their rent. In 2015, the Administration implemented the CityFEPS and SEPS programs to expand rental assistance to both prevent homelessness and promote shelter move outs. In addition to rental assistance, the Administration reinstated New York City Housing Authority (NYCHA) and Section 8 priority referrals for clients in the HRA or DHS shelter systems.

In total, these initiatives have enabled 71,596 individuals in 26,356 households to avert entry into or move out of shelter through September 2017.

In addition to rental assistance, Homebase's aftercare services are available to all households leaving shelter through a rental assistance program, as early as possible in their tenancy, followed by a thorough assessment, the development of an individualized service plan, and intensive services for the most at-risk households. Services include long-term support as well as engagement with households in the midst of short-term housing crises.

HRA workers are also onsite at Homebase to assist with the tenants' public benefits issues and emergency rent arrears grant applications. Homebase also offers regular workshops for at-risk community members, including former shelter residents, and provides information on affordable housing, subsidies, employment, work supports, and financial empowerment.

Many people do not reach out for help before they lose their homes – in part because they never knew help was available. Homebase staff also conducts outreach by going directly into the city's neighborhoods to engage people in public spaces – outside supermarkets, check cashing businesses, and nail salons or at buildings with many eviction notices. They attend community events, speak at places of worship, and build close referral relationships with neighborhood schools. Together, Homebase's efforts are a powerful component of the City's strategy to reduce the number of families and individuals in shelters.

Responding to Introductions

With respect to the two bills relating to HRA and DHS before the Committee today, we look forward to working with the sponsors to address some concerns that we have with the proposed legislation.

Proposed Int. No. 1524

Int. No. 1524 would amend the administrative code of the city of New York, in relation to radiator inspections in homeless shelters. We would like to work with the sponsor to align the

language in the proposed legislation with State Office of Temporary and Disability Assistance (OTDA) requirements relating to shelter conditions and inspections so that what is required in the legislation is consistent with the OTDA requirements to address health and safety in shelters.

Proposed Int. No. 1529

Int. No. 1529 would amend the administrative code of the city of New York, in relation to the phase-out of existing cluster sites and would require the department to develop and submit to the Council a plan on the phase out of the use of clusters. The agency currently reports to the Comptroller of New York City on our progress on the phase out of the use of cluster locations. Legislation providing the level of information on the phase out that we are providing in these reports would be feasible and address the underlying concerns reflected in the introduction. In contrast, various provisions in the proposed legislation would require reporting on data that we do not have access to and information that is dependent on the actions of private parties. We stand ready to work with the Council as we always do to craft legislation that is both helpful and operationally feasible.

Thank you again for this opportunity to testify. After the conclusion of our testimony today, I look forward to any questions about HRA and DHS programs and our work with HPD that you may have.