

**Testimony of Steven Banks,
Commissioner of the New York City Human Resources Administration,
At the New York State Senate – Task Force on Social Service Delivery in New York City
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Good morning. I would like to thank Chairperson Avella and the members of the Senate Task Force on the Delivery of Social Services in New York City for giving us the opportunity to testify today.

My name is Steven Banks and I am the Commissioner of the New York City Human Resources Administration (HRA).

We are here to discuss the current state of homelessness in New York City. My colleague, Department of Homeless Services Commissioner Gilbert Taylor, will provide some overall data and discuss the work of his Department. I will report on the role that HRA plays in homelessness prevention and rental assistance and how we have expanded the City's services in these areas.

It makes sense for HRA to be involved in homelessness prevention. Every day in all five boroughs, HRA is focused on providing supports to those who are working, but whose income is not enough to support a family; providing temporary assistance and training to those seeking to find work; and providing a safety net for those unable to work.

In a city where the cost of living has steadily increased yet wages are stagnant, households that depend on the earnings of low-wage workers can quickly be derailed by unforeseen emergencies and expenses, facing eviction and homelessness as a result. And we know that far too many families are one serious problem away from losing their homes.

Almost 55 percent of rental households in NYC pay at least 30 percent of their income on housing cost and more than 30 percent spend more than 50 percent of their income on housing. According to an analysis by City Comptroller Scott Stringer, from 2002 to 2012, median apartment rents in New York City rose by 75 percent, compared to 44 percent in the rest of the U.S. And by the end of that period, the City had 400,000 fewer apartments renting for \$1,000 or less.

As those figures make clear, homelessness is a serious problem that has been growing for a long time and it will take time to address it. The de Blasio Administration is implementing both short-term and long-term measures needed to have an impact, including working to help more

New Yorkers earn a living wage and working to create and preserve 200,000 units of affordable housing.

The two agencies before you today are assigned to deal with the immediate responses and that is what we will address. But both immediate and long-term responses are absolutely necessary.

HRA has always provided some homelessness prevention services. But understanding from day one that homelessness had become a more serious problem during the years before the change in Administrations, the de Blasio Administration consolidated all the HRA homelessness prevention units into a single group, the Homelessness Prevention Administration, and then expanded it substantially. In addition, since our first year in office, we have been working on restoring rental assistance programs, which are essential to preventing and alleviating homelessness, and expanding anti-eviction legal services, which help both keep families in their homes and preserve affordable housing.

What I will do today is, first, explain briefly HRA's new homelessness prevention capability. Second, I will describe our new rental assistance and anti-eviction legal services programs. And third, I will provide some initial indicators of how these new programs are doing, understanding that it is still early.

Homelessness Prevention Programs

The creation of the new HRA Homelessness Prevention Administration is a substantial expansion of HRA's prevention services. It includes the following units.

The citywide **Homelessness Diversion Program** has specialized Homelessness Diversion Units (HDUs) located in 40 Job Centers and in the Department of Homeless Services' intake facilities in the Bronx and Manhattan, where families and individuals facing homelessness seek shelter. The Homelessness Diversion Units constitute an innovative, focused effort at maintaining permanent housing for families and individuals at risk of eviction, both to avoid their entry into the City's emergency shelter system and to enable them to maintain stable housing in their communities.

Under the de Blasio Administration, the Diversion Units at PATH and the other DHS shelter intake facilities have now begun taking public assistance applications from families and individuals referred by DHS. This process is expediting public assistance benefits for these clients and helps families and individuals avert shelter entry.

The **Rental Assistance Unit** (RAU) resolves tens of thousands of emergency rental assistance requests a year, with staff located in each of the seven Housing Courts in all five boroughs. For example, a vulnerable family may have fallen behind on its rent because of a medical emergency or other short-term financial problem. But that family may be able to demonstrate the ability to pay in the future through employment, third party assistance, a roommate or other help. Rather than pay the substantial costs of emergency shelter after an eviction, it

makes far more sense to pay the arrears in such cases in order to preserve permanent housing and avert the trauma of homelessness.

Under the de Blasio Administration, HRA Rental Assistance staff is now stationed at DHS Homebase offices, which allows them to help keep families out of shelter, and at the NYCHA administrative hearing offices at 250 Broadway in Manhattan, which allows them to intervene early and help prevent evictions from NYCHA.

Landlords are essential partners in preventing homelessness. The **Landlord Ombudsman Service Unit** (LSOU) addresses pressing needs and concerns of landlords and management companies that provide permanent housing for families and individuals in receipt of public assistance. Intervening and solving these problems early and promptly can prevent eviction actions and protect the tenancies of HRA clients in affordable housing units. This unit is also responsible for updates to our payments to landlords, including our new Electronic Funds Transfer (EFT) pilot within the HOME Tenant Based Rental Assistance (TBRA) program.

LOSU resolved and or responded to 5,058 landlord inquires between July 1, 2014 and June 30, 2015.

Under the de Blasio Administration, HRA has expanded its ability to prevent homelessness by creating the following new units within the Homelessness Prevention Administration.

The **Central Rent Processing Unit** centrally processes, issues and delivers Rental Assistance Unit-approved emergency rental assistance grants. The new process has resulted in overall faster and more efficient rent arrears check delivery, which has enhanced HRA's ability, working with community advocates and other agencies in many cases, to prevent evictions and homelessness.

By next year, our goal is to use the EFT system to pay landlords, which will further reduce the time for payment. We began this initiative by using EFT to transmit approved emergency rental assistance payments to NYCHA in place of paper checks that were being delivered to individual developments.

The **Early Intervention Outreach Team (EIOT)** receives early warning referrals from New York City Marshals, Housing Court judges, and the New York City Housing Authority (NYCHA) as well as HRA's Family Independence Administration (FIA) and Adult Protective Services (APS) programs. EIOT clients also include NYCHA residents with a prior shelter history who have arrears, Section 8 recipients, and Veterans Affairs Supportive Housing (VASH) clients who need help with current rent payments. All EIOT clients are either in arrears, facing eviction in Housing Court, or both.

EIOT conducts individualized assessments, and makes appropriate referrals. In many cases, the referrals are to HRA Job Centers for rent arrears, or other eviction prevention assistance, for

example, allowances to share housing, apartment search expenses, etc. Referrals are also made to Homebase and legal services providers as appropriate.

EIOT was created in December 2014, and in FY16 EIOT has reached out to more than 2,700 clients.

The Neighborhood Homelessness Prevention Outreach (NHPO) is currently piloting an outreach initiative to prevent homelessness among select eligible families receiving Cash Assistance (CA) in the Bronx and Brooklyn, in zip codes that are the source of many families who apply for shelter. Clients are assessed and once their needs are determined, they are directed to their local Job Center for benefits assistance. Referrals are also made to Homebase and legal services providers as needed.

Since June 30, 2015, this program has reached out to 577 “at-risk” families.

The HRA **Rental Assistance Program** implements the Living in Communities (LINC), CityFEPS, SEPS, and HOME TBRA rental assistance initiatives. HRA operates these programs in collaboration with DHS. The Rental Assistance Program manages the leasing and ongoing payment and administration of the LINC programs.

The **Legal Services Unit** oversees the legal services programs from all the different city agencies that have been consolidated at HRA. In this context of preventing homelessness, the most important of those are the programs directed to protect tenants.

Domestic Violence Services

While DHS operates most of the City’s homeless shelters, HRA operates shelters for survivors of domestic violence. The HRA Domestic Violence shelter system is the largest in the country. And in response to the unprecedented need, last month this Administration announced that HRA is expanding its shelters for survivors of domestic violence. We will be working with our providers to expand shelter space to accommodate a total of about 13,300 children and adults a year, nearly a 50 percent increase over the current 8,800 individuals served yearly. To accomplish that goal, HRA is adding 700 Tier II transitional family units and emergency beds, almost as many as the 736 that were added from 2002 to 2010. It has been five years since the City added any domestic violence units.

Now I would like to turn to the new programs we have created.

RENTAL ASSISTANCE PROGRAMS

Learning from the past about the need for rental assistance programs to prevent homelessness, starting early in 2014, the de Blasio Administration began working on developing programs to meet that need. Since then, understanding that homelessness has different causes for different families and individuals and requires different responses, we have implemented nine programs

designed to target different groups of those who are either homeless or at risk of homelessness.

The **Living in Communities (LINC)** Rental Assistance Programs help move individuals and families out of shelter and into stable housing.

- LINC I assists families in shelter who are working full-time, but are unable to afford stable housing on their own to relocate from the City shelter system.
- LINC II assists families in shelter who have had multiple stays in shelter become securely housed in the community.
- LINC III provides rental assistance for families recently affected by domestic violence to relocate from the both the HRA and DHS shelter systems.
- LINC IV provides rental assistance to single adults in shelter age 60 or older and adult families in shelter including a senior, or someone with a disability, and who are unable to afford stable housing on their own to relocate from the City Shelter System. LINC IV is also available to single adults and adult families at risk of entry to shelter.
- LINC V assists single adults and adult families in shelter who are working, but are unable to afford stable housing on their own, to relocate from the City shelter system. Like LINC IV, LINC V is also available to single adults and adult families who are at risk of entry to shelter.
- LINC VI assists families with children, adult families and single adults move out of shelter and reunify with host families consisting of friends or relatives.

The **CITYFEPS Programs** provide a rent supplement to a limited number of families with children on Public Assistance who are in shelter or at risk of entry to shelter. It consists of two programs. The City Family Eviction Prevention Supplement Program for, among others, families who have left or are being required to leave housing that is or was the subject of an eviction proceeding or a City vacate order, as well as survivors of domestic violence. And the City Family Exit Plan Supplement Program for families who are in a DHS shelter that has been identified for imminent closure.

The **Special Exit and Prevention Supplement (SEPS)** Program provides rental assistance to a limited number of single adults and adult families who are homeless or at risk of homelessness, including: DV survivors; veterans; those who have lost or are losing housing as a result of an eviction proceeding, a foreclosure proceeding, a City agency vacate order, or for health and safety reasons; and those who have been discharged to DHS shelter from foster care, a residential drug treatment program or a correctional institution.

The **HOME Tenant-Based Rental Assistance (HOME TBRA)** Program is a federally funded program administered by HRA that provides rental assistance to a limited number of families in shelter and street homeless individuals who are in receipt of federal supplemental security income or social security benefits.

LEGAL SERVICES

Another essential part of preventing homelessness and preserving affordable housing is ensuring that tenants have legal representation in Housing Court. Under the prior Administration, only \$6 million was available for anti-eviction legal services, not nearly enough to provide access to justice in Housing Court and level the playing field between landlords and tenants. Under the de Blasio Administration, by FY17, there will be ten times that, \$62 million for legal services for tenants, serving almost 33,000 households comprised of more than 113,000 adults and children a year.

There are two programs.

- **Anti-Eviction Legal Services** when fully implemented will serve 19,000 households each year. This program is aimed at communities in which the highest numbers of children and adults are losing their homes and entering shelter.
- **The Anti-Harassment Tenant Protection Program** will serve more than 13,700 households each year when fully implemented. This program is aimed at preventing tenant harassment in communities that will be designated for rezoning and was announced by the Mayor in the 2015 State of the City.

These programs are already producing results. At the press conference where the Mayor announced the latest increase to these programs, a client spoke who was able to stay in her apartment thanks to legal services. She is working and had been paying her rent on time for nine years. The landlord simply wanted her and the other tenants in the building out so he could raise the rents. Thanks to the efforts of the lawyer from our program, the entire building is now covered by rent stabilization and this woman and the rest of the tenants can stay. And all the apartments will remain affordable. That's an example of what these programs can accomplish and why they are so important.

RESULTS TO DATE

As I noted, it took a long time to reach this level of homelessness and it will take time to reduce it. But we can already point to some real success.

Most important, our rental assistance programs and other efforts have moved 15,000 people out of shelter since they were implemented last Fall.

So far, 9,044 New Yorkers have received eviction prevention legal assistance – including working heads of households, and as noted, this will increase to almost 33,000 households a year, including well over 113,000 people.

We have helped more people with emergency rent assistance, keeping thousands of New Yorkers in their homes. In FY 2013, HRA provided rent arrears to 42,000 households at a cost of \$124 million. In FY 2015, HRA provided rent arrears to nearly 53,000 households at a cost of \$180 million. The increase in spending of 46 percent was due to 11,000 more households being

found eligible and to rising rents. As rent levels have increased, the average emergency grant was 15% higher.

These programs are cost effective. In FY15, the average cost of emergency rent help was \$3,396 per case, which is much less than the average cost of almost \$37,000 a year for a family in homeless shelter. The cost of a legal services case averages about \$2,000, again compared to \$37,000 a year for shelter.

Partnering for the Future

No price can be put on the human and social costs of homelessness; and the high level of homelessness over the past several years has also had a substantial fiscal impact on the City. We know that an ounce of prevention is worth a pound of cure and we are working to make sure that the tools of government that can prevent and alleviate homelessness are accessible and readily available to those who are in need.

We also know that investment in these preventative and restorative services is money well spent. As I noted earlier, the cost of legal services and rent arrears is much less than the cost of shelter. And that does not include the many other costs that homelessness imposes on adults and children, including the loss of jobs, the loss of social supports that makes them more vulnerable to future crises, the disruption of medical care, and the disruption of children's education.

In order for HRA's programs to be successful in preventing and alleviating homelessness for families and individuals, a sustained investment from both the City and State for today and years to come is essential.

We appreciate your assistance in the prior budget cycle in obtaining the following allocations in the budget:

- \$220 million over four years for rental assistance and related homelessness assistance; and
- \$15 million to prevent evictions and alleviate homelessness through a pilot program to increase supplemental housing allowances that have not been raised in over a decade.

However, more is needed to prevent homelessness and keep children and adults in stable homes and to move children and adults from the shelters into permanent housing.

We are looking forward to continuing to work with our state partners to fund necessary programs and services.

Legislative Priorities

For the upcoming legislative session, we would like to work together with our partners in State government to further help low-income New Yorkers by:

- Increasing the state-set shelter allowance,
- Improving the benefits of and access to LINC, CityFEPS and SEPS,
- Enhancing access to supportive housing,
- Raising the state minimum wage, and
- Working to enact legislation to remove unnecessary barriers to benefits needed to maintain housing, utilities, childcare, employment, basic health, and lifelong well-being.

Homelessness Prevention and Housing Assistance: We would like to work together to evaluate the relationship between current lawful rent levels in New York City and the underlying shelter allowance, which is currently \$400 for a family of three and \$215 for a single adult. Those levels have not been changed since 2003 and are far below actual rents.

In 1988, the shelter allowance for a single adult was increased to \$207, which was 55% of the fair market rent for a studio apartment, as determined by the federal government. In 2015, the shelter allowance for a single adult was \$215, which was 18% of the fair market rent for a studio apartment of \$1,196.

The cost of shelter for a family or individual is substantially more than that of permanent housing. For us to truly prevent and alleviate homelessness we need to enhance available rental assistance programs. We therefore want to work with you to fully fund the state shares of the LINC, CityFEPS and now SEPS programs.

Likewise, we would like to work with you on the effort to increase the amount of available supportive housing in New York City. The first three NY/NY agreements between the City and State have clearly demonstrated that supportive housing is a proven cost-effective and humane way to alleviate homelessness.

Restore Emergency Assistance for Families (EAF): We would like to work with you to restore the ten percent New York City-only cut for Emergency Assistance for Families. In the current state budget, state funding for EAF for New York City shelters and emergency services was reduced by \$22.5 million and shifted to a 10 percent required City match. That funding is crucial for the City's efforts to prevent and alleviate homelessness; \$22.5 million pays for shelter expenses, homeless prevention programs such as anti-eviction grants, and emergency rental assistance for low-income families.

Raise the minimum wage for all workers: Of the approximately 86,000 clients who are subject to federal work requirements, more than 25,000 actually have jobs; however they still qualify for public assistance. This underscores why the Mayor's call and recent support from the Governor, for an increase in the minimum wage to \$15 an hour is so important for helping

families and individuals pay rent, addressing poverty and income inequality – as well as reducing our caseload. We look forward to working with you in this key legislative priority.

Remove Bureaucratic Barriers to Effective and Efficient Social Service Delivery

Conciliation: We fully support A.4250/S.3596, and we thank the Senate for your support in passing this critical piece of legislation. This New York City-only legislation amends Social Services Law § 341, and would clarify notice requirements, conciliation procedures and sanctions in cases when the recipients of Cash Assistance have not complied with employment program requirements. The bill also amends Social Services Law § 342. Right now, the law makes no provision for lifting durational sanctions, even if the sanctioned individual becomes exempt from work requirements due to, for example, disability. Providing HRA with the ability to lift sanctions would enhance available strategies to provide assistance and help clients move forward and off the caseload. The sanction process of the last 20 years did not promote self-sufficiency. In fact, it is associated with homelessness. Our analysis of the Department of Homeless Services shelter applications during a six-month period in 2013 found that 23 percent of the shelter applicants had an HRA case closing or case sanction within the prior 12 months. Our hands are also tied in many cases when it comes to engaging a client who is sanctioned under state law and this leads to very real consequences for those most in need of our assistance. We want to ensure that clients have the type of meaningful training that leads to sustained, gainful participation in the workforce. We look forward to continuing to work with you to urge the Governor to sign this legislation.

Fair Hearing Chargeback: In the 2014 budget, a statutory change was enacted to subject New York City to a \$10 million penalty if HRA did not successfully eliminate its backlog of fair hearings. The backlog was more than 70,000, which HRA has essentially eliminated. To the extent the chargeback was enacted to address the backlog, that need has been eliminated, but unfortunately the chargeback language continues to be in effect until it sunsets on March 31, 2016. We thank the Senate for advancing this bill, which passed both houses unanimously, and request your support in urging the Governor to sign the bill into law. As you know, the bill would require the City to submit quarterly reports and also modify the way in which the chargeback is calculated following the reduction of the fair hearing backlog.

Thank you for the opportunity to testify today. We have accomplished a great deal over the past 21 months, but we know that we have much more work to do and look forward to partnering with you during the coming year.