



Testimony Of Daniel Tietz, Chief Special Services Officer, New York City Human Resources Administration

Oversight Hearing regarding Supportive Housing in New York City before the Committee on Housing and Buildings jointly with the Committee on General Welfare

January 19, 2017

Good morning. 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 regarding supportive housing in New York City.

My name is Daniel Tietz and I am the Chief Special Services Officer of the New York City Human Resources Administration (HRA). I am joined by Michael Bosket, Deputy Commissioner for HRA's Customized Assistance Services; Kristin Misner-Gutierrez, Deputy Commissioner for HRA's Supportive and Affordable Housing and Services; and Craig Retchless, Assistant Deputy Commissioner in HRA's Customized Assistance Services. We are also joined by Jessica Katz, Associate Commissioner for New Construction at Housing Preservation and Development, and Myla Harrison, Assistant Commissioner for the Bureau of Mental Health at the Department for Health and Mental Hygiene.

I also want to take this opportunity to thank The Schermerhorn for hosting us today as we discuss our progress with regard to supportive housing. The Schermerhorn is a great partner in working to end homelessness and addressing the barriers that prevent stable housing for vulnerable New Yorkers, such as those with mental illness, substance use disorders and other chronic conditions, as well as New Yorkers with HIV/AIDS, and young adults aging out of foster care. This housing, coupled with the on-site services provided by another great partner, Center for Urban Community Services (CUCS), provides supportive services to address the needs of vulnerable and high-need residents and at-risk populations for those housed in the 116 units of stable and affordable supportive housing units. The remaining affordable units are dedicated to low-income working adults from the arts and entertainment industry. The supportive services include both mental and physical healthcare access, as well as alcohol and substance use programs. Breaking Ground partners with CUCS and The Actors fund to provide case management, recreational activities, and self-sufficiency workshops to residents.

Supportive housing is a proven model and this Administration's landmark commitment made in November 2015 through NYC 15/15 builds on decades of experience implementing the model along with research, evaluation, and lessons learned since the first units were created in the 1980s.

The Mayor's NYC 15/15 plan to create 15,000 units of new supportive housing over the next 15 years includes more units than the combined number of units from the three previous New York/New York supportive housing agreements and is more than any other supportive housing effort in the country. From decades of research, we know that this sweeping and comprehensive plan will benefit New Yorkers in need, including homeless veterans, domestic violence survivors, and street homeless individuals.

This cost-effective approach to deliver stable and permanent housing to New Yorkers struggling with mental illness, homelessness, and substance use is worth every penny of investment. Supportive housing reduces our reliance on homeless shelters, hospitals, mental health institutions, and incarceration.

Permanent supportive housing provides individuals and families transitioning from a period of homelessness with a continuum of care, integrated services and quality affordable housing options that address the immediate and long-term social, economic, emotional and physical needs of some of the most vulnerable New Yorkers. These residential apartment buildings are in communities spread across the five-boroughs, are equipped with on-site case management and supportive services and adhere to safety and quality standards in accordance with local, state, and federal laws and regulations.

The low-income tenants sign a standard lease and receive rental assistance payments to help defray the high-cost of New York City rents. The continuation of tenancy is not subject to any special rules or participation in any particular or specialized services; and tenants pay 30 percent of any earned or unearned income toward rent.

The two primary types of supportive housing are:

- Single-site (also referred to as congregate), which is a designated building where each individual or family has private living and sleeping quarters and may share kitchens and/or common rooms, recreational rooms or other facilities; and
- Scattered-site, which are units in apartment buildings spread throughout a neighborhood or community. These units are designated for specific populations and accompanied by supportive services.

The combination of affordable housing and comprehensive support services is rooted in best practices developed from evidence, data and outcomes, and is designed to help families and individuals achieve stability and sustained recovery, as well as lower the incidence of shelter reentry, following periods of chronic homelessness, hospitalization, incarceration or, for youth, aging out of foster care.

Support services are voluntary, strength-based and customized to meet the individualized needs of each resident. A care management team is responsible for implementing service plans and

modalities, monitoring client progress and adherence to treatment, developing a person-centered assessment and connecting residents to comprehensive support services including:

- Case management;
- Educational, vocational, and other recovery-oriented services;
- Medication management and counseling;
- Assistance in gaining access to government benefits, such as food stamps;
- Referrals to medical services, mental health care, and treatment for drug and alcohol use; and
- Recommendations for other needed services, such as legal support.

Following the historic announcement of NYC 15/15, the Mayor assembled a 28-member expert Task Force who developed 23 specific recommendations on ways the plan could expand and improve upon the previous NY/NY agreements. Starting in January 2016, Task Force co-chairs Steve Banks, the Commissioner of the Department of Social Services (DSS); Vicki Been, the Commissioner of Housing Preservation and Development (HPD); and Laura Mascuch, the Executive Director of the Supportive Housing Network of New York (The Network), and their representatives, hosted meetings in which four working groups focused on the following topics:

- data review and target populations;
- the referral process;
- service models; and
- streamlining development.

The recommendations of the Task Force are the result of months of work carried out by leaders in delivering housing and services to vulnerable and homeless New Yorkers, including experts from city agencies, nonprofit organizations, social service practitioners, and clients. The Task Force's work and recommendations were announced in December 2016 with the release of a public report. The result of this research and these meetings are the following recommendations.

Data and Evaluation

1. Target units to three broad populations – adults, families, and youth – and incorporate a vulnerability index to target housing to those most in need.
2. Expand access to the current application for supportive housing (the “HRA 2010e”) to include a broad range of referral sources, in addition to the Department of Homeless Services (DHS).
3. Proactively identify applicants using data analytics to identify homeless individuals and families using multiple systems of care.
4. Create a City Oversight Committee to monitor NYC 15/15 implementation.
5. Develop a cross-agency plan to evaluate the outcomes of NYC 15/15.

Referral Process

1. Allow additional professionals, such as licensed clinical social workers and psychologists, to complete the required mental health evaluations for the HRA 2010e supportive housing application.
2. Modify the project-based Section 8 voucher approval process to expedite placements of homeless clients.
3. Align Public Assistance and the housing process so that individuals and families are not waiting in the shelter system.
4. Streamline the HRA 2010e application to include automatic uploads of supporting documents, such as the client's social security card and income documentation.
5. Create a referral process to match homeless clients who do not fit a NY/NY designation to appropriate housing that has some support services, called general population units.
6. Align definitions of chronic homelessness developed by the U.S. Department of Housing and Urban Development (HUD) and New York City.
7. Create a standardized assessment tool that matches tenants to appropriate housing options.
8. Pre-populate an existing HRA 2010e application using data from various city agencies.

Service Models

1. Utilize evidence-based and evidence-informed practices and support ongoing staff development across supportive housing providers.
2. Implement a holistic family approach to deliver comprehensive services to the entire family.
3. Create supportive housing options for youth that are not time limited and use the "Moving On" model to help young adults transition to independent housing.
4. Develop a better assessment tool to assist workers in determining which clients will be most successful in scattered-site housing programs.
5. Provide greater flexibility to account for major life changes; standardize the process for clients to transfer to other supportive housing programs that may be better suited to their current needs, for example, between family and single supportive housing.

Streamlining Development

1. Review landlord incentives for scattered-site supportive housing.
2. Address issues in the rent stabilization law and enforcement that affect scattered-site supportive housing programs.
3. Create a dedicated and nimble pool of capital to use for down payments on sites to develop supportive housing buildings.
4. Separate the rent from the services subsidy, with HPD managing the rental subsidy at Fair Market Rent (FMR). Increase the term of the rental subsidy to match the 15-year

term for the Low Income Housing Tax Credit (LIHTC), a common tool to build affordable housing.

5. Build-in regular increases to the rental subsidy over the course of 15 years.
6. Improve community engagement for new supportive housing projects.

Role of DSS|HRA

The New York City Human Resources Administration/Department of Social Services (HRA/DSS) is dedicated to fighting poverty and income inequality by providing New Yorkers in need with essential benefits, such as Food Assistance and Emergency Rental Assistance. As the largest local social services agency in the country, HRA helps over 3 million New Yorkers through the administration of more than 12 major public assistance programs, with more than 14,000 employees and an operating budget of \$9.7 billion. HRA also plays a critical role in preventing homelessness and in rehousing those who are homeless.

In order to prevent homelessness, the work of HRA is focused on providing supports to those who are working, but with income insufficient to support a family. By providing temporary assistance and training to those in search of work and providing a safety net for those unable to work HRA strives to ensure that clients do not find themselves facing homelessness. The agency now oversees Homebase, which was formerly under the Department of Homeless Services, thereby expanding our comprehensive prevention services. Additionally, since the beginning of this Administration, we have invested over \$60 million in tenant legal services (targeting eviction and landlord harassment) and the total City commitment to fund civil legal services will exceed \$100 million, the largest of any municipality in the country.

It is worth noting that increasing the availability of housing and, most critically, affordable housing, alone will not address the homelessness crisis the city is experiencing. Some New Yorkers face challenges in securing and maintaining employment and stable housing due to psychosocial, intellectual, physical health, and/or other conditions. For these New Yorkers, HRA plays a vital role in connecting them to a continuum of care and support services. HRA's successes are not only in moving these vulnerable New Yorkers into stable housing but ultimately to assist them in transitioning to the workforce. However, this stability in housing and, for some, the opportunity to work, would be impossible without the cost-effective intervention of supportive housing.

For those coping with mental health challenges, substance use disorders, or other housing barriers, they are eligible for stable housing accompanied, as needed, with an array of comprehensive services. These services can include connection to mental health and substance use treatment, employment, and education. Through this powerful intervention these vulnerable populations are able to address the multiple barriers they face when trying to obtain and maintain stable housing and to live with independence and dignity.

The City's 15,000-unit plan expects to create 7,500 newly-developed congregate units, similar to that of The Schermerhorn, and 7,500 scattered site units. The plan will cost \$2.6 billion in capital funds over the next 15 years to develop the 7,500 congregate units. Of the total capital costs, approximately \$1 billion will be a City cost – and all but \$380 million has already been budgeted through Housing New York. The remaining capital costs – approximately \$1.6 billion – will be offset with low-income tax credits and other private sources. There is also approximately \$96 million in net operating costs over the Financial Plan (through Fiscal Year 19) – starting at \$8.8 million annually in the first year and ramping-up. HPD's testimony will provide further detail concerning the financing of this plan and supportive housing more generally.

As we've testified in the past, a Department of Health and Mental Hygiene study showed that NY/NY III clients who were placed in supportive housing used public benefits, Medicaid, psychiatric institutions, jails, and shelters less than clients not residing in supportive housing, resulting in net-cost savings.

The City agencies before you today work in close partnership to address housing insecurity and homelessness, as well as to provide housing options for vulnerable clients who are eligible for supportive housing through this and other housing initiatives.

Role of DOHMH

The NYC Department of Health and Mental Hygiene (DOHMH) provides a lead role in contracting, oversight, and evaluation of services for individuals in many of the City's supportive Housing units, including 3,850 of the total 9,000 NY/NY III units¹, and an additional 4,500 supportive housing units developed over the course of the past 30 years.

To date, DOHMH has awarded provider contracts to 99 percent of the 3,850 NY/NY III sites for which we have responsibility. Some of these contracts have been awarded in advance of completion of the buildings. In terms of occupancy, 3,098 of the 3,850 sites are now filled. The remaining 752 units are either currently being built or are recently completed and are now accepting applications.

In addition to overseeing services, DOHMH's work includes a thorough evaluation of the City's supportive housing services. As part of this evaluation, DOHMH coordinates with other City and State agencies to capture a broad range of quantitative and qualitative data. DOHMH gathers health, social service and financial impact data in addition to surveying providers and tenants on their experience with the program. The NY/NY III interim evaluation report showed a net savings to the system of more than \$10,000 per year for housed single adults.

¹ Services in 1,000 units for individuals with HIV/AIDS are overseen by HRA, and in the other 4,150 units by state agencies.

DOHMH is also working in coordination with HRA and the Mayor's Task Force on supportive housing to develop the NYC 15/15 units. HRA will procure the units and ensure the Task Force recommendation are implemented while DOHMH will help provide technical assistance and contract management to programs to ensure that residents receive services that are evidence-based and focused upon the recovery of the family and the individual.

Progress to Date

Since announcing a commitment to fund 15,000 units over the next 15 years, City agencies quickly implemented a number of initiatives to keep the pipeline going. First, we added 525 units to the DOHMH open-ended congregate request for proposals (RFP) so that providers could continue to apply for and receive services awards for congregate units. We also added over 150 units to the HRA HIV/AIDS Services Administration (HASA) RFP.

Next HRA released an RFP for scattered-site units. We reviewed and awarded 550 units to 11 organizations in record time and are in the process of negotiating those contracts and getting them registered.

The City is also in the process of implementing the aforementioned recommendations from the Task Force.

Reforms to HRA's Supportive Housing Application and Eligibility Process

HRA's supportive housing system permits referring agencies to electronically submit the HRA 2010e to HRA's Office of Health and Mental Health Services/Placement, Assessment, and Client Tracking Unit (OHMHS/PACT). In order to apply for supportive housing, the HRA 2010e must be submitted by a service provider who has been trained by HRA's Customized Assistance Services (CAS) program. Upon submission of the supportive housing application, the provider receives a username and password.

The HRA 2010e application packet is designed to gather a comprehensive clinical and housing history to determine if the individual/applicant meets the criteria for any category of supportive housing. Relevant information submitted as part of the application includes: demographic information, benefits history, current treatment and service providers, history of hospitalizations, housing and homelessness, health and treatment history, an assessment of day-to-day functional challenges, applicant housing preferences, and recommendations for the level of housing support needed. Additionally, the packet requires a current comprehensive psychiatric evaluation completed by a licensed psychiatrist or psychiatric nurse practitioner and a psychosocial summary, each of which is to be completed within the last six months. Service providers have the option to utilize the Comprehensive Mental Health Report in lieu of a separate psychosocial summary and psychiatric evaluation. Supportive housing applications are mostly prepared by a mental health professional from a variety of referral sources, such as hospitals, correctional facilities, homeless shelters, outpatient programs, care coordinators, and community-based

organizations. Other individuals, including family members, are also able to assist with the applications process.

One of the recommendations from the Task Force was to streamline the HRA 2010e application process to include automatic uploads for supporting materials, such as an applicant's social security card and income documentation. I am pleased to report this enhancement has already been completed and it should make the process easier for the clients and providers. Additionally, the recommendation to allow licensed clinical social workers and psychologists to complete the required mental health evaluations for the HRA 2010e will be implemented by April 2017.

The U. S. Department of Housing and Urban Development (HUD) is urging localities to develop a Coordinated Assessment and Placement System (CAPS) to streamline access to homeless services and prioritize assistance based on an individual's assessed vulnerability and the severity of service needs. New York City has many and complex housing resources – 56 funding sources are available for capital, operating, and services for various types of supportive housing and multiple rental assistance programs from City, State, and Federal resources.

Each adds a layer of complexity to the process of placing homeless individuals and families into permanent housing. Working with the New York City Continuum of Care CAPS Steering committee, HRA has begun development of the Coordinated Assessment Survey, which is a universal tool to assist case managers and housing specialists working with individuals and families in understanding the different types of supportive housing and rental subsidies for which their clients may be potentially eligible.

The Coordinated Assessment Survey will be the entry point to begin the process of assisting homeless individuals and families to determine the best fit in permanent housing. Survey results will be used to inform the client's housing plan, determine the best option for placement, and provide guidance for pursuing the type of housing placement chosen.

The survey will be accessed in the HRA supportive housing system along with the HRA 2010e application, which is available City-wide to 10,000 users, 3,000 programs, and 1,000 organizations. This system is currently being piloted in seven homeless shelter programs for individuals and families and the feedback has been very encouraging.

HRA is also working with the CAPS Steering committee to develop and implement a vulnerability index in order to prioritize the highest need individuals and families approved for supportive housing.

Supportive Housing Utilization

The largest challenge with supportive housing in the City is that there simply is not enough of it, which is why the Mayor made the unprecedented commitment to provide 15,000 additional units.

Based on HRA's data, in FY16, 23,629 supportive housing applications were submitted with 14,648 or 62 percent approved. There are currently approximately 32,000 supportive housing beds in New York City.

As of December 2016, HRA's HASA program has:

- A contracted supportive housing portfolio of 5,683 units of which 5,387 units are occupied. HASA spends about \$135.7 million annually for these units.
- 2,672 scattered-site units, including NY/NY III and non-NY/NY III, of which 94% (2,506) are occupied. The average annual cost per unit is \$24,115. HASA anticipates that this cost will increase due to increasing rents.
- 2,181 permanent congregate units, including both NY/NY III and non-NY/NY III, of which 96% (2,091) are occupied. The average annual cost per unit is \$22,620.
- 830 transitional units, 95% (790 units) of which are occupied. The average annual cost per unit is \$26,489.

In addition to supportive housing units, HASA is expecting to spend about \$44,105,074 in this year for clients residing in emergency housing. As of December 2016, of the 2,614 units available, HASA clients occupied 2,526 units, an occupancy rate of 97%.

We know stable housing like supportive housing is integral to improving health outcomes, reducing re-incarceration among returning offenders, and lowering costs for high-needs, high-cost Medicaid recipients with serious behavioral health and/or other disabling conditions. Moreover, supportive housing can help avert preventable events and health crises, such as arrest, incarceration, relapse and hospitalizations, thereby additionally reducing costs.

Results to Date

It took many years to reach this level of homelessness and it will take time to reduce it. But we can already point to several concrete successes with our rental assistance programs with increasing placements in affordable housing.

Since the beginning of the Administration through the end of the last fiscal year, over 25,000 low-income households have received eviction and anti-harassment legal assistance, including working heads of households, and this level of prevention services will increase to almost 33,000 households per year, including well over 113,000 people.

We have also helped more people with emergency rent assistance, keeping thousands of New Yorkers in their homes. In FY15, HRA provided rent arrears to 53,000 households at a cost of \$180 million. Comparatively, in FY16, HRA provided rent arrears to nearly 57,000 households at a cost of \$206 million. The 14 percent increase in spending was due to 4,000 more households being found eligible as well as rising rents. Another major driver was the increase in Homebase

and legal services enrollments to prevent eviction and homelessness where clients are also referred for assistance with rent arrears.

As a result of these prevention efforts, evictions by Marshals have decreased by 24% since 2013.

I also want to reemphasize that these programs are cost-effective. In FY16, the average cost of emergency rent assistance was \$3,608 per case, and the average cost of a legal services case was \$2,000. These investments were much less than the average cost of almost \$41,000 per year for a family in homeless shelter.

Partnering for the Future

No price can be put on the human and social costs of homelessness. We know that an ounce of prevention is worth a pound of cure and we are diligently working to ensure 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 preventive and restorative services is money well-spent.

Moreover, the Mayor's historic announcement of NYC 15/15 and its swift implementation will provide permanent and stable housing and essential social services for literally thousands of eligible New Yorkers.

We have accomplished a great deal, but we know that we have much more work to do and look forward to partnering with you during the coming year.

Thank you and I'm happy to answer your questions.