

Testimony of Steven Banks, Commissioner, Department of Social Services
Oversight Hearing regarding the NYC 15/15 plan before the Committee on General Welfare
April 24, 2018

Good Afternoon. Thank you Chair Levin and the members of the General Welfare Committee for giving us the opportunity to testify today on the subject of Supportive Housing in New York City.

My name is Steven Banks and I am the Commissioner of the New York City Department of Social Services which oversees the Human Resources Administration (HRA) and Department of Homeless Services. I would like to thank Commissioner Torres-Springer as well as HPD's support and partnership as we continue to implement our reforms.

Background on Homelessness

I would like to begin my testimony, as I've done previously before this committee, by contextualizing homelessness in New York City and highlighting the structural and economic factors that drive this challenge. There is no one size fits all approach to addressing homelessness, which is why our approach is multi-faceted and includes four core components – prevention, bringing people in from the streets, rehousing, and transforming the provision of shelter from a haphazard system to a borough-based approach. Of course, one significant contributing factor to homelessness is an insufficient supply of viable housing options for low-income New Yorkers. From 2005-2015, the median rent in New York City increased by 18.3 percent, while household income increased by only 4.8 percent. The most recent Housing and Vacancy Survey showed some sign of change estimating that household incomes among renters rose by 10.9 percent in real terms while rents increased 6.2 percent in 2017 but we are still combating the long-term trend. Furthermore, between 1994 and 2012, the city lost about 16 percent of the total rent-regulated housing stock, which encompassed approximately 150,000 units. These trends, among other contributing factors, created a situation where, by 2015, the city had only half the housing it needed to serve about three million low-income New Yorkers. And while the city's overall rental vacancy rate of 3.36 percent poses a problem for people across all incomes, renters who are only able to afford an apartment costing \$800 or less must search in a market with an even lower vacancy rate of 1.15 percent in 2017, down from 1.8 percent in 2014.

The devastating effects of economic inequality and past inaction from prior administrations in New York City, Albany and Washington led to the homeless crisis we face today. However, the initiatives of both HRA and DHS are beginning to reverse the trend. The average monthly census for DHS shelters increased 115 percent from 1994 into 2014 – rising from 23,868 men, women, and children in January 1994, to 31,009 in January 2002, and reaching 51,470 in January 2014. Without the initiatives that we have been implementing, the current DHS census would be in excess of 71,000 instead of at the 60,000 level where it is today. In fact, a recent Furman Center study found that the year-over-year shelter census growth from calendar year 2015 to calendar year 2016 was the lowest increase since 2011, the year the State and City ended the Advantage rental assistance

program, leading to a 38-percent increase in homelessness. The DHS shelter census for 2017 remained roughly flat compared to 2016 – this is the first time in more than a decade that the DHS census has remained level. And during the first four months of Fiscal 2018 compared with the same period in the prior year, the number of families with children entering the DHS shelter system declined by 15.1 percent and adult family entrants declined by 10.8 percent.

Since FY14 we expanded and enhanced our services and assistance, including, but not limited to, the following initiatives:

- Created and implemented rental assistance programs and restored Section 8 and New York City Housing Authority priorities, which through December 2017 have helped over 81,124 children and adults move out of, or avert entry into, shelter;
- Established the Homelessness Prevention Administration within HRA and provided emergency rental arrears assistance to 217,000 households through FY17;
- Aggressively expanded free legal assistance for New Yorkers facing eviction, harassment by unscrupulous landlords and other displacement pressures by increasing funding for legal services for tenants from \$6 million in FY13 to \$77 million by FY18 – a 12-fold increase, providing legal assistance to over 180,000 New Yorkers. These services have begun to yield positive results: the Mayor recently announced that residential evictions by marshals dropped by 27 percent from 2013 to 2017, helping more than 70,000 New Yorkers stay in their homes during that time.

Supportive Housing

Some New Yorkers face heightened barriers to securing and maintaining stable housing due to mental health issues, substance use disorders (SUD), HIV and/or other disabling medical conditions. Supportive Housing is targeted to reach this particularly vulnerable cross-section of New Yorkers. And within the Administration’s comprehensive strategy to turn the tide on homelessness, Supportive Housing is one critical component in our efforts.

Supportive Housing not only provides a secure living environment that helps to stabilize residents, but it also connects those who meet the eligibility requirements with support services to ensure that they have access to the tools necessary to maintain their personal highest level of self-sufficiency. Services in this housing model are customized to meet the individual needs of each resident and can include connection to mental health and substance use treatment, employment, and education. This robust, evidence-based framework, which builds on decades of experience and evaluation, is one tool in our toolbox to address homelessness in NYC. For example, our latest data on NY/NYIII housing retention rates shows us that 88% of clients remain stably house after one year and 78% after two. By providing a combination of stable housing and support services, we are helping vulnerable populations achieve their maximum functional capacity in a safe and supportive environment.

History of Supportive Housing in NYC

The history of Supportive Housing in NYC highlights the importance of our current efforts. Supportive Housing has existed in NYC since the 1980s. Over the past few decades, we have gained a wealth of knowledge from implementing the Supportive Housing model, and analyzing the outcomes. Beginning in 1990, the City and State shared in the development and implementation of Supportive Housing using an evidenced-based model to keep some of the most vulnerable New Yorkers stably housed. These agreements are known as New York/New York I, II, and III. The NY/NY III agreement was implemented to create 9,000 units of Supportive Housing in NYC between 2005 and 2015. Currently, the city and state are still completing units committed in that NY/NY III plan and we continue to engage in eligibility determinations, placement, tracking, contract administration, oversight, and evaluation of these units.

The Mayor's 15/15 Plan

In the absence of a fourth NY/NY agreement, in 2015, this Administration launched the **largest municipal commitment to Supportive Housing ever: the Mayor's 15/15 plan**. The Mayor's plan, which commits to developing 15,000 units over 15 years, includes more units than the combined number of units from the three previous NY/NY agreements and reaches further than any other Supportive Housing effort in the country. We are confident that this sweeping and comprehensive plan, along with existing services provided through NY/NY agreements, will continue to improve the lives of New Yorkers in need who benefit from a combination of stable housing and supportive services. It's important to note that while NYC 15/15 has been ramping up, the City continues to make placements into supportive housing via vacancies and new units from the prior NY/NY agreements. Since 2014, the City has placed over 5,000 people from shelter into supportive housing units, including re-rentals into NY/NY I, II, and III units and new units in NY/NY III that are still coming online.

Structure of the 15/15 plan

There are two types of Supportive Housing:

- Single-site (also referred to as congregate), which is a designated building where each individual or family has private living quarters and may share kitchens and/or common recreational rooms or other facilities; and
- Scattered-site, which are units in private apartment buildings spread across neighborhoods and communities throughout the city that are designated for targeted vulnerable populations;
- Both housing models include on-site services for the residents.

Over 15 years, the expectation is that the City will create 7,500 newly-built congregate units and obtain an additional 7,500 scattered-site units. These residential units 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.

Tenants in Supportive Housing sign a standard lease or occupancy agreement and receive rental assistance, along with voluntary, strength-based support services that are customized to meet each individual's specific needs. Our Requests For Proposals require services for an individual or the entire family; and in the case of

family supportive housing, providers must offer programming that is developmentally appropriate for children and families. A case management team is responsible for developing a person-centered assessment and service plan, 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.

In supportive housing, individuals pay 30 percent of their income towards rent and are not required to participate in services to maintain their tenancy, but many do. Professional staff members engage with tenants, providing motivational support that reduces isolation and increases their connection to much needed supports. This cost-effective approach to deliver stable and permanent housing to New Yorkers struggling with mental illness, homelessness, and substance use, as well as other vulnerable populations such as New Yorkers with HIV, is worth every penny of investment. Research shows that Supportive Housing reduces the City's reliance on homeless shelters, hospitals, mental health institutions, and incarceration, setting up these individuals and families for success and in the long-term saving tax payers. And Supportive Housing creates positive outcomes for the individuals and their families, the community and government.

Progress in the Right Direction

Expanding Eligibility

Throughout the years, eligibility for Supportive Housing in NYC has expanded to encompass additional categories of vulnerable New Yorkers. The first and second NY/NY agreements provided services to homeless New Yorkers who were seriously mentally ill (SMI). The third NY/NY agreement significantly expanded eligibility to include homeless or at risk of homelessness individuals and families with a broader range of mental health and/or substance use disorders (SUD) or HIV. It also included individuals aging out of foster care or transitioning from State psychiatric facilities.

Building on this expansion, the Mayor's 15/15 plan further reforms eligibility to reach adults, single adults or heads of families, with an SMI or SUD and history of chronic homelessness, or young adults, single, pregnant or head of family, at risk of homelessness.

Supportive Housing Task Force Update

Following the historic announcement of NYC 15/15 in November of 2015, the Mayor assembled a 28-member Task Force comprised of a broad representation of subject matter experts from supportive housing providers and advocates, to social service practitioners. City agencies worked closely with the Task Force and also assembled focus groups with clients to ensure a broad range of feedback. . The Task Force was convened in January of 2016 and their work culminated in a report issued in December 2016. This report included 23 specific recommendations that outlined the ways in which the NYC 15/15 plan could expand and improve upon the

previous NY/NY agreements. The 23 recommendations are grouped into the following categories: data and evaluation; referral process; services models; and streamlining development. In the year and a half since those recommendations came out, the City has made significant progress.

In last year's testimony, we outlined for the Council the 23 Task Force recommendations and detailed some early successes. As of today, we are well underway in the implementation of those recommendations; more than 75% of the recommendations are either completed or ongoing, and the remaining recommendations are in the process of being implemented.

Prioritizing the Most Vulnerable Individuals

We have had success in developing and implementing a process to identify and prioritize clients who are in the greatest need of Supportive Housing. Part of the Supportive Housing Task Force recommendations included moving away from the rigid population categories of NY/NY III and expanding the eligibility to three broad populations – adults, families, and young adults. In last year's testimony, we noted that HRA had begun working with the Coordinated Assessment Placement System (CAPS) Steering Committee to develop the Coordinated Assessment Survey, a universal tool to assist case managers and housing specialists to understand the different types of Supportive Housing and rental subsidies for which their clients may be eligible. The survey is now accessible to all 12,000 Placement, Assessment, and Client Tracking (PACT) users across NYC, improving the efficiency of referrals and placements of vulnerable individuals and families.

The CAPS survey works in conjunction with the Standardized Vulnerability Assessment (SVA), which was implemented on January 23, 2018. Through the SVA, all approved Supportive Housing applications receive a vulnerability rating of high, medium, or low based on criteria that contribute to the probability an individual or family is vulnerable to becoming or remaining homeless. Some of these criteria include multi-system contacts, functional impairments, high utilization of Medicaid, and length of time homeless. The SVA is determined by live data feeds with DHS, the HRA HIV/AIDS Services Administration, the Department of Corrections, and the Department of Health and Mental Hygiene as well as the information contained in the 2010e Supportive Housing application that HRA administers. These live feeds provide real-time shelter stay, Medicaid expenditures, and other information to determine eligibility and vulnerability for homeless individuals.

As of February 2018, almost 6,000 client surveys have been completed, and HRA continues to work with the aforementioned agencies, along with many additional City, State, advocacy and community-based stakeholders to fully implement CAPS citywide.

Making the Application Accessible

In previous testimony, we detailed the 2010e application process, administered by HRA, which allows referring agencies to electronically submit the application to HRA's Placement, Assessment, and Client Tracking Unit (PACT). In 2016, we streamlined the application to include automatic uploads of copies of supportive documents required for housing, such as the client's social security card and income information. In 2017, we expanded access to the application process to a broad range of referral sources including the Department of Housing Preservation and Development, HRA's Office of Domestic Violence, and the Department of Youth and Community Development. Further, we made it easier to apply for Supportive Housing by allowing additional

professionals, such as licensed clinical social workers and psychologists, to complete the required mental health evaluations for the 2010e application. We also now prepopulate sections of the 2010e with information collected as part of the Coordinated Assessment Survey. This reduces redundancy for individuals completing the application while ensuring consistency in information.

We have also made progress in educating the public, stakeholders, and other agencies of the Supportive Housing model. In March of 2018 we launched the first comprehensive city webpage on Supportive Housing. It explains the process to apply for Supportive Housing, to build Supportive Housing units, and to provide services for Supportive Housing. This platform is easy to navigate and allows users to access consolidated information from multiple city agencies and community-based organizations to learn about available services and how to access them.

Results to Date

Drawing on the work of the Supportive Housing Task Force's experts – and even before the release of the Task Force's recommendations and report in December 2016 – in August 2016, the City released its first RFP for scatter site housing and awarded 505 units. This RFP includes evidence-informed practices geared towards helping individuals on their personal path to recovery such as motivational interviewing, person centered planning and trauma informed care. After the release of the Task Force's recommendations and report, the City also released an open-ended RFP for scatter site housing and an open-ended RFP for congregate units.

We are on track with the awards for NYC 15/15 units for this 15-year program that has improved the prior NY/NY plans through the Supportive Housing Task Force's December 2016 reform recommendations. Through the 15/15 plan thus far, we have made 1,426 awards to providers, including 505 scattered and 921 congregate units, 460 of which are congregate units that have closed on financing and are included in the 3,059 units in the HPD production pipeline. Through HPD's overall supportive housing production pipeline, between January 1, 2014 and December 31, 2017, HPD has funded 2,599 supportive units in addition to the 460 NYC 15/15 units through the preservation of existing supportive projects, remaining NY/NY III commitments, and other federal and state projects.

The City has and continues to move people out of shelter and into supportive housing. From 2014 to date, the Administration has provided Supportive Housing to over 5,000 New Yorkers moving out of shelter through a combination of units that have come available through the prior NY/NY pipeline as well as units that have come online through the new NYC 15/15 initiative.

In 2017 – the same year in which the first NYC 15/15 awards were made – we projected that we would have 500 clients linked to units by the end of December 2017. And for the second year following the awards – even while development and construction were ramping up – we projected that we would link an additional 500 clients to Supportive Housing units. Today, we are on pace with our target to reach the 1,000-client goal by the end of this calendar year: 337 clients have already moved into units, 170 clients are linked to units and are in the process of moving, and we expect at least 411 NYC 15/15 units will come online during 2018 – for a total of at least 918 so far for the 15-year initiative. In addition, HPD continues to develop supportive housing units that will come online in 2018, including remaining NY/NY III units.

Partnering for the Future

It is important to talk about the progress we have made against the backdrop of a unit shortage in the market. In our efforts to achieve the goals set out in the 15/15 plan, we face the challenge of operating in a market where the demand for units far exceeds the supply. Put simply, the abundance of renters in the market competing for the same units, coupled with a 1.15% vacancy rate for affordable apartments, influences the pace at which we are able to expand our scattered site program. This continuing work, coupled with our rental assistance programs and legal assistance services, all contribute to address the challenge of homelessness in our city and have made it possible to break the trajectory and hold the DHS shelter census flat for the first time in a decade.

In sum, within our multi-pronged plan to address the problem of homelessness that has built up over four decades, Supportive Housing is a critical component that benefits one cross-section of the population with a particular set of needs. Implementing the NYC 15/15 plan will provide permanent, stable housing and essential social services for some of the most vulnerable New Yorkers. Turning the tide on homelessness overall, however, goes far beyond developing and building Supportive Housing; it requires a multifaceted approach that focuses on prevention, bringing people in from the streets 24/7, rehousing people who become homeless, and transforming the approach to providing shelter that has been used over the nearly 40 years. The agencies before you today work in close partnership with each other, other City agencies, and community- and faith-based organizations to help ameliorate housing insecurity and homelessness for New Yorkers. Further, the recent integration of HRA and DHS has facilitated coordination between housing units in each agency and has improved the efficiency with which we deliver services to low-income New Yorkers.

Legislation

The proposed legislation, Intro 147, would require the Human Resources Administration (HRA) to issue an annual report regarding supportive housing. We look forward to working with the sponsors to address the concerns that underlie the proposed legislation.

We have made progress over the past few years, but we know we have much more work to do to address this decades-old problem. We look forward to our continued partnership with the Council to provide the help that New Yorkers need to get back on their feet.

Thank you again for this opportunity to testify and I welcome your questions.