



NYC Department of Homeless Services

Fran S. Winter
Department of Homeless Services
City Council Hearing on Oversight - Housing Stability Plus
April 27, 2006

Good morning Chairman de Blasio and members of the Council. I am Fran Winter, Acting Commissioner of the Department of Homeless Services. Thank you for giving me the opportunity to testify before you today on Housing Stability Plus (HSP), the City's rental supplement program for clients leaving shelter for permanent housing. HSP is the largest and most generous discretionary, local rental assistance program ever developed in this country.

One of the goals in *Uniting for Solutions Beyond Shelter*, Mayor Bloomberg's five-year action plan, is to reduce the size of the street and shelter populations by two-thirds by 2009. Central to this goal are strategies to ensure that homeless New Yorkers have greater access to affordable housing. Since its inception, HSP has allowed thousands of individuals and families to move from homelessness to permanent housing.

As you know, the Bloomberg administration launched HSP in 2004 in response to sharp declines in the number of available vouchers under the Federal Section 8 program – New York City is the first to use city tax levy resources (combined with State and Federal resources) to counter declining Federal assistance in this way. The program is designed to offer a market rate rent supplement to help individuals and families leave shelter and secure permanent housing. It then gradually decreases over time to foster clients' move towards independence. The HSP model is based on research which shows, on the whole, that homeless families are not unlike other poor families struggling to achieve a safe and stable home: their greatest need is rental assistance and the short-term helping hand it represents. HSP provides that helping hand.

In addition, whereas Section 8 was only available to families with children and adult families, HSP includes families with children, adult families, and single adults leaving shelter, providing a critical new resource to the single adult population. Clients who have an active Public Assistance (PA) case are now automatically certified for the program and can immediately begin their housing search – another key improvement from the Section 8 program. As a result of these differences, and the inclusion of individuals with rent arrears and criminal records (who are excluded from receiving subsidies under Section 8), many more individuals are eligible for HSP than were eligible under Section 8.

HSP Overview

To start, I would like to provide you with a brief overview of the program. HSP is available to families and individuals in shelter receiving PA. The program provides a five year rental supplement in addition to the shelter grant provided through PA. In general, families must reside in shelter for a minimum of 90 days to qualify for the supplement; adult families and single adults must reside in shelter for nine months within the last twelve months, even if the stay has not been consecutive.

HSP recipients continue to receive the rental supplement so long as they remain active on PA. The HSP rental supplement and PA shelter allowance provide the full cost of maximum rent for the first year a recipient is enrolled in the program. After that, the monthly rental supplement is reduced by 20 percent each year. The underlying shelter grant remains unchanged. For example, a family of three with minor children receives a rental supplement of \$525 per month in the first year of the program. On average, the initial step-down results in a decrease of \$100 per month. Participants are responsible for paying the rent differential with earnings or other resources. The subsidy was structured to decrease over time to promote self-sufficiency, thereby furthering a client's goal of independence. HSP clients also have access to numerous employment and job-training programs available through the Human Resources Administration and other City-wide programs and services.

Success to Date

Since the inception of the program in December of 2004, the HSP program has helped 6,584 clients sign leases for permanent housing under HSP. This number includes 5,991 families with children, 198 adult families, and 395 single adults. In 2005, 4,703 leases were signed by HSP families. By way of comparison, in 2004, under the Emergency Assistance Rehousing Program (EARP), 3,788 families were placed into Section 8 housing. HSP assisted almost 1,000 more clients obtain permanent housing, as compared to Section 8, in its first year alone.

Moreover, clients who are moving out have overwhelmingly been able to maintain their permanency; as of April 24, 2006, only 68 families, two adult families, and four single adults have returned to shelter since the program's inception. Out of the total number of leases signed since the beginning of the program, only one percent of clients have returned to shelter. Notwithstanding this success, we recognize the need to understand why these few HSP clients have come back to shelter, and so we are in the process of conducting one-on-one interviews with them to gather information about the circumstances of their return.

HSP Workgroup

As with any new program, DHS anticipated that issues would arise, especially in the initial implementation stages of the program. In response, we created a work group consisting of housing specialists, Aftercare providers, community advocates, and DHS staff that meets monthly to provide a forum to address broad operational issues. Early on, the workgroup identified two major programmatic concerns: the practice of side deals and the apartment review process. Since identifying these issues, the workgroup has been influential in offering recommendations and changing the way the program operates with respect to these two items. In addition, the workgroup has engaged in a public education campaign to educate the public and users of the program about how the program works, and what clients, landlords, and brokers can expect from the program. To address questions and concerns of landlords, brokers and tenants involved in the program, the workgroup helped to bring about the DHS Quality Assurance hotline. The workgroup planned two forums where

pertinent HSP information was disseminated and best practices were shared among housing specialists, partnering City agencies and Aftercare providers, and legal services representatives. The workgroup continues to be charged with studying problems and finding solutions.

Side Deals

We are aware that concerns have been raised regarding a small number of landlords and brokers who attempt to get additional “side deal” payments from HSP clients despite our repeated communications to owners, brokers, housing specialists and clients that arrangements are prohibited. We repeatedly urge clients not to accept these deals and to notify their housing specialist immediately. It is DHS’ belief that educating our clients about their rights and responsibilities as a tenant is their best defense against unscrupulous landlords and brokers. At the time of lease signing, DHS clients complete a statement of understanding, which includes acknowledging that these arrangements are prohibited under HSP. A rider to the lease agreement prohibits such arrangements. When circumstances so warrant, the agency will refer appropriate cases to our legal department and de-lease with a landlord. Unfortunately, these side deals are not unique to HSP and can occur with both Section 8 and non-subsidized residences.

DHS Apartment Review Process

DHS shares the Council’s concern that HSP clients should not be placed in apartments with unsafe housing conditions. Each HSP apartment undergoes an examination prior to certification to ensure it meets basic health and safety requirements.

In light of the Council’s proposed legislation, I would like to explain the process that DHS follows in leasing an HSP apartment. When an apartment is referred, DHS checks the Department of Housing Preservation and Development’s (HPD) database to see if any lead paint complaints or violations have been issued with respect to the unit, and the Department of Buildings’ database to determine whether a vacate order has been issued or if a violation

for illegally creating or converting an apartment is present. If DHS finds any of the above, the unit will not be cleared for certification or leasing.

DHS examines all apartments prior to lease signing. When DHS assesses a potential HSP apartment, our reviewer uses a detailed checklist to evaluate the conditions of the apartment. The checklist includes necessities such as ensuring that there is: running water, heat (in the months that the landlord is required to provide heat), a carbon monoxide detector, a smoke detector, window guards or window stoppers, no exposed electrical wiring, permanently installed light fixtures, and a lockable mailbox or a controlled location where clients can receive mail. This is not an exhaustive list of every component of the assessment, but it is intended to give you a feel for the process. If a unit meets the requirements on the checklist, we will certify the apartment and the apartment will become available for leasing.

If certain of the above items are not met, the apartment will not be certified. The items include, among other things, lack of running water, lack of heat (in the months that the landlord is required to supply heat), absence of window guards or stoppers, absence of a carbon monoxide detector or smoke detector, and exposed electrical wiring. These items need to be repaired and then the unit is re-inspected before DHS will certify the apartment.

When only minor repairs are required, such as minor clean-up, leaking faucets, or broken/missing tiles in the bathroom and/or kitchen, a landlord must sign a notarized Repair Agreement attesting that these repairs will be made prior to lease signing. A copy of the Repair Agreement is given to the client at lease signing, and DHS staff explains to the client that these are the repairs to be made.

If HSP clients contact DHS concerning apartment conditions after they have moved into their apartments, we encourage them to be proactive and self-advocating, and to refer potential violations to HPD, the code enforcement agency for all New York City residents that experience Housing Maintenance Code violations in their buildings. In certain circumstances, on a case-by-case basis, DHS will work directly with the landlord or facilitate a referral to an Aftercare provider or legal services provider.

Data from the first year of the program shows us that clients overwhelmingly remain in their apartments and have not returned to shelter since the beginning of the program. As I mentioned earlier, only 68 families with children, two adult families, and four single adults have returned to shelter since the beginning of the program.

Introduction No. 161

We share the Council's concern for the safety and well-being of our clients who are leaving shelter for permanent housing. However, banning shelter clients from competing for decent affordable housing with other low-income New Yorkers would have the likely effect of keeping families in shelter for increased periods of time. In addition, the New York City Law Department has advised us that Introduction No. 161 is preempted by the State Social Services Law. In New York City's tight housing market, we want our clients to have the opportunity to secure apartments that are available on the private market and meet adequate health and safety standards.

In conclusion, I thank you again for giving me the opportunity to speak on the highlights of HSP, a program that we consider vital to giving homeless New Yorkers the opportunity to find permanent housing. I am now prepared to take your questions.