



NYC Department of Homeless Services

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Testimony before the State Assembly
Social Services Committee
December 16, 2004**

Good morning Assemblywoman Glick and members of the Social Services Committee. I am Linda Gibbs, commissioner of the New York City Department of Homeless Services (DHS). Thank you for the opportunity to be here today to discuss initiatives relating to rental assistance for working poor, at-risk, and homeless New Yorkers, as well as the intake and eligibility processes for families applying for temporary emergency housing.

Mayor Michael R. Bloomberg released in June 2004 an ambitious five-year action plan to end chronic homelessness in New York City. *Uniting for Solutions Beyond Shelter* recognizes that the status quo – in which 36,600 individuals, including 15,100 children, today call the municipal shelter home – is unacceptable. The action plan represents a road map for shifting scarce public resources from our \$700 million shelter budget to real solutions like prevention, rental assistance, and housing. It incorporates the feedback and expertise of hundreds of service providers, client care experts, business leaders, and dedicated public servants. We are here today to report on some of the early successes we have had in bringing these promising reforms to fruition.

Housing Stability Plus and Rental Assistance Reforms

As you know, Governor George Pataki and Office of Temporary Disability Assistance Commissioner Robert Doar last week approved the Bloomberg Administration's ambitious new rental assistance program, called Housing Stability Plus. The new program is the centerpiece of a series of reforms designed to better coordinate and more fairly distribute housing assistance to working poor, at-risk, and homeless New Yorkers.

Before describing the program in detail, I would like to spend a moment discussing how we arrived at this juncture and why reform was so desperately needed.

When Mayor Bloomberg took office, in January 2002, the rate of families entering the shelter system dramatically outpaced the rate at which they were leaving. This resulted in growing ranks of homeless families, a radical expansion of the shelter system, and a harmful complacency in the system that resulted in homeless families staying in shelter for ever-increasing lengths of time.

To address these issues, this administration took a number of steps. We made strategic investments in housing-related resources, introduced first-ever standards of client responsibility, created a learning environment for front line staff to collaborate in their efforts, held providers accountable for results with financial incentives and penalties for producing results, and were ourselves held responsible for meeting targets through weekly accountability sessions with the Mayor's Chief of Staff at City Hall.

The results of these focused management efforts have been dramatic. In FY 2002, slightly less than 3,000 families were placed into permanent housing. In FY 2004, just over 7,000 families were placed – a 242% increase and the highest ever achieved in the agency's history. In the last two and a half years, we have helped an unprecedented 15,300 homeless families – with an estimated 29,500 children – leave shelter for permanent housing.

We are proud of these accomplishments. And it is also true that with these successes, profound new challenges have arisen.

First, we are effectively out of Section 8 vouchers for the foreseeable future. With the program at its fullest utilization, low levels of attrition and no new funding coming from Washington anytime soon, the Section 8 program can no longer keep up with the re-housing demands from the family shelter system. It is neither practical nor possible to rely on this resource in the way we have in the past.

Second, by making Section 8 available almost exclusively through shelter, families seeking the subsidy have been compelled to enter shelter to receive it. In effect, we have forced families to

make a terrible choice: if you want Section 8, you must enter shelter and leave existing housing, communities, and networks of support behind. Few would argue with the point that a policy that encourages any parent to leave safe or “save-able” housing to enter shelter is, simply stated, bad public policy.

As I shared with the New York City Council two weeks ago, preliminary data are demonstrating that our policies were doing just that. In the seven weeks since announcing that Section 8 priority is no longer available through the shelter system, we have already experienced a dramatic 25% decrease in the number of applications for shelter. While we typically see decreases in application rates as summer ends, the rate of decreased applications is occurring at roughly two times the historic seasonal rate.

Section 8’s unsteady future combined with the unintended consequences associated with placing that resource in shelters led a collection of city agencies – OMB, DHS, HRA, NYCHA, HPD, and ACS – to submit to the state a proposal to establish Housing Stability Plus. In submitting that proposal, we also redirected federal Section 8 and public housing units to the community where they will ultimately be available to those on the edge struggling to make ends meet. We can and must do more than offer working poor and at-risk households a never-ending waiting list to access to rental assistance.

All together, these shifts will result in an astonishing increase of over 7,000 households served annually with housing resources and rental assistance, while also establishing a more rational citywide distribution strategy for these scarce resources.

Thanks to the state’s expeditious approval, the Housing Stability Plus program is now available to homeless families, including those without children, homeless single adults who have spent at least 9 months in shelter, and parents in need of housing in order to reunify with children in foster care.

The Plus program is designed, first and foremost, to address the immediate crisis each population faces: the lack of housing. Through a generous first-year supplement, which was set competitively at market rates, Housing Stability Plus offers a viable way for clients to transition from shelter and secure permanent housing. The supplement then continues to support these households for an

additional four years, decreasing in value by 20% each year to gradually but consistently encourage greater self-sufficiency. As part of this commitment, the program emphasizes existing temporary assistance requirements that encourage households to seek and secure employment.

Another benefit of the Housing Stability Plus is that at any given point in time an estimated 60% of all families in shelter will be able to receive the supplement – a 140% increase over the number of families eligible to receive rental assistance prior to the implementation of the new strategy. This means that more families in the shelter system at any time can be searching for and securing apartments, creating the potential for shorter shelter stays and a decreased family shelter census.

A key concern when unveiling any new rental assistance program is the reception it will receive from the landlord community. In crafting Housing Stability Plus, we took into consideration some of the long-standing concerns expressed by landlords and brokers over other rental assistance programs. These enhancements include 1) a streamlined application, approval, and apartment inspection process, which will eliminate the need for landlords to keep apartments vacant for extended time periods, 2) a new landlord ombuds function to help landlords identify and mitigate individual tenant issues that may result in an eviction, and 3) an early warning alert protocol, through which the city will help families at risk maintain housing stability. We will also offer a 15% brokers fee and three-months of rental payments up front, in order to ensure optimum participation from our landlord and real estate partners.

I am pleased to let you know that we are off to a terrific start. Already, more than 200 unique landlords have let us know they have apartments they are ready and willing to rent to Plus program clients. Brokers, too, are responding. My staff has already notified 1,100 homeless families that they are eligible for the program – and that they can go out and find a home for themselves and their children.

Families are already taking us up on the offer. This week our first ten families are signing leases. By New Year's, these parents will be putting their children to bed in a home of their own, leaving the instability of homelessness and shelter life behind. It is only a beginning, but given the fact that the program is but one week old, I am sure you will agree that it is a welcomed sign of promising things to come.

Reforms to Family Intake and Eligibility

I am also here to discuss the reforms underway to improve the intake and eligibility processes for families applying for temporary emergency housing and related services. As the Assembly knows, the intake and eligibility process for families seeking shelter has long been a source of political conflict between city administrators and legal advocates. More importantly, the existing Emergency Assistance Unit has come to represent a place of pain, rather than promise, for families seeking shelter or related services.

It is for this reason that, after years and years of counterproductive and costly litigation, Mayor Bloomberg negotiated a historic two-year settlement with the Legal Aid Society. The goal was to create more constructive forms of problem solving, as well as establish a three-member panel to evaluate the functioning of the family intake and eligibility systems and offer recommendations for reform.

That panel – comprised of trusted civic leaders specializing in mediation, shelter services, and child welfare – first offered recommendations on homelessness prevention for homeless families. I am proud to say the Administration has made great advances in this area. Six community-based HomeBase prevention offices are now serving households in some of the city's highest need communities, legal services are now being maximized, with contract providers held to first ever accountability standards, and the state has approved an ambitious new program to stabilize families who are threatened with evictions.

In June, after a year of intensive study, the panel released its second major report, which includes more than 300 pages of analysis and recommendations outlining a new vision for intake and eligibility. This report was the result of negotiations and collaboration between the parties and reflects a comprehensive and holistic new way to assess the needs of those applying for shelter – and to address those needs, in or outside the shelter system. The recommendations include:

- Designing a new facility;
- Enhancing preventive options for families;

- Strengthening the eligibility determination process;
- Instituting new quality controls;
- Establishing an Ombuds function;
- Lifting restrictive shelter eligibility rules that slow placements; and
- Establishing a new process for ineligible families.

To quote the panel members and their report, “[We] believe that the integrated approach set out in this Report will provide essential supports and protections for families with children and will provide staff with more options to better assist families experiencing homelessness, housing instability, and housing emergencies.” The Bloomberg administration agrees.

Since the panel released this report, the Administration has worked carefully but aggressively to translate these recommendations into policies and practices. In November, just five months after the panel released its report, Mayor Bloomberg opened the Prevention Assistance and Temporary Housing – or PATH – Office, where first time shelter applicants now receive intake services. Over the next year, those families still processed at the EAU will transition over to PATH, such that they, too, will benefit from the new environment and improved process. And groundbreaking for a new permanent intake center will occur in early 2006 with construction complete in 2008. Despite a challenging fiscal environment, Mayor Bloomberg has committed an astonishing \$30 million in capital funds to finance this project.

The new process we are establishing at PATH, and that we will build into the permanent intake center, is much transformed and improved. It includes a series of innovations including a prevention screen for applicants, an enhanced ACS presence to assist families experiencing child welfare issues, a midpoint eligibility conference with the family, and multiple quality assurance reviews, among others. The fact that these services are being provided in a much more respectful and accommodating physical space is also of critical importance. Even though PATH has only been open for a few weeks, we are beginning to see improved outcomes for families applying for shelter services.

- The amount of time spent at intake has decreased by 68%. At the EAU, the average time a family spent in the building was 19 hours; at PATH, it is six.

- 90% of PATH applicant families are registered to receive a shelter placement within 6 hours.
- Overnight placements have decreased system wide by 40% since reforms began, while overnight placements from PATH are virtually nonexistent.
- No families with children sleep overnight at our intake offices, continuing a two year trend.
- Shelter placement restrictions, which undermine our ability to find appropriate placements for applicant families in a timely manner, have been greatly reduced.
- More than half of all families with school-age children are now placed in a shelter in their home school region, helping those kids stay connected to school.

In addition, this week we conducted an unscientific customer service survey among families at PATH. Here are some of the highlights. “The process is faster.” “They helped me the best way they can.” “The family worker is really nice.” “They gave us respect.” Our goal, moving forward, is to ensure that comments like these are the rule rather than the exception and that clients always feel supported and respected as they turn to the city in need.

I know the Assembly has questions relating to the new process for those families who are ineligible for shelter yet continue to apply for shelter services. Today, these families cycle from the Emergency Assistance Unit in the day to overnight placements at night and back to the EAU the next morning. Some parents continue on this treadmill for weeks and months at a time. The process is a grueling one, especially for children and teens struggling to keep up with schoolwork. The panel believes, and we agree, that it is also harmful – and that these families should be supported in transitioning back to community without the provision of shelter. While it is not certain when this new practice will be adopted, I have great confidence that we can create far better outcomes for these families, while also creating a more rationale and sane process at the front door of the family shelter system.

The reforms we discuss today are significant. They will understandably raise questions, which is always the case when change occurs. I want to thank Assemblywoman Glick and the Assembly for the opportunity to be here today. I will now take your questions.