

**Testimony of Steven Banks, Commissioner
Department of Social Services**

**Before the New York City Council General Welfare Committee
The DHS Fiscal Year 2018 Preliminary Budget**

March 27, 2017

I would like to thank the City Council's General Welfare Committee and Chair Stephen Levin for giving us this opportunity to testify today about the Department of Homeless Services' Fiscal Year 2018 preliminary budget and our ongoing efforts to address homelessness.

My name is Steven Banks and I am the Commissioner of the New York City Department of Social Services and in that capacity I oversee the Department of Homeless Services (DHS). Joining me today are Department of Social Services Chief Program Planning and Financial Management Officer, Ellen Levine, Executive Deputy Commissioner of Finance, Erin Villari, and Department of Social Services Chief of Staff Jennifer Yeaw.

Since the adoption of the FY17 budget, the Department of Social Services, comprised of both the Human Resources Administration and the Department of Homeless Services, has come before this committee on a number of occasions to testify in regards to our programs. We participated in hearings on the Office of Civil Justice, Three Quarter Housing, Medical Health Services in DHS shelter, Behavioral Health Services in DHS shelter, out of school and out of work youth, Supportive Housing, and hunger. Each of these hearings allowed us an opportunity to provide detailed updates to the Council on the extensive work through both agencies aimed at addressing poverty, homelessness, and income inequality.

Turning the Tide on Homelessness

Last month, the Administration announced a comprehensive borough-based plan—titled *Turning the Tide on Homelessness in New York City*—to shrink the footprint of the City's homeless shelter system by 45 percent and reduce the shelter census over the next five years.

Our vision relies on three approaches:

- First, doing more to keep people in their homes by stopping evictions, helping families and individuals remain with family members in the community, and making housing more affordable.

- Second, continuing to enhance our HOME-STAT program to bring people in from the streets.
- Third, a reimagined approach to providing shelter that:
 - Ends use of the 17-year cluster apartment program by the end of 2021 and the decades-old use of commercial hotel facilities by the end of 2023;
 - Cuts the total number of shelter facilities by almost 45% by getting out of 360 cluster apartment and commercial hotel locations and replacing them with 90 new high quality shelters in all five boroughs; and
 - Provides homeless families and individuals with an opportunity to be in shelter as close as possible to their own communities and the anchors of life – like schools, jobs, health care, houses of worship and family – to help them get back on their feet and out of shelter more quickly.

The homelessness crisis we face is the result of decades of changes in our economy and past choices made in New York City, Albany, and Washington. From 1994 to 2014, the DHS shelter census skyrocketed 115 percent. At the same time, the City lost tens of thousands of affordable or rent-stabilized units. This steady decline in housing affordability, coupled with the decline in real wages that I will touch on later, has driven many working families and individuals into homelessness.

In April 2011, this affordability crisis was made worse when the City and State ended the Advantage rental assistance program, which had offered subsidies for people in shelters if they took part in job training. In less than three years after the end of the program, the shelter population increased by 38 percent – some 14,000 people.

Our efforts to date have stabilized the number of people in our shelters, which are now trending downward and without our initiatives would have reached some 70,000 instead of the 59,281 in shelter this weekend. Even before announcing this new plan we had:

- **Moved ahead of schedule on the largest affordable housing plan ever**—the City’s landmark *Housing New York* plan to build or preserve 200,000 affordable apartments;
- **Committed to adding 10,000 affordable apartments for seniors, veterans, and New Yorkers earning less than \$40,000 per household;**
- **Created a new Elder Rental Assistance program**, planned to be funded through the Mansion Tax proposed to Albany, that would help more than 25,000 seniors with monthly rental assistance of up to \$1,300;
- **Stepped in to immediately fill the gap left by the cancelation of the Advantage by creating three new rental assistance programs and reinstating rehousing programs**—implementing the Living in Communities (LINC), City Family Eviction Prevention Supplement/Family Exit Plan Supplement (CityFEPS), and the Special Exit and Prevention

Supplement (SEPS) rental assistance programs and restoring Section 8 and New York City Housing Authority priorities—which have helped 51,500 people from the summer of 2014 through December 2016, most of them homeless, secure permanent housing and an additional 4,340 so far in 2017;

- **Provided emergency rental assistance to 161,000 households**, helping rent-burdened New Yorkers at risk of eviction stay in their homes;
- **Launched the largest municipal commitment ever to build and expand supportive housing** by committing to building 15,000 new units in 15 years, with the first 550 units coming online this year;
- **Aggressively expanded free legal assistance for New Yorkers** in danger of illegal eviction by increasing funding for legal services for tenants to \$62 million—a more than tenfold increase. Evictions then dropped by 24 percent and more than 40,000 New Yorkers were able to stay in their homes in 2015 and 2016;
- **Made a commitment to phase in over the next five years the funding necessary to provide universal access to legal services** for all New York City tenants facing eviction in housing court;
- **Implemented 46 systematic and management reforms to streamline how we address homelessness;**
- **Conducted almost 16,000 shelter inspections in 2016—a 84 percent increase from 2015—and fixed more than 14,000 code violations** with help from nonprofit shelter providers thanks to the work of the Shelter Repair Squad, a multi-agency task force. The number of outstanding violations within traditional shelters has dropped 83 percent since January 2016;
- **Gotten out of 647 cluster sites through December 2016**, prioritizing units with the most serious problems and moved toward ending the use of cluster units altogether by reducing the number of cluster units from 3,658 to 3,011 by the end of 2016;
- **Doubled the previous investment in DHS shelter security**, with a total annual security budget of \$217 million for fiscal year 2017;
- **Put the New York City Police Department (NYPD) in charge of security at DHS shelters**, which includes standardizing and professionalizing security, surveillance, staff training and deployment; and
- **Placed 3,153 homeless veterans into permanent housing.**

Our reimagined shelter strategy will now overhaul our shelters to distribute resources and responsibility in a more equitable way across the city and finally begin to reduce the shelter population for the first time in a decade.

To achieve this, we will:

- **Get out of all 360 cluster apartments and commercial hotel facilities and thus shrink the shelter footprint by 45 percent;**
- **Replace these 360 shelter locations with a smaller number of 90 new high quality shelters by opening approximately 18- 20 new shelters annually for the next five years;**
- **Expand shelter capacity in 30 existing shelter sites**, with the renovation of the first sites beginning in 2018 and taking place on a rolling basis over the next seven years;
- **Fund the new shelters to provide a wide range of social services** so that residents have access to social services and mental health counseling when needed as well as education and career training; and
- **Ensure that shelters are well-maintained and secure.**

Our borough-based approach will provide families and individuals the opportunity to be placed near their home communities — keeping them connected to their support systems, including schools, jobs, health care, houses of worship, and family. This borough-based approach will also achieve a more equitable distribution of shelters overtime. And we will site new shelters by providing appropriate notice and seeking community input.

The Rise of Homelessness

To give you a clearer sense of this plan, I want to talk a little bit more about the rise in homelessness in New York City, particularly over the last two decades. As I mentioned, the average monthly census of DHS shelters increased 115 percent during that time—rising from 23,868 men, women, and children in January 1994, to 31,009 in January 2002, before reaching 51,470 in January 2014.

Had this administration not stopped this trajectory, the DHS shelter census would have likely reached nearly 70,000 in December 2016, rather than the 59,281 this weekend. As the City's new plan attests, this administration has stemmed the tide of homeless shelter census growth in New York City and we are now focused on achieving a sustained reduction in the shelter census.

Nonetheless, while the structural forces driving homelessness in New York City — poverty and a lack of affordable housing — are similar to other urban areas of the U.S., the scale of the problem the City now faces is unique in its intensity and scope.

A few statistics emphasize the severity of the problem. Between 2000 and 2014, the median New York City rent *increased* by 19 percent in real dollars and household income *decreased* by

6.3 percent in real dollars. Meanwhile, between 1994 and 2012, the city suffered a net loss of about 150,000 rent-stabilized units. Combined, these and other trends mean that by 2015 the city had only half the housing it needs for about three million low-income New Yorkers.

As a result, these New Yorkers end up sacrificing a great deal to stay in their homes and maintain their connections to their communities. Some 360,000 New York City households pay more than 50 percent of their income on rent and utilities. Another 140,000 households pay more than the 30 percent. This means a total of a half a million New York City households are paying an unaffordable amount of their income for housing.

Many people who face these rent burdens cycle in and out of poverty, living just one personal crisis away from homelessness. In fact, an ongoing longitudinal study suggests that nearly half of all New Yorkers lived in poverty at some point between 2012 and 2014 (the three-year period studied).

As a result of these economic factors, 70 percent of the shelter system census now consists of families, and 34 percent of the families with children have an adult who is working.

At the same time, domestic violence is a major driver of homelessness, with some 30 percent of the families with children in the DHS shelter system having a history of domestic violence.

Prevention-First Approach

To address these problems, this administration has taken a prevention-first approach. Not only is preventing homelessness before it occurs critical to meeting the overarching goal of the City's new plan—namely, reducing the number of families and individuals living in shelter—it is also a cost-effective commonsense response to New York's homelessness problem.

As I have mentioned earlier, some of the most important prevention-related enhancements this administration has already made include:

- Making an unprecedented tenfold increased investment in tenant legal services programs for low-income New Yorkers. Evictions are now down 24 percent, allowing a combined total of 40,000 people over the course of 2015 and 2016 to keep their homes;
- Providing a greater amount of emergency rental assistance so that rent-burdened New Yorkers at risk of eviction can stay in their homes. In the first three years of the administration, 161,000 households received this help;
- Expanding the City's nationally recognized Homebase program so that more New Yorkers can maintain housing in their community;

- Developing the Tenant Support Unit, which since its launch has reached more than 194,000 New Yorkers through its proactive outreach on critical services to prevent homelessness among renters facing housing-related problems; and
- Creating a new Homelessness Prevention Administration (HPA) within the Human Resources Administration (HRA) that brings homelessness prevention, rental assistance, and early intervention all under one roof to improve program management and effectiveness.

The City's 2017 investments are focused in three areas with a proven track record of keeping New Yorkers in their homes: preventive rental assistance, free legal assistance, and the Homebase program.

The steps we will take to build on our existing preventive rental efforts include:

- Streamlining the City's vital rental assistance programs to improve their effectiveness and efficiency;
- Expanding these programs to include, for the first time, youth living in Department of Youth and Community Development (DYCD) youth shelters at risk of entering DHS shelters;
- Continuing to offer, and look for ways to expand, support to families who house family members with them as an alternative to entering shelter; and
- Strengthening the City's efforts to prosecute landlords who illegally refuse to take rental assistance vouchers.

Regarding legal services to prevent evictions, the City will build on its commitment of \$62 million per year in free legal assistance by phasing in an additional \$93 million over the next five years. These expanded legal services will, when fully ramped up by 2022:

- Provide an extraordinary \$155 million in services to stop unlawful evictions and prevent the displacement of families and individuals—a funding increase of approximately 25 times the amount provided in 2013;
- Serve an estimated 400,000 New Yorkers every year by providing universal access to legal assistance for all tenants facing eviction. Households with incomes below 200 percent of the federal poverty level (roughly \$50,000 for a family of four) will receive full representation, while those earning more will receive legal advice and assistance; and
- Continue to pursue cases in communities around the city where tenants are most at risk of harassment, and disseminate information in these communities about available legal services.

Unprecedented Commitment to Permanent Housing

All of these efforts support the City's goal of preventing as many people from entering shelter as possible. Another critical goal of this plan is to make shelter stays as short as possible by providing eligible families and individuals with the assistance they need to return quickly to their communities. Increasing the stock of affordable housing is a key priority, including an unprecedented expansion of supportive housing, which provides onsite social services in addition to subsidized rents. Together, these initiatives have been essential to the City's efforts to begin to bend the shelter census curve downward.

Already this administration has, as part of a comprehensive set of initiatives to make housing affordable:

- Launched rental assistance programs and reinstated Section 8 and NYCHA priorities that—along with other housing programs — helped more than 51,500 New Yorkers move out of shelter or avoid homelessness from the summer of 2014 through December 2016 and an additional 4,340 so far this year;
- Ended chronic veteran homelessness, as certified by HUD, in December 2015;
- Financed the new construction and preservation of 1,166 affordable apartments for a growing senior population, through new programs, including the Senior Affordable Rental Apartments (SARA) program;
- Financed more apartments for the very lowest income families through the new Extremely Low and Low-Income Affordability (ELLA) program. Approximately 4,200 homes for extremely low-income families were financed last year, bringing the three-year total to 8,877;
- Implemented the strongest Mandatory Inclusionary Housing (MIH) program in the nation. To date, 4,500 housing units have been approved under MIH, 1,500 of which will be permanently affordable;
- Financed stable housing for formerly homeless New Yorkers. A coordinated, multi-agency strategy *under Housing New York* to help address homelessness and return families to stable housing has allowed the City to finance 2,729 apartments for formerly homeless households and 2,431 supportive housing units; and
- Introduced new affordable housing lottery rules to make it simpler and fairer to apply.

As we continue to move our housing efforts forward, the City will focus on:

- Streamlining its existing rental assistance programs to improve their effectiveness and efficiency. The City will continue to support people who house family members so they can avoid going into shelter. We will also work closely with landlords to help them understand how they can benefit from accepting rental assistance vouchers as well as their legal obligations to do so;

- Realize the full benefits of the Mayor’s landmark plan to fund 15,000 additional supportive housing units over the next 15 years, specifically by implementing the recommendations of the Mayor’s Supportive Housing Task Force and bringing the first 550 units online in 2017;
- Staying on track to provide 200,000 affordable units, having already financed more of them in 2016 than in any year in the past 25 years. In 2017, the City also announced two major initiatives to help seniors, veterans, and low-income families afford rent in New York City. The first will increase by 10,000 the number of apartments in *Housing New York* serving households earning less than \$40,000. Five thousand of these will be dedicated to seniors and 500 for veterans. The second is a new Elder Rent Assistance program to be funded by the City’s proposed Mansion Tax; and
- Taking additional approaches that will allow us to achieve this goal. The City will continue to prioritize a targeted number of homeless households in New York City Housing Authority (NYCHA) public housing, expand community support services for households transitioning from shelter to permanent housing, and leverage public-private partnerships to create innovative programs to further assist New Yorkers who are homeless. All these initiatives will help the City reduce the number of homeless New Yorkers.

Addressing Street Homelessness

I would now like to speak to the issue of street homelessness. The City is addressing this through a comprehensive program to provide immediate and long-term services to the approximately 2,800 New Yorkers who are living on the city’s streets. Having proved the effectiveness of these programs by helping 690 individuals come off and stay off the street in 2016, the City is committed to continuing and expanding these initiatives in 2017.

Before I describe in more detail the work we have already done and what we plan to do in the future, I want to first recognize that, as the City succeeds in moving more people off the street, additional people will come into shelters. To address this, the City will continue to move forward with Mayor de Blasio’s plan to provide 15,000 additional units of supportive housing over the next 15 years, since for many individuals who were formerly street homeless, supportive housing represents the most sustainable path to a stable life in their communities.

The City’s accomplishments provide the foundation for further progress in the fight against street homelessness. Already the City has:

- Created and implemented HOME-STAT, the most comprehensive street homeless outreach effort in any U.S. city;

- Worked every day to identify every individual living on the street and add them to the City’s comprehensive by-name list so they can receive coordinated care;
- Doubled the number of outreach workers—from 191 to 387—who assist street homeless men and women;
- Increased the tools and resources to help the outreach workers do their job;
- Strengthened coordination among agencies to ensure that each individual receives the services he or she needs; and, as I have mentioned previously,
- Ended chronic veterans’ homelessness—an outcome that required finding homes for many street homeless veterans.

Throughout 2017 the City will continue to bring more people off the street by:

- Identifying New Yorkers living on the street through canvassing and quarterly counts so outreach workers can find them and offer services;
- Adding those identified to the citywide by-name list, which helps the City and outreach workers share information about each client across multiple agencies and service providers; this, in turn, ensures that each client is approached appropriately and offered the services most likely to help that individual move off the streets;
- Expanding new partnerships with libraries and hospitals to reach street homeless individuals who spend time at those locations;
- Building on the success of the expanded NYPD Crisis Outreach and Support Unit (formerly known as the Homeless Outreach Unit), which focuses on assisting homeless individuals both directly and in partnership with outreach workers and other City agencies;
- Using the increased number of street outreach workers to serve more street homeless individuals;
- Providing more of the resources outreach workers need to succeed, including transitional programs that are more effective for many street homeless individuals who are resistant to going into homeless shelters—specifically, opening more Safe Havens, drop-in and respite centers, and beds in houses of worship;
- Strengthening the case conference process, which brings street homeless providers and City agencies together to develop solutions for individuals who share similar hurdles;
- And implementing StreetSmart—one of the first products to leverage the first-ever citywide confidential data-sharing framework—to provide street outreach workers with critical information on clients, thereby making it easier for them to provide services and to report on their work.

To provide some context, the next slide addresses the per capita rate of the unsheltered homeless population in major U.S. cities. Of the top eight cities, based on population, as well as Washington, D.C. and Boston, New York City ranks eighth out of these ten cities.

Borough-Based Shelter Approach

When we move someone from the street and into shelter or when, despite our best efforts at prevention, families and individuals lose their homes and unavoidably end up staying in a homeless shelter, it is the City's goal to provide shelter in a way that enables homeless New Yorkers to stabilize their lives and move back into their community as soon as possible. The City's new plan offers a reimagined shelter strategy that will transform the City's approach to shelter and thereby better serve homeless New Yorkers — and with them, all New Yorkers.

This overhaul of how and where the City shelters homeless New Yorkers will help families and individuals continue to live near the communities they called home, in a clean and safe environment, while receiving the assistance they need to get back on their feet. The plan will allow the City to get out of 360 cluster apartment sites and commercial hotels, replace them with about 90 high-quality shelters, and upgrade existing shelters. When opening a new shelter is required to meet these goals, the City will use a new process for notifying neighborhoods about plans to open new shelters.

Before going into detail about aspects of this plan, I want to acknowledge that for decades the City's shelter portfolio has included a number of excellent, high-quality shelters run by responsible and outstanding social service providers. However, over the past 20 years, the City's approach to sheltering New Yorkers has made it challenging to provide families and individuals with quality shelter that is clean and safe, has onsite social services, and—when appropriate — is located in their community, close to schools, employment, health care, or houses of worship. These are exactly the kinds of social supports that can help families and individuals stabilize their lives after losing their homes, which can in turn help them move out of shelter more quickly.

Since taking office, this administration has, as I noted earlier, made significant improvements to City-funded shelters to remedy a number of factors that have, over many years, contributed to the poor condition of shelters. Some of the most important improvements include:

- Increasing shelter security. In 2016, the NYPD conducted a comprehensive review of security at homeless shelters. That review resulted in the announcement earlier this year that the NYPD will work directly with me to manage security at DHS shelters. This will include the standardizing and professionalizing of systems such as access control and surveillance, as well as staff training and deployment. DHS has also completely revamped and strengthened its existing reporting system for identifying and alerting

DHS managers and the NYPD management team about security incidents in shelters. In addition, when the City needs to open a new shelter, the new site will have a security assessment completed by the NYPD and, when appropriate and necessary, will include community engagement staff to troubleshoot any problems as they arise;

- Improving shelter conditions. In 2015, this Administration created the Shelter Repair Squad, a multi-agency task force to inspect shelter buildings and repair building code violations. The work of the repair squad was expanded in January 2016, and the administration launched the Shelter Repair Scorecard to track the repair squad's progress and publicly report on the conditions of DHS homeless shelters. In 2016, the City and nonprofit shelter providers cleared nearly 15,000 violations in non-cluster shelters. City agencies also conducted nearly 16,000 inspections—an 84 percent increase from 2015. The number of outstanding violations in traditional shelters dropped by 83 percent in 2016;
- Using legal action to force shelter repairs. In May 2016, the City announced that it would use legal action to force the owners of seven cluster unit buildings with 726 building code violations to make repairs and fulfill their obligations as landlords;
- Getting out of more than 600 cluster apartment units. In 2016, this Administration announced that the City would end the use of cluster apartments and commercial hotels to shelter homeless New Yorkers. The City has prioritized ending the use of units with the most serious health or safety problems, removing 647 units from the DHS shelter portfolio;
- Announcing actions to increase provider oversight. In April 2016, the City announced that it would bring all shelter providers under contract and rationalize payment rates for shelter providers. Bringing shelter providers under contract will end the practice of paying landlords on a per diem basis and will give DHS more oversight mechanisms to ensure that all providers are meeting critical safety and service requirements. The City has also begun evaluating shelter provider payments to ensure that they are sufficient to fund maintenance and repairs, programs and services, and critical capital needs;
- Significantly increasing funding for homeless students. In 2016, the City announced nearly \$30 million in funding for new Department of Education (DOE) programs to support students living in shelter. Dozens of studies have documented the negative effects of homelessness on children's education, including lower rates of academic achievement and higher dropout rates;
- Expanding mental health services for families. As part of the mental health initiative *ThriveNYC*, DHS is adding masters-level social workers, known as Client Care Coordinators, to all contracted shelters for families with children. Client Care Coordinators will work with each family to improve access to mental health treatment to help cope with the stress of living in shelter;

- Increasing employment training for shelter residents. The Shelter Exit Transition (SET) and Job Training Program (JTP) promote full-time employment and job training for targeted shelter residents receiving cash assistance. Both programs have been expanded; and
- Enhancing daytime programs: As part of the 90-day review of homeless services, DHS ended the requirement that residents leave shelter during the day and has implemented new job training, recreation, and other support programs.

Building on these accomplishments, the City's new approach to shelter:

- Will be borough-based, so that homeless New Yorkers can, when appropriate, be sheltered in their boroughs near their schools, workplaces, medical care, and other community supports — at a time when they need that familiarity and stability the most. Over time, this will more equitably distribute shelters citywide. Achieving this aim will take time; the City will phase in this approach over the next five years as new shelters are opened;
- Will get the City out of 360 cluster apartment sites and commercial hotel facilities and replace them with approximately 90 new shelters—thus reducing by nearly 45 percent the number of locations where homeless New Yorkers are temporarily sheltered. Hotel rooms are more expensive to rent than the cost of traditional shelter; cluster apartments have been cited for poor conditions. The move away from commercial hotels and cluster apartments and to actual shelters will also allow DHS to shrink its footprint by nearly 45 percent, making it easier for the agency to meet the social service needs of families and single adults; and
- Will, when necessary, open 90 new high-quality shelters and renovate about 30 existing shelters to add capacity in line with the goals of this plan. The City aims to develop at least five purpose-built shelter projects annually for the next five years—yielding at least 25 new sites. Relying on purpose-built, nonprofit-owned shelters will help ensure that shelters are safe and optimally designed to serve clients, make efficient use of City resources, and provide capacity to meet the needs of clients with disabilities. As part of its new approach to communities, the City will make community space in shelters available not only to shelter clients but also to the surrounding neighborhood and combine both shelter and permanent housing in the same projects.

This new approach to providing shelter will help families and individuals achieve stability and move out of shelter and advance the goal of reducing the shelter census. It will take time to achieve these goals, but they can be achieved. Already the first five shelters have been announced and two are already opened.

Engaging Communities and Focusing on Public Awareness

This brings me to the topic of community engagement and public notification. But before I explain this part of the plan, I want to first note something we all know: New Yorkers have great compassion for people in need. In fact, a November 2016 Quinnipiac poll found that 77 percent of people surveyed believe that homelessness is mostly caused by factors outside of an individual's control.

As the City moves forward with this new plan, we are entering into a new compact with communities across New York City. To formalize this, the City is reforming the process for notifying community leaders of plans to open a new shelter. The City is committing to meaningful community engagement, a clear shelter opening notification framework, and over time a borough-based approach that more equitably distributes shelters across all communities citywide. DHS is also launching an initiative to inform New Yorkers of the resources available to address homelessness in their communities.

As part of this plan, the City will do its part:

- DHS will notify communities at least 30 days in advance of when a shelter needs to be opened and take into account reasonable neighborhood needs and community concerns.
- DHS will form community advisory boards for each shelter to ensure open dialogue around shelter issues directly after new sites open.
- The NYPD management team is already helping manage safety in homeless shelters and will continue to work with local precincts to ensure safety for both shelter residents and the community.
- The City will also continue its plan to provide more affordable and supportive housing, both of which are critical to achieving the fundamental goal of reducing homelessness.

Overview of the NYC Department of Homeless Services (DHS)

As of this weekend, in the DHS system, there are 59,281 individuals, including:

- 12,647 Families with Children, and within these families, 22,754 children
- 2,498 Adult Families; and
- 13,900 Single Adults.

To provide prevention, outreach, shelter and rehousing services, the Department of Homeless Services has a 2,367 budgeted headcount in FY17 as of the January Plan, paid for with a combination of City, State, and federal funds. From the FY17 Adopted budget to the FY18 January plan, the current FY17 DHS agency headcount increased by 131. The increase in headcount is related to the addition of 61 shelter intake positions, 5 positions to conduct

inspections of shelter capacity, 4 positions to work with homeless veterans to help transition them to permanent housing, and 61 grant funded positions that are added to the budget at the beginning of each fiscal year.

DHS staff members are dedicated public servants who want to help New Yorkers in need. This diverse workforce is comprised of 41% women and 59% men, and is 64% Black, 17% Hispanic, 13% White and 6% Asian. This unionized workforce includes members of 18 different unions.

DHS Budget Overview:

DHS' Fiscal Year 2018 operating budget is \$1.43 billion, of which \$772 million are City funds.

This \$1.43 billion budget allocates \$786 million to services for families, \$457 million to services for single adults, \$33 million for supportive administration services, and \$155 million to agency-wide personnel services, including staff for directly operated shelters and intake for homeless families and adults.

We continue to evaluate the impacts of our expanded prevention efforts, including rental assistance and increased tenant legal services, on the census, and will revisit the forecast and funding levels as we do throughout the year.

January Plan Changes

The January Plan includes new funding of \$140.5 million (\$71 million tax levy) in FY17, and \$256 million (\$123 million tax levy) in FY18 for shelter capacity. This brings the total shelter operations budget to \$1.3 billion (\$694 million tax levy) in FY17, and \$1.1 billion (\$569 million tax levy) in FY18 and the out years.

The FY17 re-estimate funds the agency's shelter obligations for this year at the current census. The FY18 and out amount in this Plan reflects what was added to the current year's budget through the course of this year (\$105 million total funds and \$52 million City tax levy in the November Plan, and \$140.5 million total funds and \$71 million City tax levy in the current plan).

New funding for non-capacity costs is allocated at \$20 million for 78 peace officers and supervisors to maintain shelter security and related services at current levels and reach staffing of 940. The total DHS budget in FY17 and out for security operations is \$217 million including the additional \$20 million in this plan.

The total security headcount in FY17 is 3,619 increasing to 3,697 in the January Plan. These positions include DHS Peace Officers, FJC contracted security and provider security.

An addition of **\$5.1 million** in order to replace federal HUD Continuum of Care funding for shelter and safe haven programs that experienced reductions in federal grants due to a change in Housing and Urban Development (HUD) priorities.

A **\$3.7 million** addition to fund **61 positions** for adult family and families with children intake operations:

- 20 HC Adult Family Intake Center positions;
- 12 HC PATH Social Workers;
- 19 HC PATH intake and
- 10 HC PATH child care workers.

Finally, an addition of **\$300,000** to hire 5 hotel inspectors in the Capacity and Planning Division, and \$320,000 was added for 4 staff in the Adults Veterans Services Unit.

January Plan Savings

\$2.7 million achieved by insourcing Facilities Consultants and converting these positions from consultants to full time headcount. And DHS will hire up to budgeted levels of Skilled Trades workers to reduce overtime costs by over 30 percent.

January Capital Plan

The DHS January Capital Plan for the four-year period of Fiscal Year 2017 through Fiscal Year 2020 is currently \$263 million. This amount is comprised of:

- \$135 million for capital projects for single adults;
- \$83 million for capital projects for homeless families;
- \$35 million for administrative supportive services;
- \$10 million is designated for City Council-funded projects.

The number of outstanding violations in purpose-built shelters has fallen from 12,347 violations at the beginning of 2016 to just over 2,000 violations today. Over \$200 million in the City's Capital budget is allocated to remedy more than 400 of the violations that are in City-owned buildings. Of the remainder, over 50 percent are in the process of being funded already or are in the process of being awarded funding through the DHS expense budget. The balance is being addressed by City agencies and shelter providers.

Budget Detail

As of the FY17 Adopted Plan, the total headcount for DHS was 2,236 with a budget of \$1.3 billion (\$749 million CTL). As of the FY18 January Plan, there is an increase to the headcount of 157 positions and \$137 million (\$23 million CTL).

The two pie charts in the power point provided show the current source of funds for the expense budget and a breakdown of budget allocation of these funds in FY18.

In addition to funding shelter, as described in the HRA testimony, this administration has invested over \$362 million for new initiatives to prevent and reduce homelessness over the life of the financial plan.

This includes:

- Rental assistance (\$165 million Gross; \$114 million CTL)
- Housing inspections (\$3.1 million Gross, all CTL)
- Legal services (\$72 million Gross; \$45 million CTL-excludes City Council funds of \$24 million)
- Homebase and Aftercare (\$59 million Gross; \$25 million CTL)
- Supportive Housing (\$63 million Gross; all CTL)

In closing, now that we've broken the trajectory of the shelter census growth we must continue the investment in our programs that are working and producing meaningful results.

We also will continue to work with the State to support Assemblymember Hevesi's Home Stability Support proposal which would, for example, provide a bridge between the State-set shelter allowance of \$215 for an individual and the federal Fair Market Rent set by HUD.

Finally, we were pleased with the settlement reached last month concerning the public assistance program, known as the Family Eviction Prevention Supplement, that provides a monthly rental subsidy to low-income families with children in New York City. The funding for this critical program has not changed since it was created in 2004, despite skyrocketing rents since then. Now, under the settlement, a family of three currently eligible for \$850 per month, for example, would be eligible for \$1,515, representing a 78 percent increase. Another important outcome of this settlement is that now each year 1,000 survivors of domestic violence, who previously were ineligible for this subsidy, are eligible.

Thank you again for this opportunity to testify and discuss how we are working to turn the tide on homelessness in our City. I welcome your questions.