FY28 Borough Consultation QA

DHS

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DHS Manhattan Agenda Items

Agenda Item 1: Impact of Measures to Close Budget Gaps and Threatened Funding Cuts on the Budget for FY 2028 and Beyond

Mayor Mamdani's Administration took office while facing a reported $5.4 Billion budget gap for Fiscal Years 2026 and projected FY 2027. While the current Fiscal Year budget gap is reported to have been closed, the Mayor's Administration continues to prioritize finding savings and efficiencies in a variety of agency operations and is convening a charter revision commission to expedite certain efforts to secure and implement those savings and efficiencies.

There are potential severe cuts to or elimination of funding and other resources from the federal government for a host of programs and initiatives. These are exacerbated by actual or virtual elimination of certain federal agencies that supported services for the most underserved.

With these developments in mind, please answer the following questions:

1. Has the funding for any programs or initiatives at your Agency allocated for FY 2026 or projected FY 2027 been cut or reduced as a result of the efforts to close City Budget gaps in FY 2026, FY 2027 or projected FY 2028?
    a. If yes:
        i. Please identify the program or initiative, and
        ii. Please provide an estimate of the amount of the funding cut or reduction in both absolute and percentage amounts.
            - No funding has been eliminated or reduced due to budget gaps. Our agency worked directly with OMB and City Hall to ensure savings proposals were consistent with Executive Order 12, and we evaluated a range of options from procurement, to in-sourcing, to program effectiveness. Our charge was to find savings that were achievable

and did not cut services, and the collaborative effort achieved the goals of the initial savings exercise.

2. Has the funding for any programs or initiatives at your Agency allocated for FY 2026 or projected FY 2027 been cut or reduced as a result of actual or threatened cuts to or reductions in funding or subsidies directly or indirectly attributable to the federal government for FY 2026, FY 2027 or projected FY 2028?
    a. If yes:
        i. Please identify the program or initiative, and
        ii. Please provide an estimate of the amount of the funding cut or reduction in both absolute and percentage amounts.

            - No, there have been no programs or initiatives cut or reduced due to federal actions. We continue to monitor efforts at the federal level. Although we are making our best efforts to understand federal budgetary and policy consequences, our current understanding is continually being updated and informed by further policy development and the promulgation of rules and directives on the federal and State levels, as well as ongoing litigation.

3. Has any State or federal funding streams previously earmarked or allocated for programs or initiatives at your Agency been redirected or re-allocated to other uses in order to:

    a. Close the City Budget Gap for FY 2026, FY 2027 or projected FY 2028?
        i. If yes, please provide an estimate of the funding cut or reduction in both absolute and percentage amounts.

    b. Prepare for or respond to actual or threatened cuts to or reductions in funding or subsidies directly or indirectly attributable to the federal government for FY 2026, FY 2027 or projected FY 2028?
        i. If yes, please provide an estimate of the funding cut or reduction in both absolute and percentage amounts.

            - No state or federal funding streams have been redirected due to federal actions or to close the budget gap. We are continuously monitoring and assessing developments at the federal level and staying in close coordination with our City partners regarding any potential impact on funding. Looking ahead, as federal discussions evolve, we will continue to track those conversations closely.

4. Have any programs or initiatives, including scheduled or planned expansions of existing programs or initiatives, at your Agency been frozen, postponed, suspended or abandoned as a result, directly or indirectly, of measures taken to address either the City Budget Gap or the threats to cut or reduce federal funding in FY 2026, FY 2027 or projected FY 2028?
    a. If yes:
        i. Please identify such programs or initiatives, and
        ii. Please provide an estimate of the funding needed to restore or continue those programs and initiatives as planned.

            - No programs or initiatives have been frozen, postponed, suspended or abandoned as a result of federal action or to close the budget gap. As stated above, when federal funding shifts occur, our first step is to work closely with our City partners to evaluate the need and determine the best course of action. In some cases, alternative resources, such as state funding, may be identified. However, both the governor and City Budget Director have made it clear that cuts of this magnitude cannot be fully backfilled with other resources. We will continue to monitor federal actions closely and work closely with our partner agencies.

5. What other measures is your Agency taking in connection with:
    a. The calls for greater efficiency in City government operations, or
    b. Actual or threatened cuts to or elimination of federal funding?

        - When new challenges arise, we raise them through the budget process and continue conversations with our City partners to chart the most responsible path forward. As with any changes to federal funding, we carefully monitor potential impacts and remain in close coordination with our partners. We are also focused on ensuring that the funding already in place is implemented effectively, so that New Yorkers continue to see the benefits of these investments.

6. What is the vacancy rate for positions in your agency?

    - As of Adopted 27, the DHS vacancy rate is 17.3%.

Agenda Item 2: Street homeless

The HOPE Survey shows the highest street homeless population since the survey started. DHS has reported that one reason is that the count was in March when it was warmer outside. However, the increase is consistent with what we see on our streets: more people living on the street and more people who appear to have behavioral health and / or substance abuse challenges.

For budget and planning purposes, please respond to the following:
Does DHS have a tracking system for people waiting for beds?

- Individuals experiencing homelessness do not "wait for beds". DHS is mandated to have sufficient capacity for all individuals; there is a bed in the shelter system for everyone who needs it. Instead, not all clients accept the placements that are offered to them based upon what they believe what they need vs. Our assessment of their need and our availability capacity in the shelter system. If an individual feels they need a certain type of placement (e.g. a single room), they can work with their shelter staff to submit an RA for review and assessment. If their RA is granted, the client may be transferred to a different type of unit based upon their approved RA.

We know anecdotally there are people who have stated they are waiting for specific beds such as a safe haven or in their neighborhood?

- See above. When unsheltered individuals want to come inside, we do everything we can to place them in a location that meets the majority of their preferences. However, as noted above, there are times when that is not possible for a number of different reasons (capacity, client actual need vs. Client desire, etc.)

Are hotels as shelters in continued use because there are not enough shelter beds?

- Hotels have continued to remain in use (ongoing remnants of the asylum seeker influx) to ensure there is enough capacity to meet our legal obligation to provide shelter in NYC. But, now that the emergency has ended, we are working expeditiously to reduce our reliance on hotels by opening new shelters for all populations while right-sizing the existing shelter portfolio.

How many hotel beds are in use in all different categories such as single women, families, etc.?

- As of August 7, 2026 we have a total of 188 active hotels (17,218 rooms).
- ee below for breakdown:

Total Active	Hotels	Units
Families with Children	26	2886
Single Adult	42	3426
Adult Families	2	119
ISHP	112	10405
COVID	0	29
Street	6	353
Grand Total:	188	17218

Does DHS in any manner track reasons people who are homeless will not accept shelter beds?

- No, we do not formally track this information.

Agenda Item 3: Safe Havens

Last year DHS reported that they expected to roll out 500 new safe haven beds in 2026. Is this still on schedule? From statistics given last year, it appears that there are 4,000 low-barrier beds in addition to the 500 expected this year. How many low-barrier beds are needed? Are there any plans to eventually replace congregate single adult male shelter beds with low-barrier beds? The Council executive budget reports states there was a delay in FY 26 in opening low barrier beds. Could you be specific about this?

- We are continually working towards a 4,900 low barrier bed goal and are about 740 beds away from meeting that target
- Setbacks in FY26 consisted of unanticipated closures of some facilities but we continue to evaluate other sites/locations to ensure there are low barrier sites for unsheltered individuals.

Agenda Item 4: Funding sources

Please outline all sources of expense funding currently intended for homelessness prevention.

- The majority of DHS expenses are for emergency shelter and outreach. Generally, homelessness prevention efforts are located within HRA and includes various programs such as Homebase and CityFHEPS. $2.2B is funded by the city in FY27. $112M is funded by the state and $36M is funded through federal funding streams.

Agenda Item 5: Agency Coordination

Last year we asked about better coordination based on observations and the Comptroller's report of Jan 2025. What is the coordination mechanism for DHS to coordinate with other agencies such as DHS with NYCDOHMH and state DOH and with Health and Hospitals. There seem to be waiting lists for mental health assessments and follow up and lack of enough psychiatric beds at Bellevue. Homeless people with mental health problems are often stabilized and sent back on the streets. How is planning for these needs coordinated among agencies?

It is an ongoing goal of the administration and the agency to continue identifying ways in which coordination and communication can continue to improve – particularly among the health and human service agencies as well as the agencies that focus on housing.
There are regular meetings among City partners to discuss how we can be more effective in supporting individuals in shelter which includes making sure clients have what they need around services, access to appropriate permanent housing,
There are numerous workgroups that sit at City Hall = focused on unsheltered individuals, supportive housing, etc. Where issues are being discussed, goals are being developed and all critical stakeholders are at the table.

- We coordinate closely with our sister agencies in City government such as DOHMH, and with State partners (for example OMH funded SOS teams).
- In the new Administration, we are strategizing/ reevaluating how we might be able to build on current outreach practices in a more innovative manner – one part of this is bringing more partners to the table and ensuring the City /contracted providers are doing all we can to bring people inside and place them in spaces that work best for their needs.
- Coordination includes:
    - H+H/DHS Warm Handoffs
        - When a DHS client has been assessed and is being brought to the hospital there is a communication system in place to coordinate care and ensure they receive the highest standard of care, and, if at all possible, are connected to housing and services upon being released from the hospital
    - Coordinated Behavioral Health Taskforce (CBHT)
    - The DSS HSO Institutional Referral Program screen and manages referrals for clients being referred from hospitals to DHS, screen them for medical appropriateness for DHS, identifies complex clients and coordinates discharges, including facilitating placement in most appropriate DHS facilities or facilitating long-term care placement.

There are providers that have City contracts and those with grants from City and / or elected officials, such as the DA's grant funding homeless outreach by the Bridge. An example is this program for outreach overlaps with City-funded MOC outreach and even appears to compete. Since the City is looking for efficiencies–wouldn't it be more efficient to have existing programs in a geographic area receive increased funding instead of creating completely new programs? This is not City money but does not seem efficient and the city has not appeared to promote more efficient use of funding.

- The Agency is constantly reviewing ways to coordinate contracting services for savings and efficiencies, not only in the contracting processes themselves, but also in the manner of managing contracts. Note that this coordination must be measured against fairness in the process and the ability to operationalize such efficiencies.

Agenda Item 6: Drop-in Centers

What are plans for additional drop-in Centers in Manhattan. How successful are these Centers in having clients accept further services and beds in shelters and what are the benchmarks for evaluating the success of these centers?

FY27 Response [same topic, but not exactly same question]

- DHS is currently funding 8 Drop-in Centers across the City, 3 of which are in Manhattan, and 2 of which opened in recent years. DHS also funds the Manhattan Outreach Consortium which provides street outreach services to individuals experiencing unsheltered homelessness across Manhattan.

DICs are designed to reach people who are hesitant to accept shelter (including a street bed site) - DICs can serve as the first step towards us encouraging an unsheltered client to come. Six of our DICs are connected (either to a nearby street bed location or directly onsite to street beds).

Agenda Item 7: Shelter Savings

This may overlap with question 1, but the City Council executive budget report states that DHS plans to achieve savings in part by improving shelter diversion *at intake*.
This sounds very dire for people who are homeless and could very easily mean more people living on the street. Please be specific in how money will be saved with the process of intake diversion.

- The shelter savings initiatives are designed to increase the pace of census decline through a combination of reduced shelter entries and increased shelter exits. This would include finding housing options for those who come to seek shelter which provides alternatives to entering shelter in the first place. Reducing our shelter footprint would result in shelter savings. These efforts include providing more programmatic information and resources at intake as well as bringing more traditional shelter sites online that provide better services at a lower cost than commercial hotels.

Another shelter savings is planned non-City funded housing subsidy programs for shelter exits. Please be specific as to where this funding is coming from and how this can be implemented while there is a crisis in shortage of affordable housing

- This initiative entails increasing shelter exits through subsidies and housing options other than CityFHEPS, which is fully funded by the city. diverting to other, non-CityFHEPS housing options, which would be partially or fully funded by federal or state funding. There are various housing programs throughout the city which include supportive housing, the state FHEPS program, or NYCHA public housing.

Agenda Item 8: Capital Funding for Shelters

DHS is claiming savings in shelter maintenance because of the closing of Bellevue shelter. What are plans for the now-closed shelter and what are the funding plans to replace these beds?

- Multiple stakeholders are having conversations about the future of this location. The plan is still for 8 East 3rd and 333 Bowery to be temporary while a longer-term redevelopment plan is being discussed and planned.

Agenda Item 9: Wish List

For community board advocacy, we need to know which important programs or projects are most in need of funding. If your agency were given a large amount of money, to which staffing need, program, or capital project would you assign it?

- We are in constant conversation with our partners at OMB to make sure our operational needs are met.
- We recognize the difficult fiscal climate the city faces.
- The Administration has made great strides in making the city budget more predictable and transparent and is investing in programs that make New York City more affordable and more equitable.