

HOMELESSNESS AT A CROSSROADS

Turning the Tide on
Record Homelessness in
New York City in 2017

Thank you for inviting us to testify at this important hearing. My name is Shelly Nortz, and since 1987 I have had the privilege of working for the Coalition for the Homeless in Albany to secure State support for programs and policies that prevent and address homelessness and the socio-economic problems that cause homelessness.

Last year I reported to you that none of the new JP Morgan Settlement funds programmed to address homelessness via supportive housing in the 2015-16 budget year were spent, nor had the NYC plan for rent supplements related to the allocation of youth facilities reimbursement savings been approved by the State.

Therefore, the two largest State budget initiatives to address homelessness were not actually available to help homeless New Yorkers move out of shelters into housing. Much the same as last year, the great majority of the \$2 billion you approved last year to build supportive and affordable housing lies idle, due to political disputes about unrelated matters. It is unsurprising, therefore, that the shelter census in New York City has continued to climb.

As we have previously warned: City investments alone are not sufficient to bring the shelter census down substantially, and greater State investment is required.

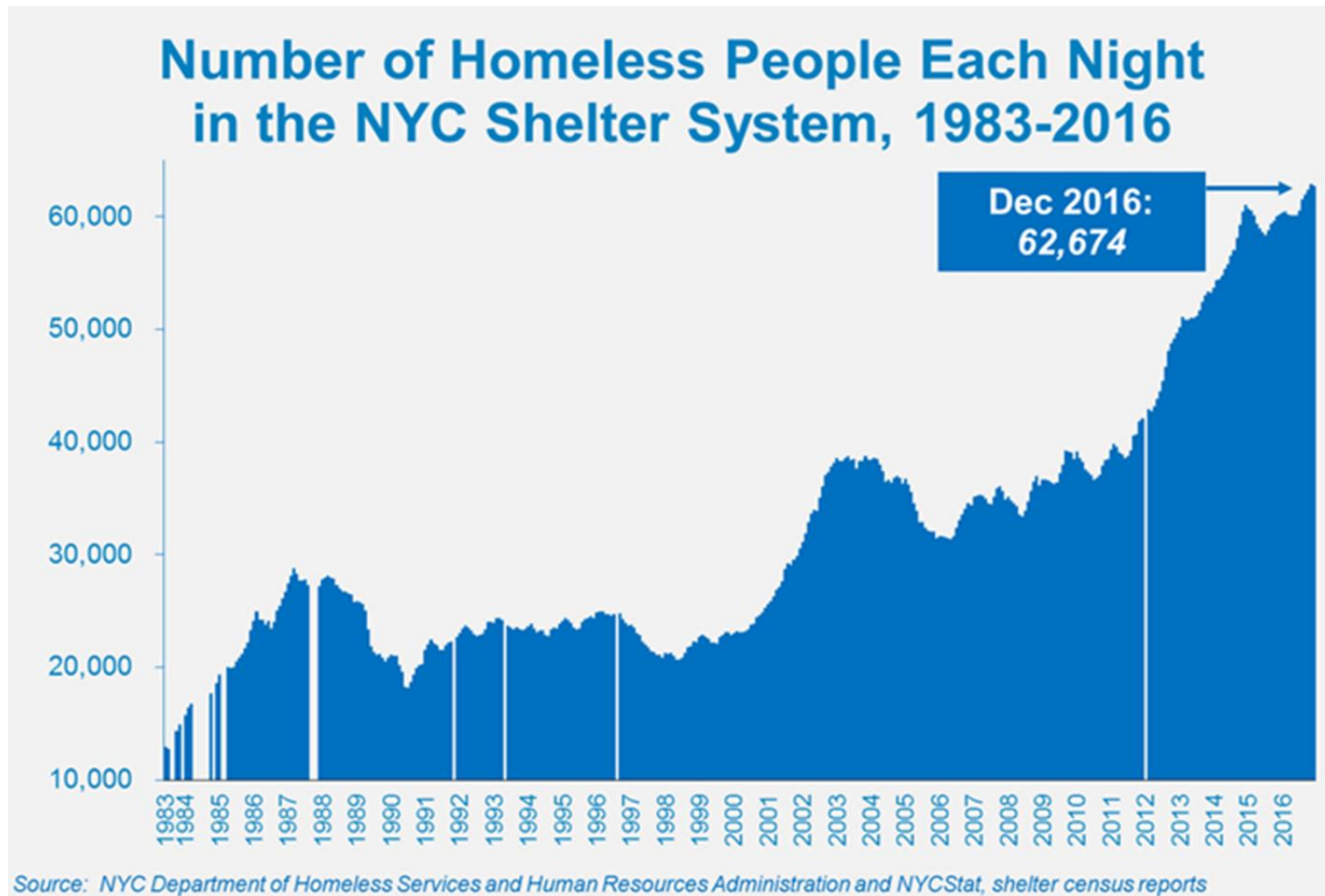
I want to make sure that this fact sinks in – many of you have heard it before, but it is just so crucial that we not lose the meaning:

New York State informed the United States Department of Housing and Urban Development (HUD) that over 19,000 more people enter homelessness each year than exit homelessness each year.

Nineteen thousand! That is as if everyone in Oswego moved into a homeless shelter last year; and everyone living in Plattsburgh moved into a shelter this year; and two-thirds of the population of Glen Cove were to move into a shelter next year.

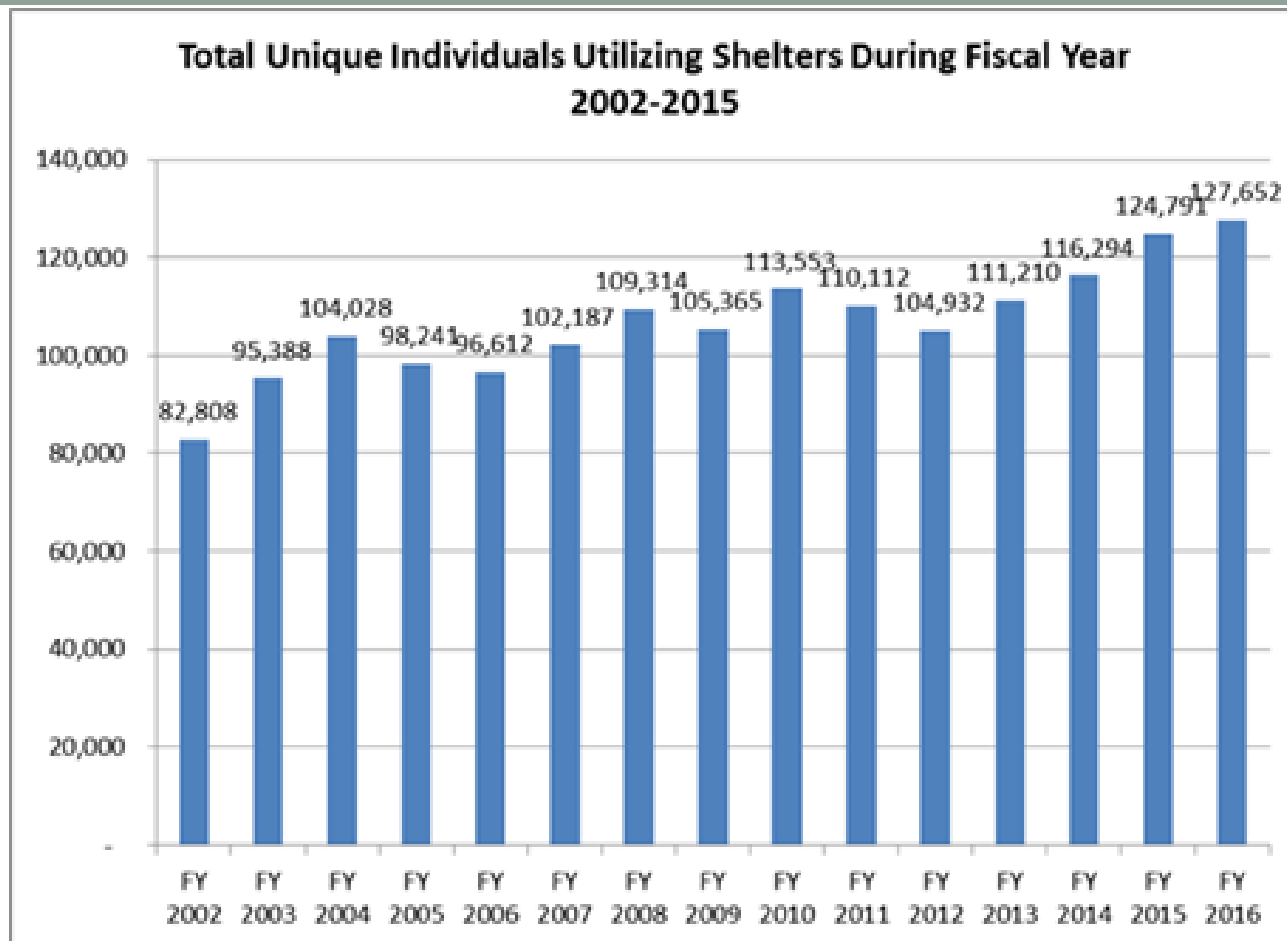
This is an unsustainable situation in so many ways. Today I am going to focus on New York City– it is the epicenter of the crisis.

Another record year in NYC with over 62,000 men, women and children in shelters – equal to the population in Utica



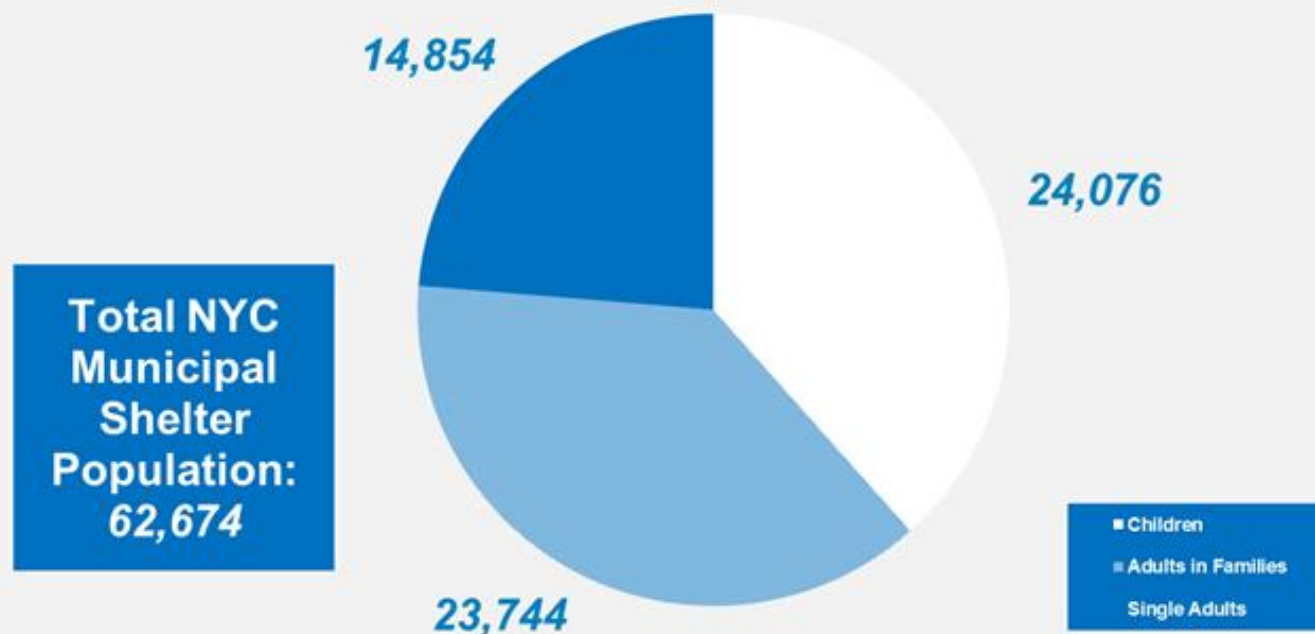
Unduplicated number of people using NYC shelters rose 52% between 2002 & 2016 to over 127,000 – more than the population of Smithtown

Source: NYC Department of Homeless Services



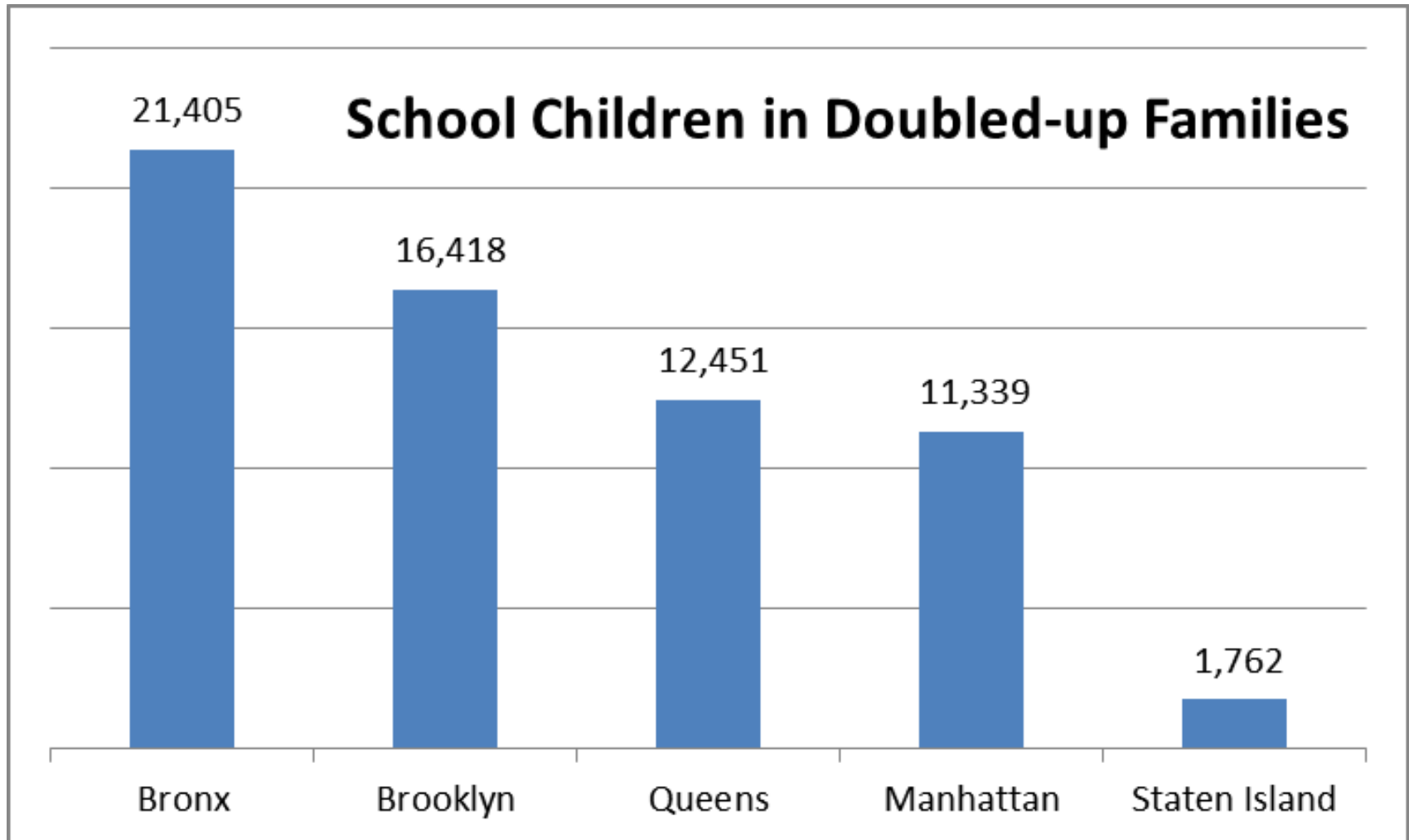
Single largest subset of the NYC homeless population:
24,076 children in shelters –
that is the population in Rockville Centre

Number of Homeless People Each Night in the NYC Shelter System, December 2016



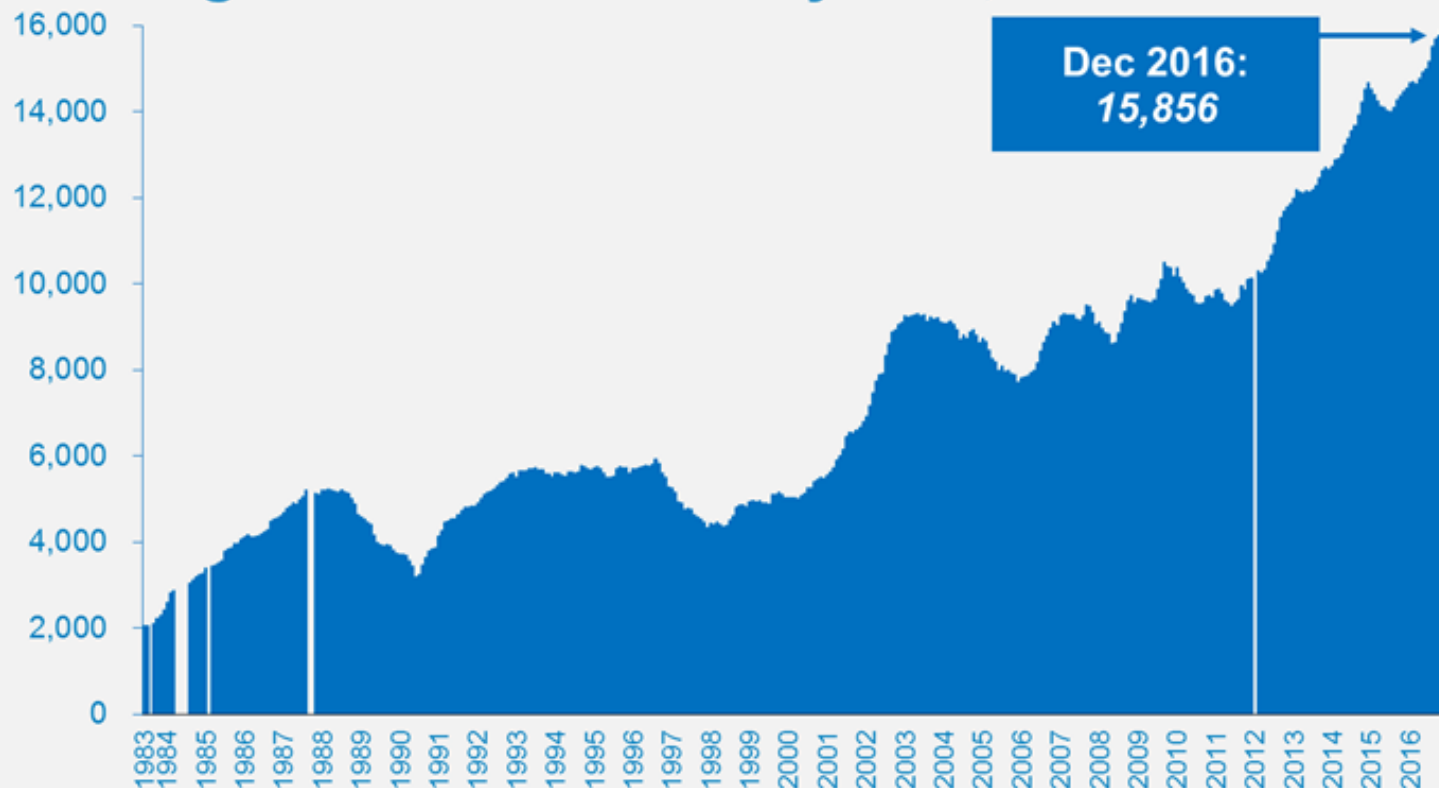
Their companions at school were the 63,375 children living with doubled-up families (2015-16) – a little more than the population of White Plains

Source: NYS-TEACHS



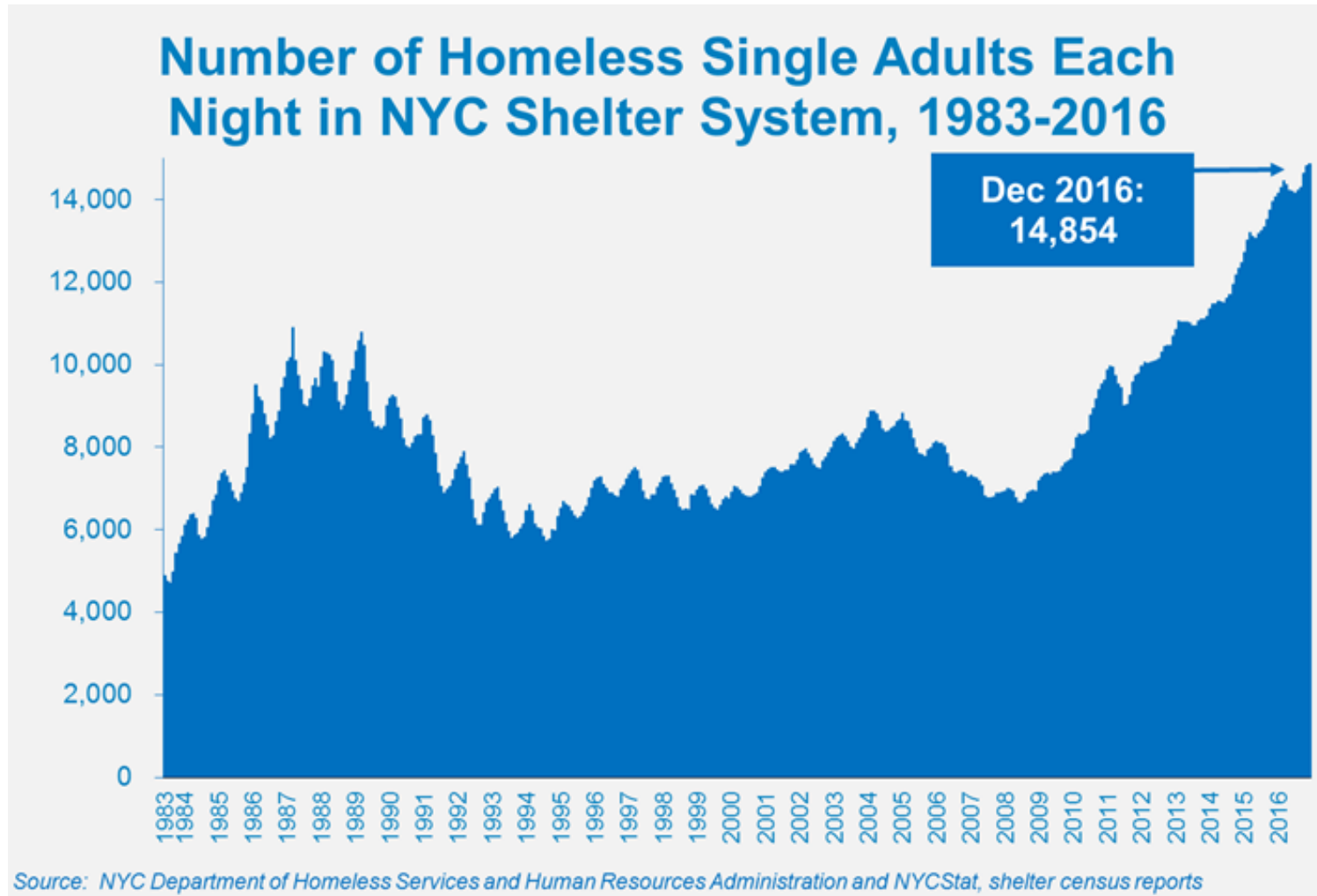
Nearly 16,000 homeless families in December
Half in regulated shelters -
roughly the population of Binghamton or Niagara Falls

Number of Homeless Families Each Night in NYC Shelter System, 1983-2016



Source: NYC Department of Homeless Services and Human Resources Administration and NYC Stat, shelter census reports

Record number of single adults in shelters
Some now in hotels - too few shelter beds for newly homeless –
about half the population of Poughkeepsie



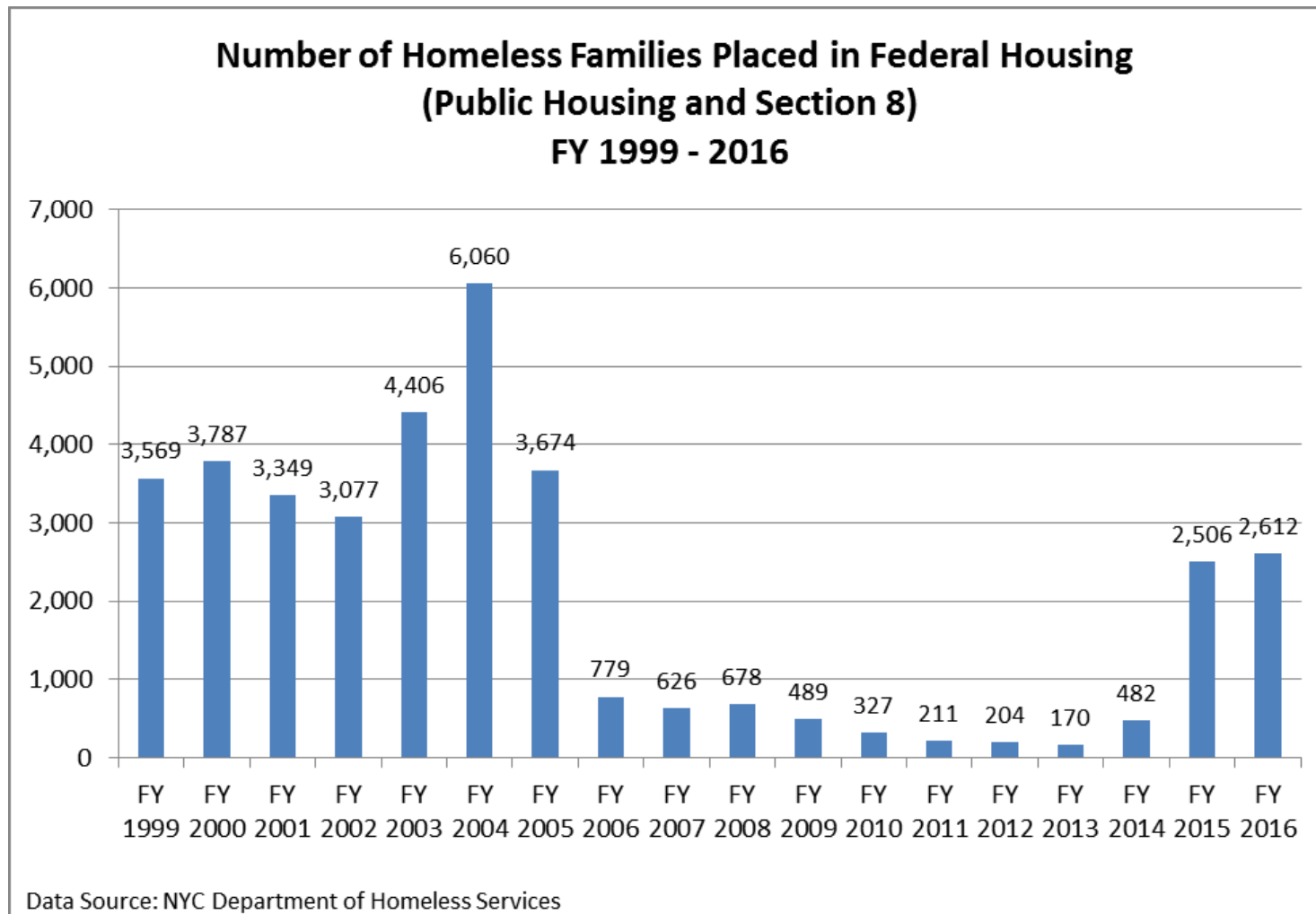
Why new record after new record?

- Cumulative Deficit in Number of Federal Housing Placements
- Persistently High Rates of Eviction without Legal Representation for Tenants
- Rising Shelter Demand due to Domestic Violence
- Reduced Supportive Housing Placements
- Sudden Spike in Unemployment
- Rising Housing Cost Burdens
- Population Growth Outpacing Population Projections

Cumulative Deficit in Number of Federal Housing Placements

- The last multi-year decrease in the New York City shelter census occurred in 2004 and 2005.
- The number of public housing and Section 8 placements for homeless families then averaged about 5,000 per year.
- These are by far the most stable housing placements and therefore these families rarely return to shelters.
- The shelter census then was about half its present size.
- In FY 2016, the number of such placements was only 2,612.

Result: Federal housing placements still down by half compared with 2004-5



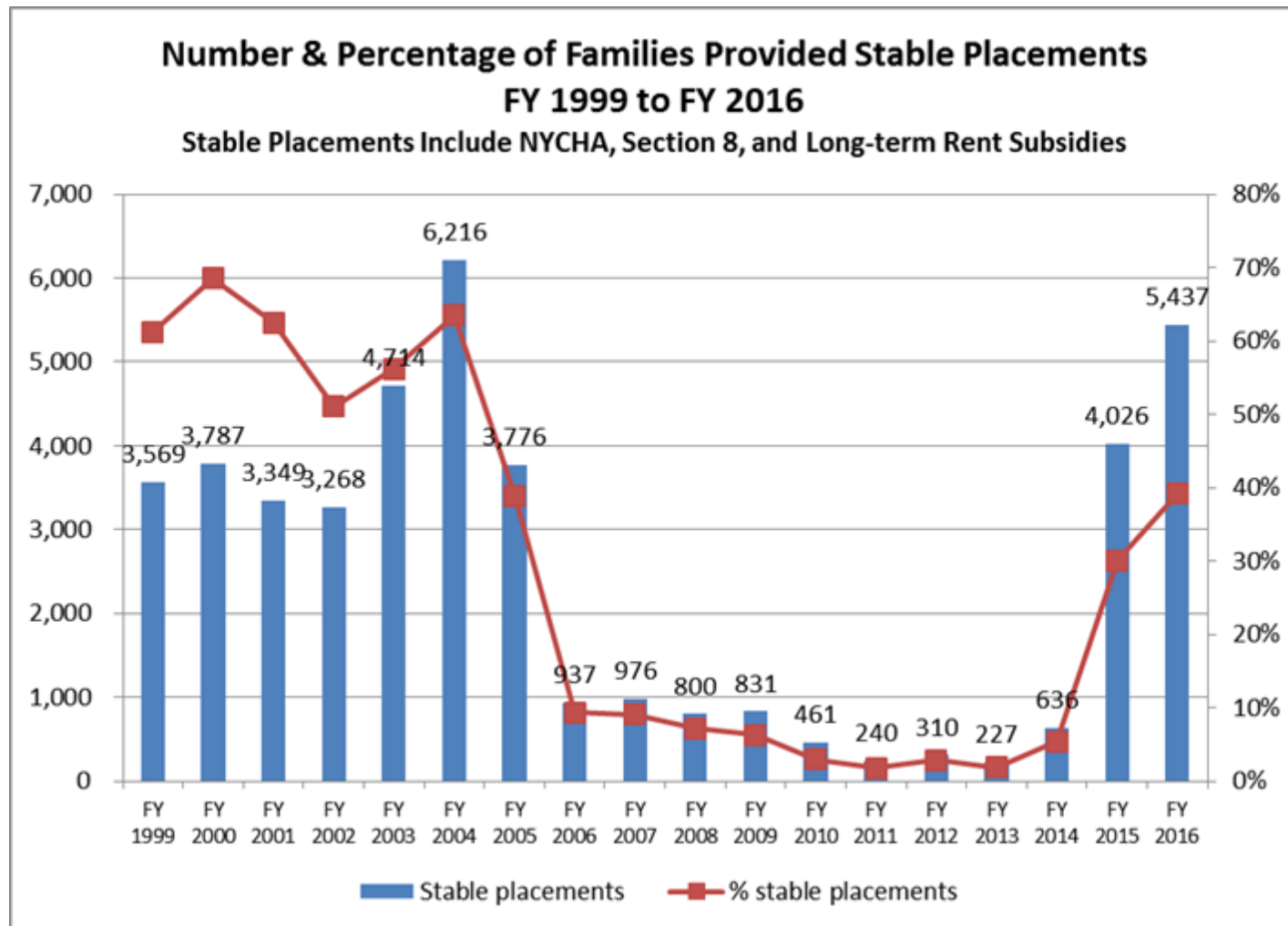
The Lost Decade

As we reported in our recent policy brief on family homelessness:

- From 1999 to 2005 NYC provided an average of 3,989 Federal housing placements for homeless families per year.
- From FY 2006 to FY 2014, only a few hundred units per year were provided.
- On average, 3,548 fewer homeless families received stable housing placements over 9 years.
- The accumulated deficit is 31,935 fewer federal housing placements made over the nine-year period of the Bloomberg policy that withheld these vital housing resources from homeless families – a veritable lost decade.

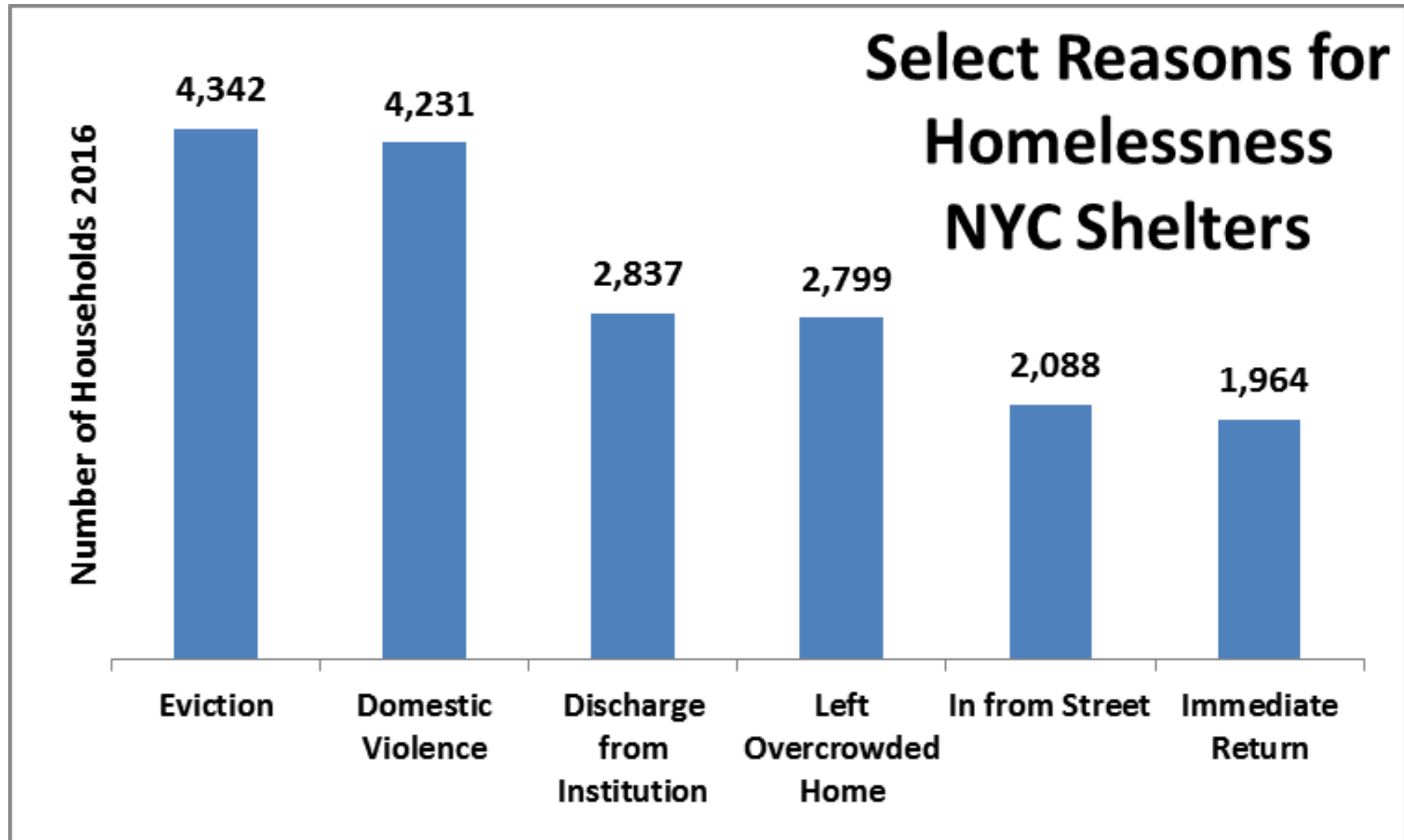
31,935 fewer Federal housing placements over nine years: Shelter census doubled

Source: NYC Department of Homeless Services



Persistently High Rates of Eviction & Rising Shelter Demand due to Domestic Violence

Source: NYC Department of Homeless Services



Persistently high rates of eviction and rising shelter demand due to domestic violence contribute significantly to the growth in homelessness even as new City housing initiatives have begun to slow the rate of increase.

Our recent brief found:

- NYC now places more families into stable homes than any year since 2004.
- NYC provided 10,000 stable housing placements for families in the first two-and-a-half years of the current mayoral term, compared with the fewer than 1,300 placements made in the prior administration's last four years in office.
- The increase in stable housing placements has helped decrease the number of families returning to shelters by 15 percent since 2013.

Reduced Supportive Housing Placements

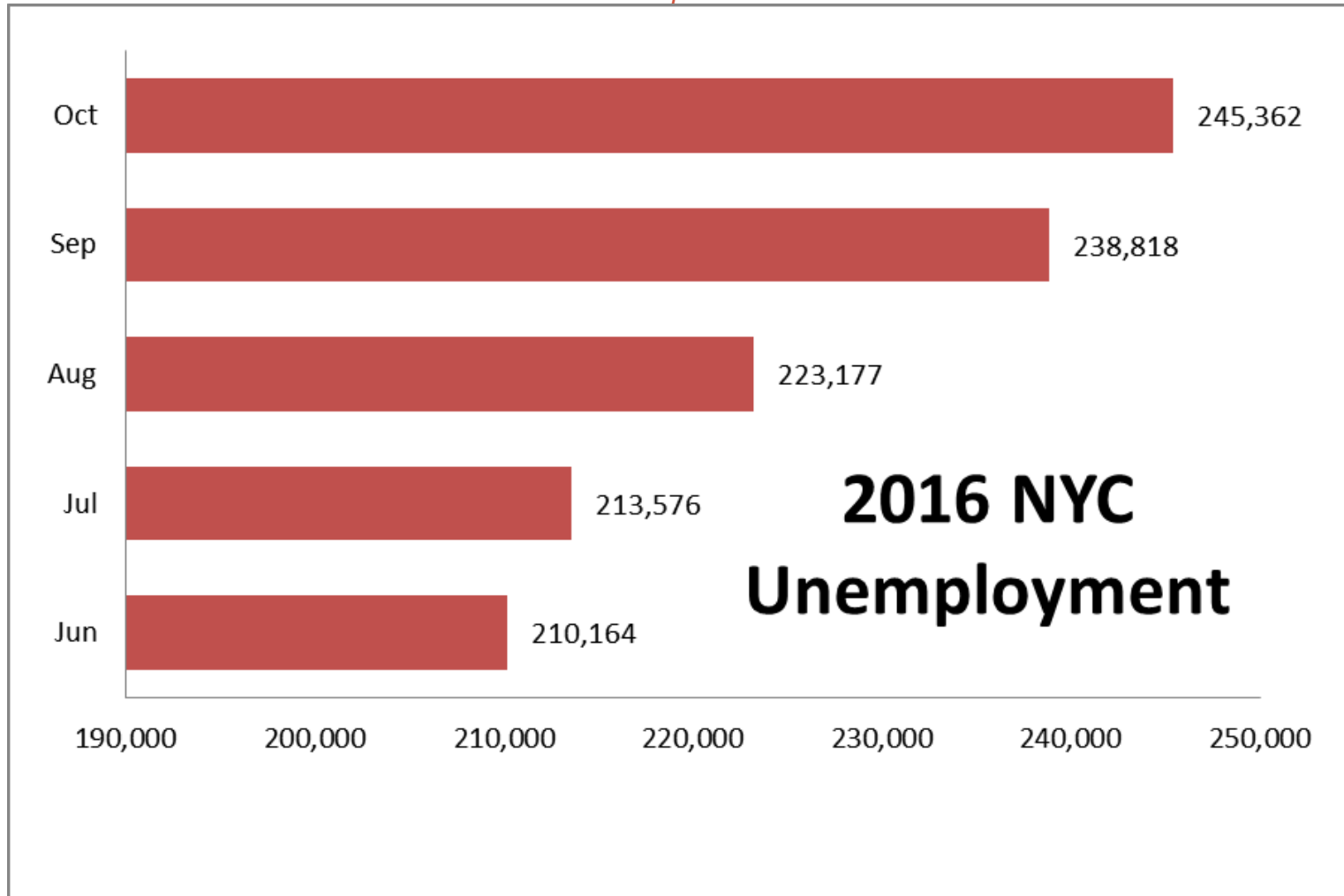
Source: NYC Department of Homeless Services

The expiration of the New York/New York III Agreement last year has left an urgent need for the State and City to implement long-term funding commitments for the capital, services, and operating programs needed to continue building supportive housing on a scale and at a pace that better matches the magnitude of the need:

- An average 1,802 supportive housing placements per year were made from 2010 – 2015 in New York City for single adults.
- This dropped off to just over 1,600 in 2016.
- There were 545 fewer people in homeless shelters who received supportive housing placements last year compared with 2014.
- Like the shortage of Federal housing placements, this contributed to a rising shelter census.

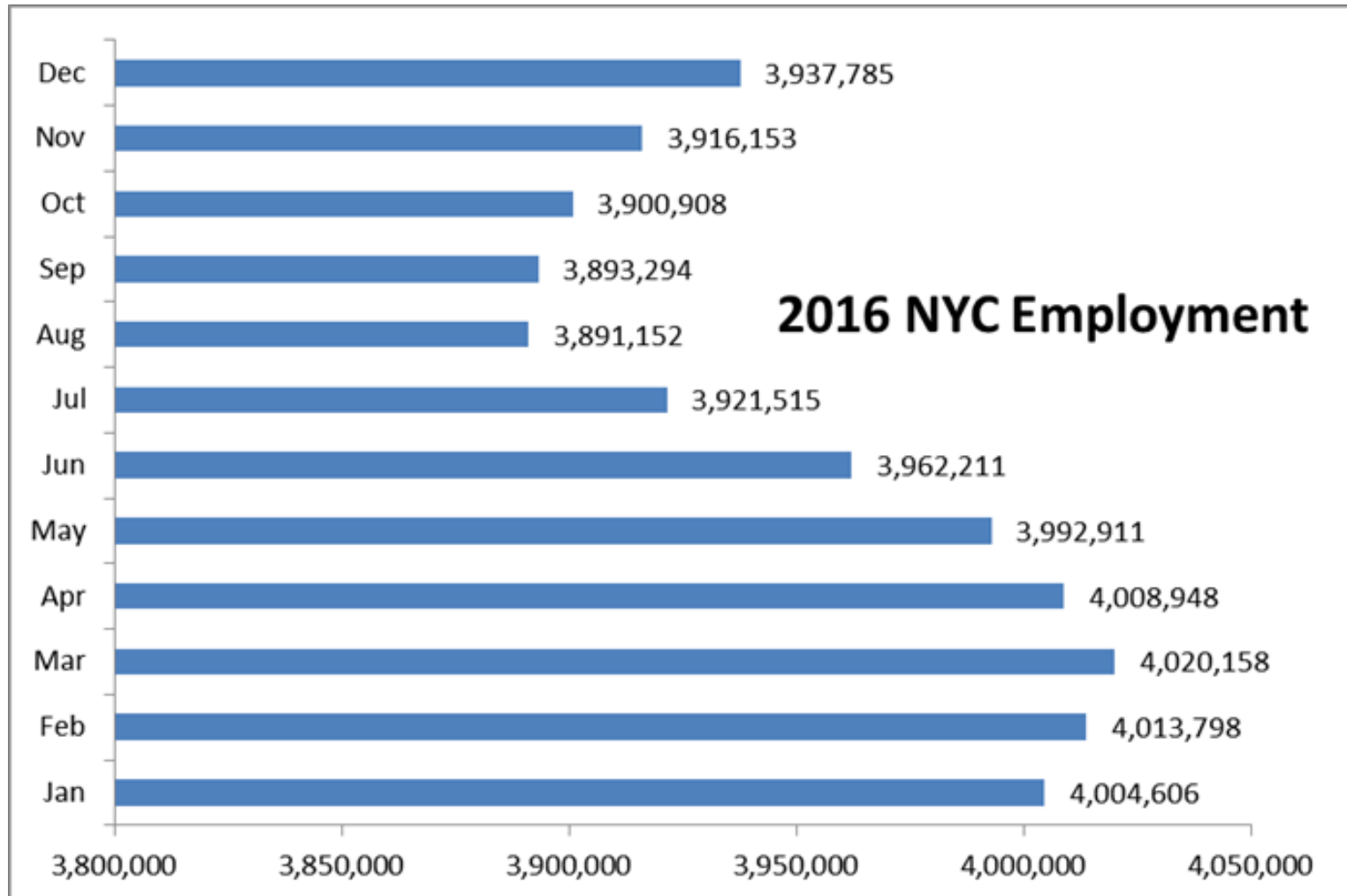
Sudden Spike in Unemployment: 35,000 more unemployed New Yorkers in October than in June

Source: NYS Department of Labor



Drop in employment left 129,000 out of work Only a third of jobs lost recovered by December

Source: NYS Department of Labor



Sudden job losses combined with rising cost burdens, low vacancy rates, spurred increases in homelessness

Sources: Coalition for the Homeless Family Homelessness in NYC; www.homestabilitysupport.com

- The August unemployment rate in the Bronx, where family homelessness is concentrated more than any other borough, reached an alarming 7.8 percent - up dramatically from its low of 6.1 percent last May.
- Seventy-three percent of low-income households in NYC were severely rent-burdened in 2014, paying over half their income for rent.
- For a household of three including children, the NYC public assistance shelter allowance is just \$400 per month, but the actual cost of housing for a two-bedroom apartment, suitable for a family of three, is \$1,637 per month.
- Roughly half of those receiving shelter allowances without other housing subsidies are at serious risk of becoming homeless due to shelter allowances that are far below the actual cost of housing.
- The vacancy rate for the city's rental housing is 3.45 percent, and for low-rent units, it is just 1.8 percent.

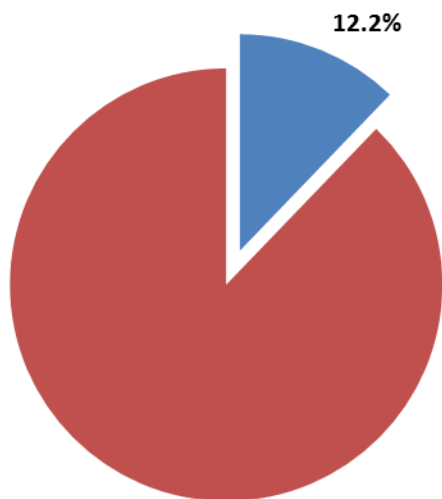
Rapidly rising income inequality causes housing instability and homelessness

Source: Fiscal Policy Institute

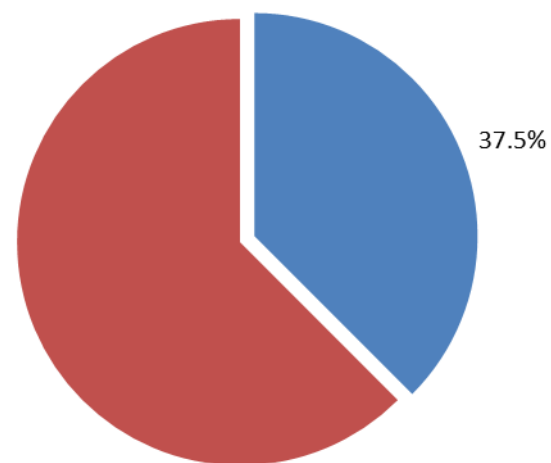
- A fundamental of the economics of homelessness is that in cities with low vacancy rates, high housing costs, and extreme income inequality, the people at the lowest end of the income spectrum fall out of the housing market altogether.
- New York is such a city.
- According to the Fiscal Policy Institute's budget analysis, the percentage of all income going to New York City's top 1 percent has grown from 12.2 percent in 1980 when modern mass homelessness emerged as a serious problem, to 40.9 percent in 2015, as the crisis of homelessness again became a cause for widespread alarm.

Income inequality in NYC: Worst in nation

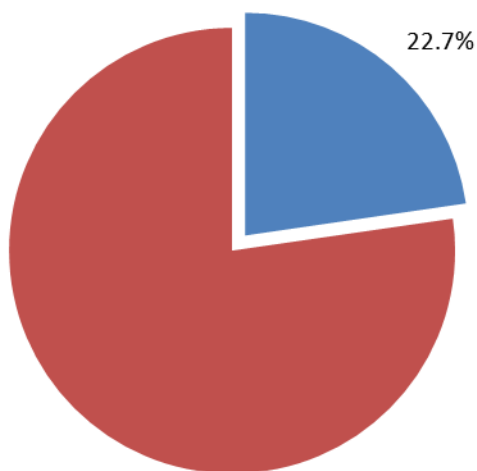
Source: Fiscal Policy Institute



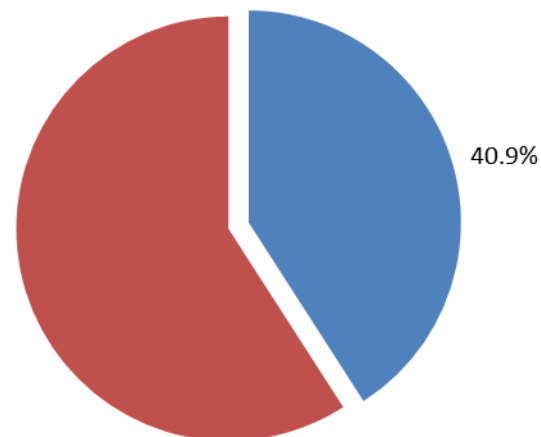
1980 Share of All Income Going to Top 1 Percent



2010 Share of All Income Going to Top 1 Percent



1995 Share of All Income Going to Top 1 Percent



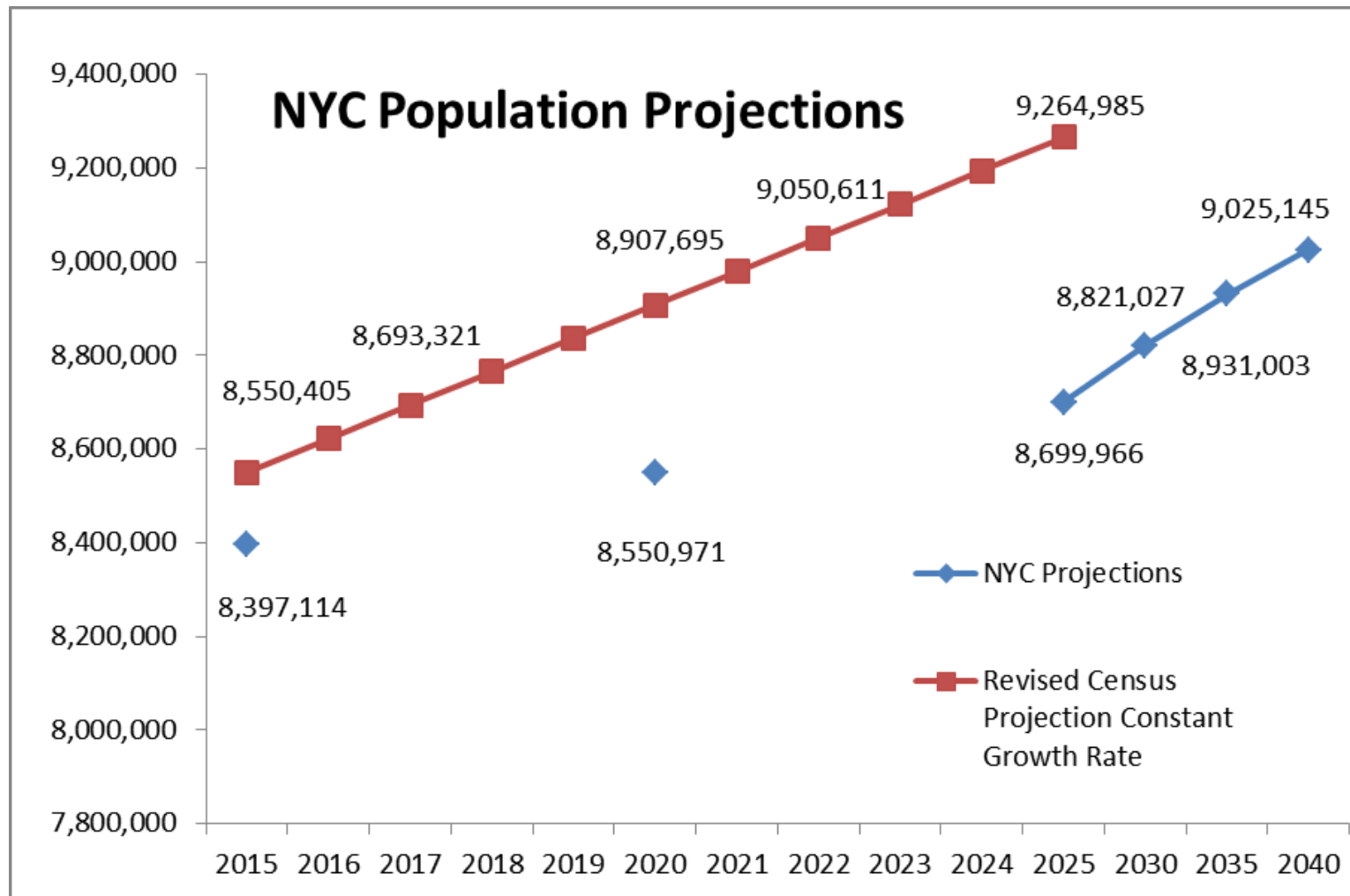
2015 Share of All Income Going to Top 1 Percent

Population Growth Outpacing Population Projections

- Unfortunately, absent some very substantial changes in the scale and pace of the State and City responses to the present crisis of homelessness, this vexing problem stands to get worse before it gets better.
- A critical metric has changed, and too little is being done to acknowledge it and adjust accordingly: Population Growth.

NYC population reached level
projected for 2020 early: in 2015
Could surpass projection for 2025 in 2017

Sources: NewYorkYIMBY.com; NYC.gov Planning



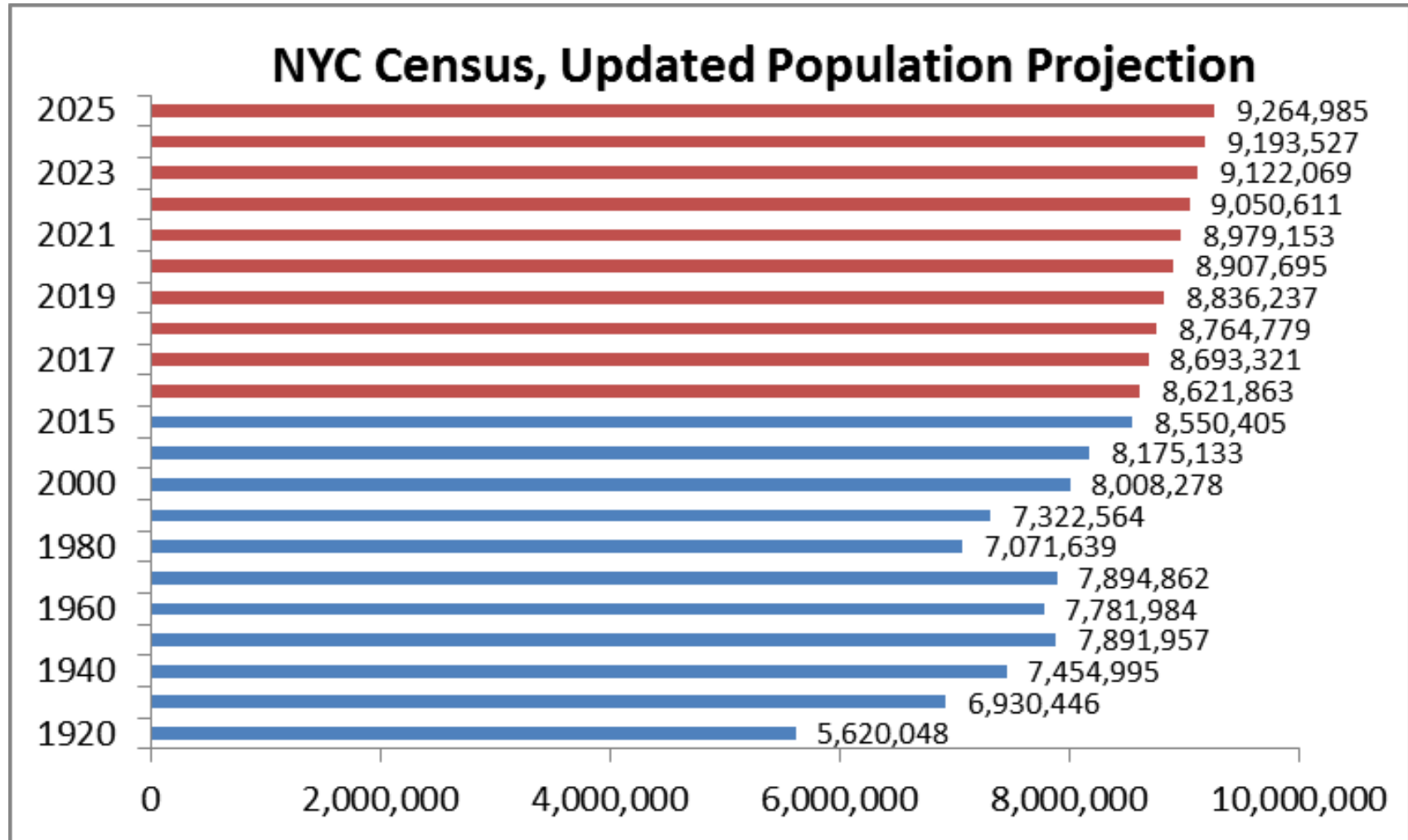
NYC may have 350,000 more residents than projected by 2020

Sources: NewYorkYIMBY.com; NYC.gov Planning

- The NYC population was projected to grow 480,000 between 2015 and 2040.
- It grew at nearly 71,500 per year between 2010 & 2015 to 8.55 million & could top 8.95 million by 2020 if not earlier. That would be more than 350,000 above the forecast for 2020.
- As my projection shows, should this rate of population growth continue, the 2025 NYC census could exceed the projected census by over 580,000 – 9.28 million, rather than the 8.7 million originally forecast.
- Housing must be built to accommodate this rapidly growing population, and the investments for this must take place now.

NYC census & population projection based on recent rate of growth

Sources: NewYorkYIMBY.com; NYC.gov Planning; [Coalition for the Homeless](http://CoalitionfortheHomeless.org)



Over 2,000 individuals & families moved into shelters from the streets
With rising homelessness, reported deaths among homeless
New Yorkers recently increased as well

Sources: NYC Department of Homeless Services; New York City Council



Code blue and shelter inspections

- As you are likely aware, last year's Executive Order regarding shelter policies during cold weather expired and was replaced by an emergency regulation last month. Unfortunately it relies on a temperature threshold of 32 degrees or below including wind chill.
- That is too low to protect our most vulnerable homeless neighbors from hypothermia which can affect people at much higher temperatures according to health experts, including the State Health Department.
- We are urging that the regulation be modified to use a temperature threshold that will truly protect people, and that the state adequately support shelters to operate 24 hours a day during inclement weather.
- One of the reasons we are so concerned about this is that the demographic characteristics of homeless adults are changing: The *New York Daily News* found a 55 percent increase in the number of seniors who were homeless in New York City between 2002 and 2012. Seniors are one group among several who are at increased risk of hypothermia.

- As we indicated last year, the Coalition also welcomes the greater attention paid to shelter conditions and needed repairs by the Office of Temporary and Disability Assistance.
- As the court-appointed monitor of shelters for adults in New York City, and the City-appointed monitor of shelters for NYC families, we are pleased to work hand in hand with the City, State, and shelter operators to bring all shelters and other temporary housing accommodations up to the standards of health and safety we all agree are required.
- We are pleased that the State will play a greater role in this regard and is deploying the necessary resources to see that all facilities are inspected and that conditions in shelters improve statewide. We have no doubt that there is a need for capital investment to address many of the long-outstanding major repairs needed at some of the older facilities.

Budget Recommendations

- The Executive Budget continues for a third year enhanced funding of \$15 million for NYC to support rent supplements to prevent and address homelessness, as added initially by the Assembly two years ago. We support this continued investment, but these investments must be released and put to work.
- We support the Executive's provision of \$1 million in general funds for emergency homeless needs, and ask that the TANF line for emergency homeless needs for groups with specified expertise be restored at \$1 million as well.
- We ask that the Legislature provide \$1 million for the Client Advocacy Program (at one time annually funded in the budget by the Legislature) through which chronically homeless disabled people are assisted in securing Federal SSI/SDI, veterans benefits, and housing.
- We recommend inclusion of Assemblymember Hevesi's Home Stability Support proposal in the budget: It would address the causes of homelessness by preventing thousands of individuals and families from becoming homeless and help those already in shelters move into their own homes. It would more than pay for itself in savings from reduced evictions, shorter shelter stays, and increased housing stability for public assistance households.
- We ask that Governor Cuomo and the Legislative leaders release the \$2 billion: Homeless New Yorkers have been waiting since 2014 for the promised funds to materialize and to move out of shelters into permanent supportive housing. Each year that passes, as we were recently reminded on Homeless Person's Memorial Day, is a year when some of our neighbors die: Homeless, alone, too often out on the street. We can and must do better. Thank you.