

THE COUNCIL OF THE CITY OF NEW YORK

Hon. Melissa Mark-Viverito
Speaker of the Council

Hon. Stephen Levin
Chair, Committee on General Welfare



Report on the Fiscal 2017 Preliminary Budget and the Fiscal 2016 Preliminary Mayor's Management Report Department of Homeless Services

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Dohini Sompura, Unit Head

Finance Division

Latonia McKinney, Director
Regina Poreda Ryan, Deputy Director
Paul Scimone, Deputy Director
Nathan Toth, Deputy Director
Emre Edev, Assistant Director
Nameera Nuzhat, Legislative Financial Analyst

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Department of Homeless Services Overview

DHS, or the Department of Homeless Services provides transitional shelter for homeless single adults, adult families and families with children at directly operated and contracted sites. DHS current shelter capacity includes 73 single adults shelters, 22 Tier II facilities for adult families, 95 Tier II facilities for families with children, 49 hotels, and 17 cluster sites. The majority of single adult facilities are in Brooklyn and Manhattan, while the majority of family facilities are located in the Bronx.

DHS also provides homeless prevention services through community-based programs, access to permanent housing and 24 hour, seven day street outreach services. DHS also provides placement into safe havens and stabilization beds for street homeless New Yorkers.

DHS programs address the current crisis of homelessness by connecting New Yorkers to prevention services to help them remain in their homes and, when prevention is not an option, DHS provides safe and appropriate transitional shelter. DHS also helps families and individuals to exit shelter and move into permanent independent and supportive housing. DHS continues to expand its homeless prevention efforts through its Homebase program, including new services for single adults, and has partnered with the Human Resources Administration (HRA) to create the Living in Communities (LINC) targeted rental assistance programs tailored to eligible families and individuals in shelter. DHS is also enhancing outreach efforts through HOME-STAT, the City's new program to engage homeless individuals and connect them to support services, is adding new daytime programs and services in adult shelters and is working with multiple agencies to improve shelter conditions.

In December 2015, the Mayor announced that he will be restructuring DHS and appointed Human Resources Administration (HRA) Commissioner, Steven Banks as interim Commissioner of DHS. HRA will conduct a 90-day review of the agency to assess how DHS can address the current homeless crisis more effectively. The 90-day review period will end on March 14, 2016.

This report provides a review of the DHS' Preliminary Budget for Fiscal 2017. In the first section, the highlights of the \$1.1 billion Fiscal 2017 expense budget are presented, the Fiscal 2016 Council initiatives are reviewed and the potential impact of State budget actions are analyzed.

The report then presents the Department's budget by program area and provides analysis of significant program areas, discusses initiatives included in the November and Preliminary Financial Plans and reviews relevant sections of the Preliminary Mayor's Management Report for Fiscal 2017. This is followed by a review of the proposed capital budget for the Department with a discussion of significant changes proposed to the \$162 million Capital Plan for Fiscal 2017-2019. Finally, the appendices are included to highlight the Budget Actions in the November and Preliminary Plans and the Contract Budget.

Homelessness in New York City

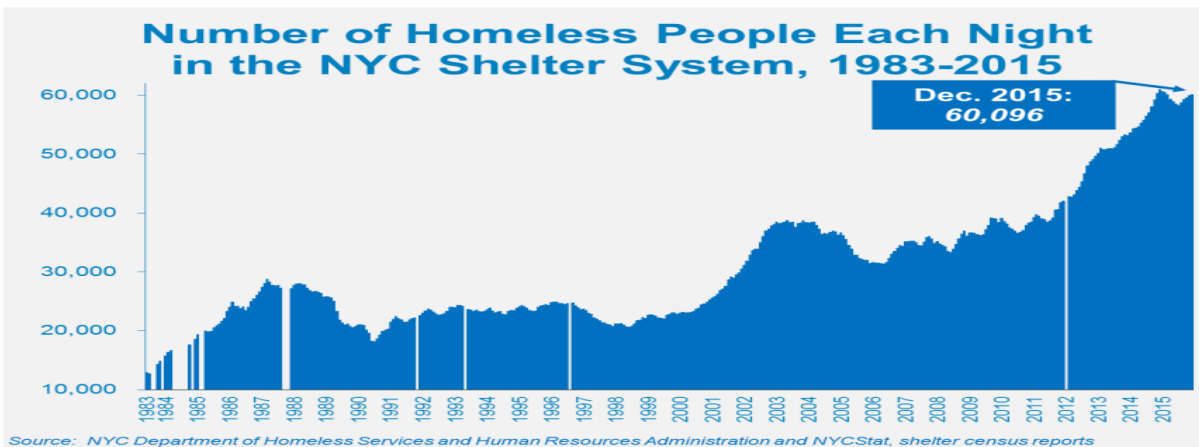
Right to Shelter Mandate

New York City is governed by a unique “right to shelter” mandate. In the late 1970s, when modern homelessness began to emerge in New York City, it was found that both the State and the City were neglecting their constitutional responsibility to shelter the homeless. The landmark case of *Callahan vs. Carey*, a class action lawsuit against the State and City in 1979 argued that a constitutional right to shelter existed in New York (citing Article XVII), and the New York State Supreme Court ordered the City and State to provide temporary emergency shelter for all eligible homeless individuals.

Under the “right to shelter” mandate, single adults do not have to meet any eligibility criteria in order to be granted temporary emergency housing. Families also have the right to shelter, but must apply and be deemed eligible by DHS in order to enter the shelter system.

Current State of Homelessness in New York City

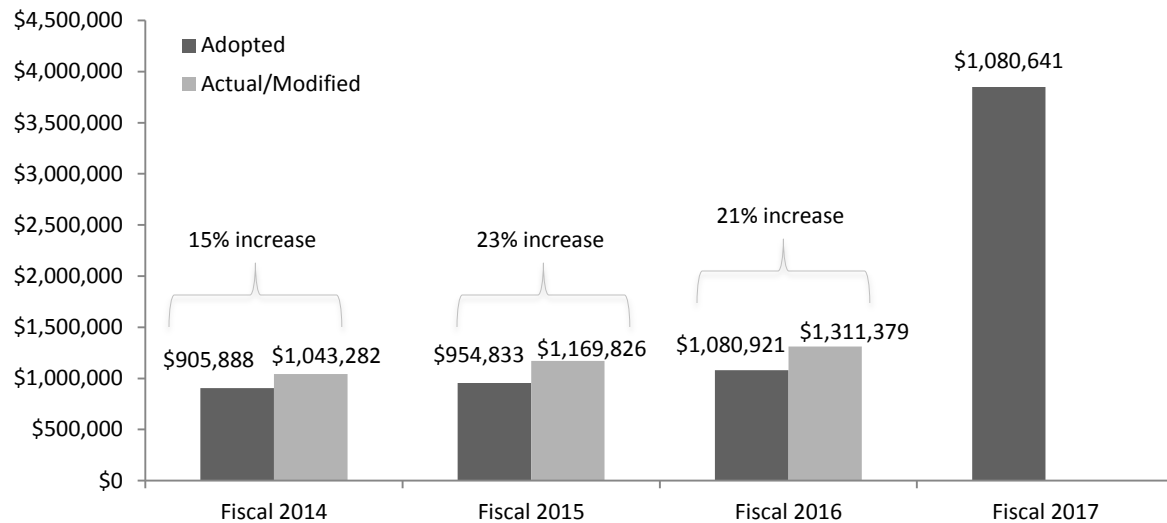
The homeless population living in the New York City shelter system has reached unprecedented highs over the last several years, with much of the increase in the shelter population beginning in 2011, the same year the City and State eliminated funding for the Advantage Program, which provided rental assistance to homeless families and adults.



Source: Coalition for the Homeless

DHS' shelter census population peaked in December 2014, with a total of 60,939 children and adults sleeping at a shelter. As of December 2015, the shelter population has decreased slightly, but not enough to make a significant impact on DHS' adult and family shelter operational budget. Adults and families continue to enter the shelter system at record pace, while current shelter residents remain in the shelter system longer.

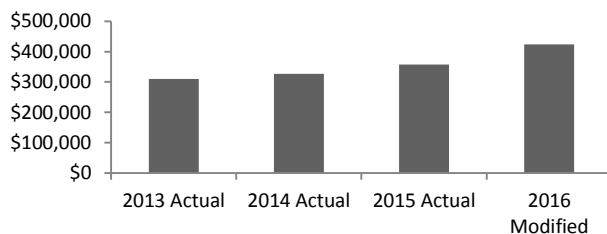
DHS Adopted vs. Modified Budget – Fiscal 2014 – Fiscal 2017



Dollars in 000s

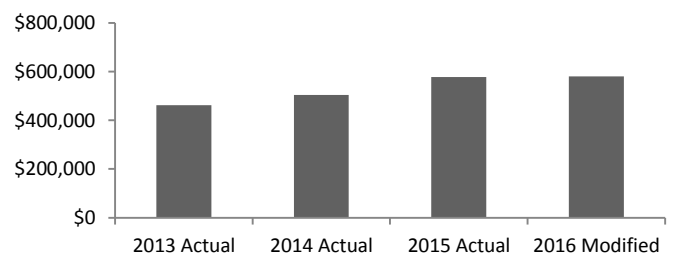
Fiscal 2016 marked the first year where DHS' Adopted Budget topped \$1 billion. As indicated by the table above, DHS' Fiscal 2016 increased throughout the fiscal year; this growth can be primarily attributed to DHS modifying its budget to accommodate the growing adult and family shelter population. HRA's Fiscal 2017 Preliminary Budget reflects relatively the same funding amount as the Fiscal 2016 Adopted Budget. Additional funding for Fiscal 2016 to support adult and family shelter operations was not included in Fiscal 2017 as the Administration continues to monitor the census population and the need for the upcoming fiscal year.

Adult Shelter Operations Costs



Dollars in Thousands

Family Shelter Operations Cost



As the table above suggests, mid-year changes to the shelter budget have typically increased. Shelter cost increases are coupled with increases for related programs, including shelter security. In Fiscal 2015, costs related to adult and family shelters, including administration, support, intake, placement, and operations accounted for almost 84 percent of DHS' \$1.2 billion budget. Thus far in Fiscal 2016, shelter costs account for approximately 82 percent of DHS' \$1.3 billion budget.

The growth in DHS' Fiscal 2016 Budget is primarily attributed to an increase in funding to support the newly created homeless rental assistance program, Living in Communities (LINC), and investments in homelessness preventative services. Beginning in the Fall of 2014, the de Blasio Administration introduced six new homeless rental assistance programs collectively referred to as Living in Communities (LINC). Each LINC program is targeted towards a specific subset of the homeless population living in shelter - working families with children (LINC I), families with multiple shelter stays (LINC II), domestic violence survivors (LINC III), seniors over 60 years of age (LINC IV), working adult families/working single adults (LINC V), and families with children reunifying with host families (LINC VI). The majority of funding associated with the LINC program, including aftercare and case management services are reflected in HRA's budget, and the portion of the LINC program that DHS is responsible for includes aftercare and case management services for LINC II and aftercare services for LINC IV.

Although the shelter population has slightly decreased since the LINC program was launched, this rental assistance program has yet to make a significant impact on the shelter census. The rate of single adults and families exiting shelters is far lower than originally anticipated, which has led to an increase in costs related to adult and family shelter operations. Additionally, the number of families entering the shelter system due to eviction proceedings or lack of affordable housing options has not yet abated.

In addition to increased shelter spending, the Administration has made significant investments in anti-eviction legal services and anti-harassment tenant protections. These programs are funded in HRA's budget. In September 2015, the Administration announced that it will expand anti-eviction legal services to target ten high-needs communities in which the highest numbers of children and adults are losing their homes and entering shelter. These communities are:

- Bedford Stuyvesant, Bushwick, Crown Heights (Brooklyn);
- Central and West Harlem (Manhattan);
- Jamaica and South Jamaica (Queens);
- Tremont and Williamsbridge (Bronx); and
- Port Richmond and Mariner's Harbor (Staten Island).

Funding for the anti-harassment tenant protection program that HRA administers totals \$20.5 million this year and \$36 million in Fiscal 2017. This program aims to serve more than 13,700 households each year when fully implemented. This program is aimed at preventing tenant harassment in communities that will be designated for rezoning.

Thus far, evictions have decreased by 18 percent, the lowest level in a decade according to the Administration. The number of evictions decreased from 26,857 in 2014 to 21,988 in 2015.

Fiscal 2016 Preliminary Budget Highlights

New York City's Fiscal 2017 Preliminary Budget totals \$82.1 billion, an increase of \$3.6 billion when compared to the Fiscal 2016 Adopted Budget of \$78.5 billion. City funds (City tax and non-tax revenues) total \$59.9 billion in Fiscal 2017, an increase of \$2.9 billion when compared to \$57 billion in the Fiscal 2016 Adopted Budget.

DHS' Fiscal 2017 Preliminary Budget totals \$1.1 billion (including City and non-City funds), which represents approximately 1.3 percent of the City's overall proposed budget. The Administration has made substantial investments in DHS for the remainder of Fiscal 2016, as well as in Fiscal 2017 and in the outyears. New needs for the remainder of Fiscal 2016 total \$64 million and \$37 million for Fiscal 2017. These investments primarily impact DHS' adult shelter system and include increased funding for adult shelter costs, adult shelter security, and programming at adult shelters.

DHS Expense Budget						
	2014	2015	2016	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	2016	2017	2016 - 2017
Personal Services	\$118,785	\$125,176	\$150,263	\$166,905	\$165,939	\$15,676
Other Than Personal Services	924,497	1,044,650	930,658	1,144,474	942,702	12,044
TOTAL	\$1,043,282	\$1,169,826	\$1,080,921	\$1,311,379	\$1,108,641	\$27,720

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

As indicated by the table above, DHS' Fiscal 2017 Preliminary Budget increases by \$27.7 million when compared to its Fiscal 2016 Adopted Budget. The majority of this growth can be attributed to Personal Services (PS) costs related to an increase in the number of staff to address shelter conditions. Other Than Personal Services (OTPS) increase by \$12 million in Fiscal 2017 when compared to Fiscal 2016.

The following are major Preliminary Plan actions.

New Needs

- **Shelter Costs Increase.** DHS' Fiscal 2016 budget includes an additional \$32.5 million to support adult shelter operations. This additional funding is based on current adult shelter capacity and the need to increase capacity based on the current adult shelter census. In December 2015, an average of 12,781 single adults were in the shelter system. For more information, please refer to page 18 of this report.
- **NYC SAFE and Shelter Security.** As part of the Mayor's initiative "NYC Safe," which is an evidence-driven program to support New Yorkers with untreated serious mental illness who pose a concern for violent behavior, DHS will provide clinical services and additional security at single adult shelters. Funding in Fiscal 2017 and in the outyears total \$7.4 million. For more information, please refer to page 15 of this report.
- **Support for Homeless Veterans.** The Fiscal 2017 Preliminary Plan includes \$1.6 million in City tax-levy (CTL) in Fiscal 2016 and \$700,000 in Fiscal 2017 and in the outyears for enhanced services to help reduce homelessness among veterans. For more information, please refer to page 26 of this report.

- **Adult Shelter Programming.** In December 2015, DHS announced it will be reinforcing existing policy regarding shelter programming and daytime access for residents in homeless shelters. DHS will require that shelter operators offer residents employment, training and other services. Furthermore, residents cannot be required to leave shelters during the day. Funding for this initiative totals \$16.9 million in Fiscal 2017 and in the outyears. For more information, please refer to page 14 of this report.
- **Shelter Repairs and Maintenance.** DHS' budget reflects the continuation of support for the multi-agency effort to improve shelter conditions. Funding totals \$7.6 million in Fiscal 2017 and in the outyears. For more information, please refer to page 26 of this report.
- **Homeless Prevention for Single Adults.** In Fiscal 2017, DHS will expand its HomeBase program and provide prevention services to additional single adults. Funding totals \$4.4 million in Fiscal 2017 and in the outyears. For more information, please refer to page 29 of this report.

Citywide Savings Program

The City's Fiscal 2017 Preliminary Plan once again includes a Citywide Savings Program, which reduces City spending by \$804 million in Fiscal 2016 and \$270 million in Fiscal 2017. To develop this program, the Office of Management and Budget (OMB) asked all agencies to identify efficiencies, alternative funding sources and programmatic changes that would yield budgetary savings without reducing service levels. As part of the Citywide Savings Program, DHS proposed City tax-levy (CTL) savings totaling \$24 million for the remainder of Fiscal 2016, and \$33.4 million in saving for Fiscal 2017. These savings are based on anticipated shelter savings from the End the Epidemic initiative and the Administration's newly created supportive housing plan to create 15,000 new units of affordable housing over the next 15 years.

- **End the Epidemic.** In December 2015, the Administration and the Council announced their support for a comprehensive plan to end the AIDS epidemic in New York City through new prevention and support programs. The City's plan combines social services with enhanced medical services to reduce the number of new infections and draws upon recommendations from the New York State's Ending the Epidemic Task Force's Blueprint. One of the recommendations to come from the TaskForce is to expand HASA to all low-income New Yorkers with HIV, and not only those with clinical or symptomatic HIV and AIDS who are presently eligible.

To determine the number of individuals currently living in shelter who would meet this expanded HASA criteria, estimates were derived from DHS, HRA, and the Department of Health and Mental Hygiene (DOHMH). It is estimated that the impact to the shelter system would be a reduction of approximately 800 single adults and 100 families by Fiscal 2020, resulting in \$20.2 million in CTL savings in Fiscal 2017, and \$22 million in Fiscal 2018. This calculation is based on a combination of current shelter clients transitioning out of shelter and fewer potential shelter clients entering the system in the future.

- **Supportive Housing.** In November 2015, the Mayor announced that the City would create 15,000 new units of affordable housing over the next 15 years. These new units will be roughly comprised of 7,500 newly-developed congregate units and 7,500 scattered site units. DHS anticipates \$3.7 million in savings in Fiscal 2017, and \$11.4 million in Fiscal 2018 from the placement of 15,000 individuals in the newly created supportive housing units, who otherwise would be in the DHS shelter system.

Financial Summary

DHS Financial Summary						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Personal Services	\$118,785	\$125,176	\$150,263	\$166,905	\$165,939	\$15,676
Other Than Personal Services	924,497	1,044,650	930,658	1,144,474	942,702	12,044
TOTAL	\$1,043,282	\$1,169,826	\$1,080,921	\$1,311,379	\$1,108,641	\$27,720
Budget by Program Area						
Adult Shelter Administration and Support	\$9,590	\$10,937	\$11,503	\$11,780	\$9,341	(\$2,162)
Adult Shelter Intake and Placement	7,586	7,211	8,907	9,010	8,907	0
Adult Shelter Operations	322,869	356,944	317,469	424,066	306,573	(10,896)
Family Shelter Administration and Support	7,341	7,065	11,803	17,701	18,754	6,951
Family Shelter Intake and Placement	20,379	21,642	27,269	27,269	26,373	(896)
Family Shelter Operations	510,709	577,570	497,006	580,047	508,258	11,252
General Administration	70,709	71,381	91,647	107,286	103,107	11,460
Outreach, Drop-in and Reception Services	35,305	41,975	49,198	48,695	51,607	2,409
Prevention and Aftercare	34,564	52,228	42,206	61,380	51,808	9,602
Rental Assistance and Housing Placement	24,230	22,873	23,913	24,145	23,913	0
TOTAL	\$1,043,282	\$1,169,826	\$1,080,921	\$1,311,379	\$1,108,641	\$27,720
Funding						
City Funds	\$497,070	\$680,834	\$556,038	\$708,423	\$577,913	\$21,875
Other Categorical	14	3,025	3,000	3,000	3,000	0
State	140,617	162,660	134,548	149,237	125,937	(8,611)
Federal - Community Development	4,612	4,098	4,098	4,098	4,098	0
Federal - Other	398,506	317,510	382,386	444,720	396,842	14,456
Intra City	2,463	1,699	851	1,901	851	0
TOTAL	\$1,043,282	\$1,169,826	\$1,080,921	\$1,311,379	\$1,108,641	\$27,720
Budgeted Headcount						
Full-Time Positions - Civilian	1,856	1,976	2,316	2,639	2,427	111
Full-Time Equivalent Positions	3	1	1	2	1	0
TOTAL	1,859	1,977	2,317	2,641	2,428	111

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

As indicated by the table above, DHS' Fiscal 2017 Preliminary Budget totals \$1.1 billion, an increase of \$27.7 million when compared to the Fiscal 2016 Adopted Budget.

The majority of funding for DHS is CTL funding. For Fiscal 2017, \$577.9 million, or 52 percent of DHS' budget is CTL funding, and there is a \$21.8 million increase when compared to the agency's Fiscal 2016 Adopted Budget. The increase in City funding is the result of the net impact of \$33 million in new needs, and a \$12 million decrease in costs related to adult shelter administration and support and adult shelter operations. For more information, please refer to pages 12 and 14 of this report.

The remainder of DHS' Fiscal 2017 Preliminary Budget is supported by State and federal revenues. State funding for the agency decreases by \$8.6 million in Fiscal 2017 when compared to the Fiscal 2016 Adopted Budget. This decrease can be attributed to a \$10 million decrease in State support for family shelters, and a \$1.2 million decrease in State-funded social integration services for prevention and aftercare. Federal funding in Fiscal 2017 increases by \$14.4 million when compared to the agency's Fiscal 2016 Adopted Budget. As more families enter the shelter system, DHS is able to leverage more federal

Temporary Assistance for Needy Family (TANF) funding. Fiscal 2017 TANF funding increases to support family shelter administration and support, family shelter operations, as well as prevention and aftercare services.

DHS' overall headcount increases by 111 full-time positions in Fiscal 2017 when compared to the Fiscal 2016 Adopted Budget. This increase is the net impact of the addition of 168 positions related to three new needs for the agency - adult shelter programming, shelter repairs and maintenance, and NYC Safe - a decrease in 35 positions for adult shelter administration and support, and a decrease of 19 positions for family shelter intake and placement.

Contract Budget

The City's Contract Budget, as proposed, totals \$13.16 billion in Fiscal 2017, a decrease of \$76 million or 0.5 percent when compared to the Fiscal 2016 Adopted Budget of \$13.24 billion. The City's Contract Budget, as proposed, totals \$13.16 billion in Fiscal 2017, a decrease of \$76 million, or 0.5 percent, when compared to the Fiscal 2016 Adopted Budget of \$13.24 billion.

DHS' Fiscal 2017 Preliminary Budget reflects 539 contracts. Although the number of contracts remains unchanged when comparing Fiscal 2017 to Fiscal 2016, the total contract value for Fiscal 2017 decreases by \$1.6 million when compared to the Fiscal 2016 Adopted Budget. This decrease in the contract budget is the result of the net impact of a \$15.5 million increase in homeless family services contracts, an \$11 million decrease in homeless single adult services, and a \$7 million decrease for general maintenance and repairs.

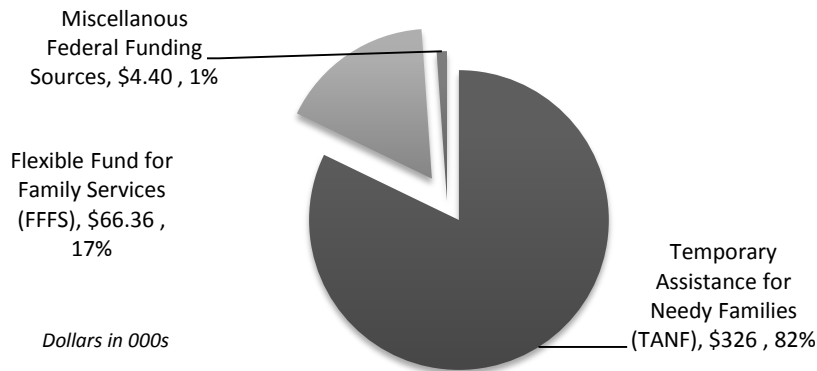
The majority of DHS' contract budget represents contracted adult and family shelter services with providers. Of the 539 contracts in Fiscal 2017, 282 contracts are for homeless family services and 138 contracts are for homeless single adult services.

DHS Fiscal 2017 Preliminary Contract Budget				
<i>Dollars in Thousands</i>				
Category	Fiscal 2016 Adopted	Number of Contracts	Fiscal 2017 Preliminary	Number of Contracts
Cleaning Services	\$3,989	3	\$3,989	3
Contractual Services - General	208	33	208	33
Educ. and Rec. Expenditures for Youth Programs	50	1	50	1
Homeless Family Services	479,067	282	494,560	282
Homeless Individual Services	336,107	138	325,126	138
Maintenance and Repairs - General	13,532	31	6,532	31
Maintenance and Repairs - Motor Vehicle Equip	9	1	9	1
Office Equipment Maintenance	26	6	26	6
Printing Services	166	5	166	5
Prof. Services - Accounting Services	386	2	386	2
Prof. Services - Computer Services	1,410	2	2,377	2
Prof. Services - Engineering and Architectural Services	904	2	904	2
Prof. Services - Other	161	1	161	1
Security Services	31,752	7	31,586	7
Telecommunications Maintenance	125	2	125	2
Temporary Services	565	16	565	16
Training Program for City Employees	394	6	472	6
Transportation Services	2,495	1	2,495	1
TOTAL	\$871,346	539	\$869,737	539

Revenue

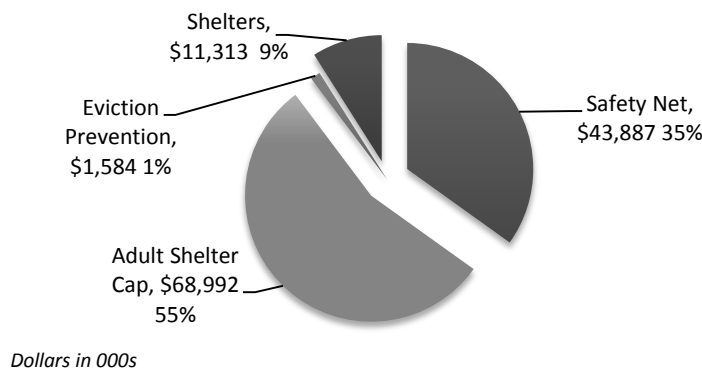
State and federal revenue comprises 47.5 percent of DHS' Fiscal 2017 Preliminary Budget. Federal funding for Fiscal 2017 totals \$396.8 million, an increase of \$14.4 million when compared to the Fiscal 2016 Adopted Budget. Major federal revenue sources for DHS include Temporary Assistance for Needy Families (TANF) and Flexible Fund for Family Services (FFFS). DHS leverages both funding streams to support family shelter operations.

Federal Revenue Sources – Fiscal 2017 Preliminary Budget



The main sources of State revenue for DHS are the adult shelter cap, safety net assistance (SNA), eviction prevention, and family shelter funding. The State provides the City with an annual grant to pay for single adult shelter, also known as the adult shelter cap. This grant funding reimburses the City for 50 percent of the single adult shelter costs up to the cap amount, which has remained at \$68.9 million since Fiscal 2013. SNA funding is applied to a family's public assistance case, eviction prevention funding supports DHS' prevention and aftercare services, and shelter funding supports rental assistance and housing placement.

State Revenue Sources – Fiscal 2017 Preliminary Budget



State revenue totals \$125.9 million in Fiscal 2017, a decrease of \$8.6 million when compared to the Fiscal 2016 Adopted Budget. This decrease can be mainly attributed to the

end of a Memorandum of Understanding (MOU) with the State regarding Tier II family shelters. For more information, please refer to page 22 of this report.

Council Initiatives

In Fiscal 2016, the Council allocated \$1.8 million for homeless services.

Fiscal 2017 Council Changes at Adoption <i>Dollars in Thousands</i>	
Homeless Services	
Children and Families in NYC Homeless System	\$1,000
Citywide Homeless Prevention Fund	820
TOTAL	\$1,820

- Children and Families in NYC Homeless System.** In Fiscal 2016, the Council allocated \$1 million for a new initiative to support children and families in the New York City Homeless System. This initiative supports six organizations (Bronx Works, CAMBA, Henry Street Settlement, Homeless Services United, Project Hospitality, and Women in Need) to provide innovative, specialized services in all five boroughs to children and families in homeless shelters that incorporate trauma-informed care, evidence-based practices, aftercare programs, comprehensive case management, and other strategies to prevent child maltreatment in high-risk cases.
- Citywide Homeless Prevention Fund.** In Fiscal 2016, the City Council continued its support for the Citywide Homeless Prevention Fund initiative. This \$820,000 allocation represents a restoration for a homelessness prevention program that provides emergency grants to families in crisis at risk of eviction in order to keep them in their homes and avoid the shelter system. Funding is provided to Coalition for the Homeless, Community Service Society, and The Bridge Fund.

2016-2017 State Executive Budget Highlights

The Fiscal 2015-2016 State Executive Budget was released on January 13, 2016. The following are major proposals which would impact social services in New York City. The fiscal impact of these proposals are not yet included in DHS' budget because the State's budget process is still ongoing.

DHS Shelter Oversight. In his 2016-2017 State Executive Budget speech, Governor Cuomo announced that New York City Comptroller Scott Stringer will review and inspect the New York City shelter system. Mayor de Blasio said he believed that the this announcement did not granted Mr. Stringer any new powers, and said the Governor's plan "could be very consistent with our goal of making sure that every shelter is fixed."¹

According to the Governor, shelters determined to be unsafe or dangerous will either immediately add local police protection or be closed. If a shelter is determined to be unsanitary or otherwise unfit it will be subject to contract cancellation, operator replacement or closure. If an operator's management problem is systemic, a receiver will be appointed to run the system. In addition, the state will require all social service districts to comply with the laws and regulations of New York State or be subject to sanctions.

Housing for the Homeless. Governor Cuomo's 2016-2017 State Executive Budget proposes \$20 billion for affordable housing and housing opportunities and services for the homeless. This investment would be divided evenly between affordable housing and homeless programs with \$9.7 billion to establish 94,000 units of affordable housing and \$10 billion to be allocated to support homeless programs, including operating resources and services. About \$2.6 billion would fund 6,000 new supportive housing units and 1,000 emergency shelter beds. Over 15 years, the plan would result in 20,000 units or shelter beds, including 18,000 new supportive housing units.

¹Jorgensen, Jillian. "Here's Gov. Cuomo's Plan to Fix New York City's Homeless Shelters," *The Observer*, January 13, 2016. <http://observer.com/2016/01/cuomo-names-city-comptroller-de-blasio-foe-to-oversee-city-homeless-shelters/>

Program Areas

Adult Shelter Administration and Support

This program area consists of the administrative and support functions of the adult shelter system.

Adult Shelter Administration and Support						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried -Civilian	\$7,707	\$8,248	\$10,998	\$9,830	\$8,836	(\$2,162)
Unsalaries	1	9	5	5	5	0
Additional Gross Pay	700	791	500	500	500	
Fringe Benefits	0	0	0	0	0	0
Subtotal	\$8,408	\$9,048	\$11,503	\$10,335	\$9,341	(\$2,162)
Other Than Personal Services						
Supplies and Materials	\$0	\$0	\$0	\$0	\$0	\$0
Other Services and Charges	518	488	0	616	0	0
Contractual Services	664	1,401	0	828	0	0
Fixed and Misc Charges	0	0	0	0	0	0
Subtotal	\$1,182	\$1,889	\$0	\$1,444	\$0	\$0
TOTAL	\$9,590	\$10,937	\$11,503	\$11,780	\$9,341	(\$2,162)
Funding						
City Funds			\$9,815	\$8,647	\$7,654	(\$2,161)
State			4	4	4	0
Federal - Other			1,684	3,129	1,684	0
TOTAL	\$9,590	\$10,937	\$11,503	\$11,780	\$9,341	(\$2,162)
Budgeted Headcount						
Full-Time Positions - Civilian	133	122	187	168	152	(35)
TOTAL	133	122	187	168	152	(35)

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The proposed budget for adult shelter and administration support totals \$9.3 million in Fiscal 2017, a decrease of \$2.1 million when compared to the Fiscal 2016 Adopted Budget. This decrease can be attributed to a reduction in headcount of 35 full-time positions. Of the 35 positions, four positions were added in Fiscal 2016 for a joint program for homeless seniors with the Department for the Aging (DFTA) that never materialized. In addition, 16 positions that were budgeted in Fiscal 2016 as part of the adult shelter housing initiative were eliminated, as DHS never hired staff for these positions.

Adult Shelter Intake and Placement

The Adult Shelter system has four intake centers, three for women and one for men. The intake center for men is located in Manhattan, while the centers for women are in the Bronx, Brooklyn, and Queens. As a result of legal decisions in the early 1980s, single adults are guaranteed a right to shelter and do not have to apply for shelter as homeless families must.

Adult Shelter Intake and Placement						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried -Civilian	\$6,408	\$6,202	\$6,780	\$6,882	\$6,780	\$0
Unsalaries	0	0	0	0	0	0
Additional Gross Pay	1,107	935	2,051	2,051	2,051	0
Fringe Benefits	71	75	76	76	76	0
TOTAL	\$7,586	\$7,212	\$8,907	\$9,010	\$8,907	\$0
Funding						
City Funds			\$8,241	\$8,241	\$8,241	\$0
Federal - Other			666	769	666	0
TOTAL	\$7,586	\$7,212	\$8,907	\$9,010	\$8,907	\$0
Budgeted Headcount						
Full-Time Positions - Civilian	143	149	145	147	145	0
TOTAL	143	149	145	147	145	0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The proposed budget for adult shelter administration and support in Fiscal 2017 remains unchanged when compared to the Fiscal 2016 Adopted Budget. In its Fiscal 2016 modified budget, DHS added two positions to support adult shelter intake operations to accommodate the increase in the adult shelter population in this current fiscal year.

Adult Shelter Operations

The Adult Shelter system is currently comprised of 69 facilities that operate approximately 10,700 shelter beds. As in the family system, single adults living in shelters have access to a wide range of social services, including mental health treatment, substance abuse treatment, and employment training. Funding for single adult shelters is calculated based on the provider's actual expenses to operate the shelter at the given bed capacity. The City funds a majority of the costs associated with adult shelters, with some support from State and federal revenue sources.

Adult Shelter Operations						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried -Civilian	\$16,213	\$17,831	\$20,869	\$22,643	\$20,872	\$3
Additional Gross Pay	3,015	3,072	2,043	2,043	2,043	0
Fringe Benefits	122	146	98	98	98	0
Subtotal	\$19,350	\$21,049	\$23,010	\$24,784	\$23,013	\$3
Other Than Personal Services						
Supplies and Materials	\$5,848	\$5,771	\$4,688	\$4,976	\$4,693	\$5
Leasehold Improvements	0	0	0	1,602	1,602	1,602
Property and Equipment	424	638	177	1,033	391	214
Other Services and Charges	9,599	8,035	10,371	9,376	10,909	538
Social Services	0	177	0	0	0	0
Contractual Services	287,644	321,273	279,221	382,293	265,963	(13,258)
Fixed and Misc Charges	3	1	3	3	3	0
Subtotal	\$303,518	\$335,895	\$294,460	\$399,283	\$283,561	(\$10,899)
TOTAL	\$322,869	\$356,944	\$317,469	\$424,066	\$306,573	(\$10,896)
Funding						
City Funds			\$237,178	\$336,347	\$226,282	(\$10,896)
State			73,633	73,633	73,633	0
Federal - Community Development			5,807	12,909	5,807	0
Intra City			851	1,178	851	0
TOTAL	\$322,869	\$356,944	\$317,469	\$424,066	\$306,573	(\$10,896)
Budgeted Headcount						
Full-Time Positions - Civilian	392	423	430	464	430	0
TOTAL	392	423	430	464	430	0

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

The proposed Fiscal 2017 Budget for adult shelter operations totals \$306.5 million, a decrease of approximately \$10.9 million when compared to the Fiscal 2016 Adopted Budget. This decrease in funding is largely attributed to a decrease in contractual services for adult shelter operations. The decrease in contractual services is part of DHS' citywide savings program and the transfer of existing funding to HRA. The agency estimates that it will save \$3.7 million through the supportive housing initiative and \$18.5 million as the result of the End the Epidemic initiative, for more information. In addition, \$1.7 million in Fiscal 2016 and \$3.4 million in Fiscal 2017 and in the outyears will be transferred from DHS to HRA as part of the subsidized jobs for homeless clients initiative. Beginning in Fiscal

2016, HRA will support the placement of 500 homeless clients from shelter into transitional jobs and permanent housing.

Lease holder improvements reflected in DHS' OTPS costs refers to the realignment of cleaning services at adult shelter operations. Previously, this funding was placed in the wrong budget code.

Financial Plan Actions

- **Adult Shelter Programming.** In December 2015, DHS announced it will be reinforcing its existing policy on shelter programming and daytime access for residents in homeless shelters, emphasizing that residents should be offered employment, training and other services and cannot be required to leave shelters during the day. As part of this initiative²:
 - DHS clients should be offered, and encouraged to participate in, employment, job training, social services and recreational programming during the day and should not be asked to leave shelter during daytime hours;
 - all clients must be afforded unrestricted access to recreation rooms, waiting rooms and other common areas within the shelter during the day;
 - to maximize opportunities for client engagement, these services, combined with the programming enhancements that many shelters are currently implementing, should be targeted to clients who are onsite during the day; and
 - single adult clients should be granted accommodation to stay in their dorms during the day for medical and mental health reasons and other special circumstances.

Adult shelter programming funding totals \$16.9 million in Fiscal 2017 and in the outyears; 40 shelters and 92 providers will be required to adhere to this policy.

- **NYC SAFE and Shelter Security.** In August 2015, Mayor de Blasio announced the launch of "NYC Safe," an evidence-driven program to support the narrow population of New Yorkers with untreated serious mental illness who pose a concern for violent behavior. As part of this citywide initiative, DHS will provide enhanced clinical services at 11 single adult shelters and additional security at 12 adult shelters with the most incidents. To support the additional security need, DHS will provide one additional sergeant and five security officers at each of the 12 sites. Funding in Fiscal 2016 totals \$10.5 million, which includes one-time training and security assessments that have not been baselined in the outyears. Funding in Fiscal 2017 and in the outyears totals \$7.4 million.
- **Adult Shelter Re-estimate.** DHS' Fiscal 2016 budget includes an additional \$32.5 million to support adult shelter operations. This additional funding is based on current adult shelter capacity and the need to increase capacity based on the current adult

² Department of Homeless Services <http://www1.nyc.gov/assets/dhs/downloads/pdf/press-releases/daytime-shelter-access-press-release.pdf>

shelter census. In December 2015, an average of 12,781 single adults were in the shelter system.

It is important to note, the November Financial Plan Budget included an additional \$59 million to support adult shelter operations. The rationale for this additional funding was that the Fiscal 2016 Preliminary Budget was based on census projections from two years prior. No additional funding was added for adult shelter operations for Fiscal 2016 and the outyears because the Administration anticipated that the census would decrease with the implementation of the new rental assistance program, LINC, as well as increased funding for DHS' HomeBase program and HRA anti-eviction legal services programs.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Cost per day for shelter facilities – single adults (\$)	74.80	78.38	78.80	*	*	N/A	N/A
Average length of stay for single adults in shelter (days)	293	305	329	↓	↓	318	345
Average number of single adults in shelters per day	9,536	10,116	11,330	10,475	10,475	10,685	12,195
Single Adults Entering the DHS shelter services system	16,448	17,547	18,091	↓	↓	6,337	6,647

Source: Preliminary Mayor's Management Report

The average number of individuals in shelter was higher than in the first four months of Fiscal 2016 when compared to the same time period in Fiscal 2015. The new rental assistance programs that began in Fiscal 2015 are providing access to permanent housing for single adults. The number of single adults exiting shelter to permanent housing declined by five percent, from 3,092 to 2,946, during the first four months of Fiscal 2016 when compared to the first four months of Fiscal 2015, reflecting more limited housing options for this group.

During the first four months of Fiscal 2016, single adults' average length of stay in shelter increased by eight percent, adult families' by six percent, when compared to the same time period in Fiscal 2015. The number of single adults exiting shelter to permanent housing declined by five percent, from 3,092 to 2,946, during the first four months of Fiscal 2016 when compared to the first four months of Fiscal 2015, reflecting more limited housing options for this group.

Family Shelter Administration and Support

This program area contains funding for the administrative and support functions of the family shelter system.

Family Shelter Administration and Support						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried -Civilian	\$6,858	\$6,441	\$8,904	\$8,874	\$8,922	\$18
Unsalaries	0	160	6	36	6	0
Additional Gross Pay	482	464	119	119	119	0
Subtotal	\$7,340	\$7,065	\$9,029	\$9,029	\$9,047	\$18
Other Than Personal Services						
Supplies and Materials	\$0	\$0	\$68	\$0	\$0	(\$68)
Other Services and Charges	0	0	2,706	8,671	9,706	7,000
Subtotal	\$0	\$0	\$2,774	\$8,671	\$9,706	\$6,932
TOTAL	\$7,341	\$7,065	\$11,803	\$17,701	\$18,754	\$6,951
Funding						
City Funds			\$9,789	\$11,136	\$12,189	\$2,400
State			13	643	643	630
Federal - Other			2,001	5,921	5,921	3,920
TOTAL	\$7,341	\$7,065	\$11,803	\$17,701	\$18,754	\$6,951
Budgeted Headcount						
Full-Time Positions - Civilian	99	90	123	123	123	0
TOTAL	99	90	123	123	123	0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Fiscal 2017 Preliminary Budget for family shelter administration and support totals \$18.7 million, an increase of \$6.9 million when compared to the Fiscal 2016 Adopted Budget. Funding is held in the program areas, and as projects are identified throughout the fiscal year, the agency transfers funding from here to the appropriate unit of appropriation and program area.

Family Shelter Intake and Placement

DHS operates two intake centers for families: the Prevention Assistance and Temporary Housing (PATH) Office for families with children, located in the Bronx and the Adult Family Intake Center (AFIC) for adult families without children, located in Manhattan. Unlike single adults who have a legal right to shelter, homeless families must apply for shelter. DHS conducts investigations of each homeless family to determine if it is eligible for shelter. Families with a viable housing option will not be determined eligible for shelter services. In order for a family to be found eligible, DHS must verify that the family is in immediate need of temporary emergency shelter. DHS will conduct an investigation to determine whether there is any other safe and appropriate place for a family to stay, even temporarily. These eligibility investigations are completed within 10 days of a family's arrival at family intake. During the investigation, families are provided with a temporary shelter placement. Upon completion of the eligibility investigations, eligible families are provided with permanent shelter placements while ineligible families are required to leave the shelter system; although, they have the option to re-apply.

Family Shelter Intake and Placement						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried -Civilian	\$16,846	\$17,985	\$25,184	\$25,184	\$24,288	(\$896)
Other Salaried	11	0	0	0	0	0
Unsalaries	2	4	0	0	0	0
Additional Gross Pay	3,490	3,607	2,085	2,085	2,085	0
Fringe Benefits	38	46	0	0	0	0
TOTAL	\$20,387	\$21,642	\$27,269	\$27,269	\$26,373	(\$896)
Funding						
City Funds			\$9,810	\$9,810	\$8,914	(\$896)
State			111	111	111	0
Federal - Other			17,348	17,348	17,348	0
TOTAL	\$20,387	\$21,642	\$27,269	\$27,269	\$26,373	(\$896)
Budgeted Headcount						
Full-Time Positions - Civilian	352	379	426	426	407	(19)
TOTAL	352	379	426	426	407	(19)

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Fiscal 2017 Preliminary Budget for family shelter intake and placement totals \$26.3 million, an increase of \$896,000 when compared to the Fiscal 2016 Adopted Budget. This program area only includes funding for the personnel assigned to intake and placement, the associated OTPS costs are budgeted elsewhere. Full-time headcount decreases by 19 positions in Fiscal 2017 when compared to the Fiscal 2016 Adopted Budget due to one-time funding in Fiscal 2016 for fraud investigators at DHS' Prevention Assistance and Temporary Housing (PATH) Office. Currently, the Administration is evaluating the effectiveness of these 19 fraud investigators to determine if these positions are required in Fiscal 2017 and in the outyears.

Family Shelter Operations

The Family Shelter system is comprised of 167 facilities that operate 10,868 units of shelter. Contracted providers operate the vast majority of these facilities. The Family Shelter system is split into two parts: families with children and adult families without children. Family shelter expenses are based upon the number of days a family resides in shelter and the per diem rate of the shelter.

Family Shelter Operations						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried –Civilian	\$7,766	\$7,873	\$12,290	\$12,290	\$12,298	\$8
Additional Gross Pay	1,394	1,340	267	267	267	0
Fringe Benefits	54	55	5	5	5	0
Subtotal	\$9,214	\$9,268	\$12,562	\$12,562	\$12,570	\$8
Other Than Personal Services						
Supplies and Materials	\$5,469	\$5,722	\$4,230	\$7,644	\$4,230	\$0
Leasehold Improvements	0	0	0	1,427	1,427	1,427
Property and Equipment	989	868	765	1,954	765	0
Other Services and Charges	1,843	1,930	9,880	5,817	9,609	(271)
Contractual Services	493,193	559,228	469,564	550,638	479,655	10,091
Fixed and Misc Charges	0	1	2	2	2	0
Subtotal	\$501,494	\$567,749	\$484,441	\$567,482	\$495,688	\$11,247
TOTAL	\$510,709	\$577,017	\$497,006	\$580,047	\$508,258	\$11,252
Funding						
City Funds			\$160,620	\$193,006	\$174,130	\$13,510
State			46,862	55,668	37,950	(8,912)
Federal - Community Development			3,545	3,545	3,545	0
Federal - Other			285,977	327,199	292,633	6,656
Intra City			0	628	0	0
TOTAL	\$510,709	\$577,017	\$497,006	\$580,047	\$508,258	\$11,252
Budgeted Headcount						
Full-Time Positions - Civilian	180	190	211	211	211	0
TOTAL	180	190	211	211	211	0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

Family shelter operations Fiscal 2017 Preliminary Budget totals \$508.2 million, an increase of \$11.2 million when compared to the Fiscal 2016 Adopted Budget. State funding in this program area decreases by \$8.9 million in Fiscal 2017 when compared to the Fiscal 2016 Adopted Budget as a result of the end of a memorandum of understanding (MOU) settlement with the State regarding Tier II family shelters. Under the MOU, the State reimbursed the City for costs related to family shelters that had debt. The terms of the settlement totaled \$40 million over four years. The reduction in funding will not impact family shelters, as some of the shelters that were covered by the MOU are no longer in operation.

Financial Plan Actions

- **Shelter Provider Bonus.** In Fiscal 2016, DHS will provide a financial incentive for shelter providers to move families and individuals out of shelter and into permanent housing. DHS will allocate \$1,000 to providers for each family or single adult placed into subsidized housing, such as New York City Housing Authority (NYCHA) Section 8 housing, and \$2,000 for a Living in Communities (LINC) placement. In order for a provider to be eligible for the bonus, it must be beyond its target for shelter move-outs. The Fiscal 2017 Preliminary Plan includes \$1.6 million for the remainder of Fiscal 2016 for this initiative.

Policy Changes

- **Shelter Scorecard.** In February 2016, DHS released a shelter scorecard, which provides a list of the number and severity of building safety violations at the City's 622 shelter sites. This scorecard is part of the broader initiative to improve the shelter conditions after a Department of Investigation's report in 2015 found numerous health and safety violations at City shelters.

(See: http://www.nyc.gov/html/doi/downloads/pdf/2015/mar15/pr08dhs_31215.pdf)

As indicated by the scorecard below, the majority of open violations were found at cluster sites during the reporting period of December 2015. Currently, DHS has 265 cluster sites, which are affordable apartment units where DHS houses families with children. The 2015 DOI report found that cluster sites are the worst maintained type of shelter and the least monitored by DHS. The monthly cost of housing a family at cluster site tends to be much more expensive than housing a family in a shelter, since DHS negotiates with landlords to acquire apartment units. In addition, the conditions at cluster sites tend to be worse than what are found in shelters, as it is hard for DHS to hold landlords accountable for the conditions of these apartments.

The number of non-cluster site violations, which includes provider-run adult and family shelters, totaled approximately 7,000 and the majority of the violations fell into the low and medium priority categories.

Shelter Scorecard Summary

As of 12/31/2015

Report Month: December, 2015

Facilities (as of 1/17/15)				Total
Buildings with Shelter Units				643
<i>Families with Children Facilities (excluding cluster sites)</i>				238
<i>Adult Families Facilities</i>				22
<i>Single Adult Facilities</i>				109
<i>Outreach (Safe Haven) ⁵</i>				9
<i>Families with Children - Cluster Sites</i>				265
Number of Providers (incl. DHS)				76
Inspections	Activity in Reported Month	Total Activity 2016 YTD	Total Activity 2015	
Total Inspections Completed			8,665	
<i>HPD</i>			6,151	
<i>DHS</i>			786	
<i>DOB</i>			165	
<i>FDNY</i>			512	
<i>DOHMH</i>			1,051	
		Previous Month ⁶	Current Reporting Month	
Violations - Non-Cluster Shelters	Open Violations	New Violations	Closed Violations	Total Open Violations
<i>Lowest Priority</i>	2,925	88	120	2,893
<i>Medium Priority</i>	2,219	172	174	2,217
<i>High Priority</i>	461	38	38	461
<i>Commissioners Order</i>	1,437	22	47	1,412
Total	7,042	320	379	6,983
		Previous Month ⁶	Current Reporting Month	
Violations - Cluster Shelters	Open Violations	New Violations	Closed Violations	Total Open Violations
<i>Lowest Priority</i>	1,118	133	186	1,065
<i>Medium Priority</i>	9,606	837	1,101	9,342
<i>High Priority</i>	3,487	199	303	3,383
<i>Commissioners Order</i>	619	12	3	628
Total	14,830	1,181	1,593	14,418

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Cost per day for shelter facilities- Family facilities (\$)	102.74	101.50	105.37	*	*	N/A	N/A
Average length of stay for adult families in shelter (days)	469	515	534	↓	↓	522	553
Average length of stay for families with children in shelter (days)	375	427	430	↓	↓	425	435
Families with children entering the DHS services shelter system	12,306	11,848	12,671	↓	↓	5,225	4,531
Families placed in shelter system according to their youngest school-aged child's school address (%)	70.5%	65.4%	52.9%	85%	85%	48.5%	51.8%

Source: Preliminary Mayor's Management Report

The average number of families in shelter was higher than in the first four months of Fiscal 2016 when compared to the same time period in Fiscal 2015. During the first four months of Fiscal 2016, the average length of stay in shelter increased for adult families' by six percent and families with children by two percent when compared to the first four months of Fiscal 2015. The new rental assistance programs that began in Fiscal 2015 are providing access to permanent housing for families and may be responsible for the reduced length of stay.

General Administration

General Administration consists of several administrative functions of the Department, and includes the Commissioner's Office, the Budget Office, and the Policy and Planning Unit. It also includes the Bureau of Repair and Maintenance, which is responsible for reviewing and evaluating the physical condition of shelters and handles upgrades of DHS-operated facilities.

General Administration						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried -Civilian	\$36,912	\$41,490	\$50,349	\$65,514	\$68,802	\$18,453
Other Salaried	15	0	9	9	\$9	0
Unsalaries	1,517	40	25	25	\$25	0
Additional Gross Pay	4,813	5,221	3,105	3,105	3,105	0
Fringe Benefits	907	895	1,385	1,385	1,385	0
Subtotal	\$44,164	\$47,646	\$54,873	\$70,038	\$73,326	\$18,453
Other Than Personal Services						
Supplies and Materials	\$1,254	\$1,687	\$598	\$863	\$1,112	\$514
Property and Equipment	616	532	407	1,505	396	(11)
Other Services and Charges	11,990	13,089	24,102	27,279	23,039	(1,063)
Contractual Services	12,595	8,315	11,603	7,538	5,170	(6,433)
Fixed and Misc Charges	88	113	64	63	64	0
Subtotal	\$26,543	\$23,736	\$36,774	\$37,248	\$29,781	(\$6,993)
TOTAL	\$70,709	\$71,382	\$91,647	\$107,286	\$103,107	\$11,460
Funding						
City Funds			\$46,846	\$66,071	\$62,728	\$15,882
State			1,320	567	699	(621)
Federal - Other			43,481	40,552	39,681	(3,800)
Intra City			0	95	0	0
TOTAL	\$70,709	\$71,382	\$91,647	\$107,196	\$103,107	\$11,460
Budgeted Headcount						
Full-Time Positions - Civilian	519	595	766	1,058	927	161
TOTAL	519	595	766	1,058	927	161

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

DHS' Fiscal 2017 Preliminary Budget for general administration totals \$103.1 million, an increase of \$11.4 million when compared to the Fiscal 2016 Adopted Budget. Headcount increases in Fiscal 2017 by 161. These positions are related to DHS' new needs for shelter repair, security, and homeless prevention.

Financial Plan Actions

- **Shelter Repairs and Maintenance.** The Fiscal 2017 Preliminary Plan reflects a continuation in support of the multi-agency effort to improve conditions at family and adult shelters. In 2015, the Administration announced the creation of the Shelter Repair Squad. This squad is composed of staff from DHS, HRA, the Fire Department, the Department of Buildings, the Housing and Preservation Department, and the

Department of Health and Mental Hygiene. Teams work closely with providers to fix violations in shelters within seven days of being identified, and address the backlog of repairs. Provider-run shelters that need additional assistance with repairs and maintenance of facilities are placed in a streamlined corrective action process and have their progress monitored by DHS. Funding for these repairs is reflected in DHS' shelter maintenance and repair new need.

Funding totals \$7.6 million in Fiscal 2017 and in the outyears, and of this \$7.6 million, \$1.65 million will fund 20 additional positions.

- **Support for Homeless Veterans.** The Fiscal 2017 Preliminary Plan reflects funding for enhanced services to reduce homelessness among veterans. DHS will help homeless veterans identify housing opportunities and provide case management services. This new need includes three additional staff positions. Fiscal 2016 funding totals \$1.6 million, which includes bonuses for providers that successfully transition veterans into permanent housing, however, this funding has yet to be baselined in Fiscal 2017 and in the outyears. Funding in Fiscal 2017 and the outyears totals \$700,000.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Safety, maintenance, and cleanliness deficiencies noted on independent inspections of adult shelters	0.2	0	0	↓	↓	N/A	N/A
Critical incidents in the Adult Shelter system per 1,000 residents	0.5	0.7	0.8	↓	↓	0.8	0.8
Critical incidents in the Adult Family Shelter system, per 1,000 residents	2.5	3.3	2	↓	↓	2.3	1.5
Critical incidents in the Families with Children Shelter system, per 1,000 residents	1.2	1.4	1	↓	↓	1.3	0.8

As indicated by the table above, when comparing the first four months of Fiscal 2016 to the first four months of Fiscal 2015, the rate of critical incidents per 1,000 residents at adult shelters remained unchanged, while it decreased at both adult family and family with children shelters. Although DHS has made investments in addressing security concerns at single adult shelters, the rate of incidents does not reflect the lower rates seen in both Fiscal 2013 and Fiscal 2014. The rate of critical incidents declining for families can be attributed to DHS' efforts to conduct more targeted performance reviews, train all providers on mandated reporting, and implement child safety meetings and cluster reviews.

Outreach, Drop-in and Reception Services

The Department's outreach programs target individuals who appear to be living in public spaces. Since these homeless individuals often resist participating in service programs, the key objective of outreach is to persuade them to leave spaces where they are at risk, and access services. To help DHS target its outreach efforts, the agency conducts an annual estimate of the street homeless population known as the Homeless Opportunity Population Estimate (HOPE). The City-operated outreach programs work with a network of shelters, drop-in centers, reception centers, faith-based shelters, soup kitchens and pantries. DHS operates a citywide outreach teams and contracts for services in all five boroughs. The outreach programs currently operate 24 hours a day and include clinical and social work staff. With regards to drop-in centers, DHS is in the process of reforming the structure of its drop-in centers by reducing the number of centers from eleven to five, including one in Staten Island and Brooklyn, two in Manhattan, and one federally-funded center in the Bronx.

Outreach, Drop-in and Reception Services						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried -Civilian	\$665	\$702	\$800	\$800	\$800	\$0
Additional Gross Pay	28	26	88	88	88	0
Fringe Benefits	1	1	1	1	1	0
Subtotal	\$694	\$729	\$889	\$889	\$889	\$0
Other Than Personal Services						
Other Services and Charges	\$0	\$0	\$30	\$0	\$0	(\$30)
Contractual Services	34,612	41,246	48,280	47,807	50,719	2,439
Subtotal	\$34,612	\$41,246	\$48,310	\$47,807	\$50,719	\$2,409
TOTAL	\$35,306	\$41,975	\$49,198	\$48,696	\$51,608	\$2,409
Funding						
City Funds			\$45,118	\$43,548	\$47,527	\$2,409
Other Categorical			3,000	3,000	3,000	3,000
Federal - Community Development			553	553	553	553
Federal - Other			527	1,595	527	0
TOTAL	\$35,306	\$41,975	\$49,198	\$48,696	\$51,608	\$2,409
Budgeted Headcount						
Full-Time Positions - Civilian	10	10	11	11	11	0
TOTAL	10	10	11	11	11	0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The Fiscal 2017 Preliminary Budget for outreach, drop-in, and reception services totals \$51.6 million, an increase of \$2.4 million when compared to the Fiscal 2016 Adopted Budget. In Fiscal 2017, DHS will allocate \$850,000 more to each of its existing drop-in centers as well as expand its network of drop in centers in Manhattan, Brooklyn, and the Bronx.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Number of people estimated to be living on the streets, in parks, under highways, on subways, and in the public transportation stations in NYC	3,180	3,357	3,182	↓	↓	N/A	N/A
Number of Chronically Homeless Individuals Placed into Permanent and Temporary Housing by Outreach Teams	720	562	1,101	*	*	316	306

Source: Preliminary Mayor's Management Report

DHS enhanced the ability of its street outreach providers to engage chronically homeless individuals and connect them to support services. The PMMR data, however, does not demonstrate improved results yet. During the first four months of Fiscal 2016, DHS providers placed 306 chronically homeless individuals into permanent and temporary housing, a decrease of three percent from the prior year. In Fiscal 2016, DHS will increase its outreach efforts with enhancements to the outreach teams and with the creation of HOME-STAT (Homeless Outreach & Mobile Engagement Street Action Teams), a multi-agency effort to combat persistent street homelessness.

Prevention and Aftercare

DHS' prevention and aftercare services support homelessness prevention and aftercare services for formerly homeless families and adults. Services include housing mediation, care management, short-term financial assistance and anti-eviction programs. This program area also supports DHS' HomeBase Program which started in September 2004. HomeBase is the Department's major homelessness prevention program. HomeBase offers a range of services to its clients, including job training, assistance with legal action, housing relocation, and financial assistance for the payment of rent arrears. Additionally, it provides aftercare services to clients who have left the shelter system for permanent housing.

Prevention and Aftercare						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried -Civilian	\$439	\$699	\$934	\$1,468	\$1,187	\$253
Additional Gross Pay	0	12	0	0	0	0
Subtotal	\$439	\$711	\$934	\$1,468	\$1,187	\$253
Other Than Personal Services						
Other Services and Charges	\$0	\$0	\$1,220	\$3,881	\$5,017	\$3,797
Contractual Services	34,125	51,517	40,052	56,030	45,604	5,552
Subtotal	\$34,125	\$51,517	\$41,272	\$59,911	\$50,621	\$9,349
TOTAL	\$34,564	\$52,228	\$42,206	\$61,380	\$51,808	\$9,602
Funding						
City Funds			\$17,304	\$20,303	\$18,934	\$1,630
State			1,292	7,297	1,584	3,000
Federal - Other			23,609	33,780	31,289	7,680
TOTAL	\$34,564	\$52,228	\$42,206	\$61,380	\$51,808	\$9,602
Budgeted Headcount						
Full-Time Positions - Civilian	10	15	17	27	21	4
TOTAL	10	15	17	27	21	4

*The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.

Funding for prevention and aftercare services totals \$51.8 million in Fiscal 2017, an increase of \$9.6 million when compared to the Fiscal 2016 Adopted Budget. This increase can be attributed DHS' new need to expand HomeBase and provide prevention services to additional single adults and enhancing existing services at HomeBase centers.

Financial Plan Actions

- **Homeless Prevention for Single Adults.** In Fiscal 2017, DHS will expand its HomeBase program and provide prevention services to additional single adults. Funding totals \$4.4 million in Fiscal 2017 and in the outyears. With this additional funding, DHS estimates it will be able to double its current capacity of prevention efforts to serve single adults from 2,145 to 4,090. DHS' HomeBase program will be expanded in existing communities that the program currently serves.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Adults receiving preventive services who did not reside 21 days or more in the shelter system	96.7%	96 %	93.5%	70%	70%	96.5%	88%
Adult families receiving preventive services who did not enter the shelter system	95.5%	97.3%	91.5%	70%	70%	94.4%	91.5%
Families with children receiving preventive services who did not enter the shelter system	93%	94%	94.5%	70%	70%	95.3%	94.8%

Source: Preliminary Mayor's Management Report

HomeBase, served 3,055 more households during the first four months of Fiscal 2016 and helped more than 90 percent of families, and more than 80 percent of single adults, to receive prevention services to stay in their communities and avoid shelter entry within the 12 months following the service in the first four months of Fiscal 2016 when compared to the same time period in Fiscal 2015. The rate remained stable for families with children while declining by eight percentage points for adults and 2.9 percentage points for adult families. In Fiscal 2015 and 2016, DHS increased Homebase capacity and the outreach for this expansion reached new clients, including some higher-risk populations.

Rental Assistance and Housing Placement

The Department's Rental Assistance and Placement budget was largely composed of funding for the Advantage program until that program was eliminated in Fiscal 2012. However, the funding that remains in this program area is for Supportive Single Room Occupancy (SRO) shelter residents who are working or receiving low or fixed income.

Rental Assistance and Housing Placement						
<i>Dollars in Thousands</i>						
	2014	2015	2016	Preliminary Plan		*Difference
	Actual	Actual	Adopted	2016	2017	2016 - 2017
Spending						
Personal Services						
Full-Time Salaried -Civilian	\$2,058	\$1,324	\$1,285	\$1,518	\$1,285	\$0
Additional Gross Pay	230	187	0	0	0	0
Fringe Benefits	15	18	0	0	0	0
Subtotal	\$2,303	\$1,529	\$1,285	\$1,518	\$1,285	\$0
Other Than Personal Services						
Contractual Services	\$0	\$0	\$22,627	\$22,627	\$22,627	\$0
Subtotal	\$0	\$0	\$22,627	\$22,627	\$22,627	\$0
TOTAL	\$2,303	\$1,529	\$23,913	\$24,145	\$23,913	\$0
Funding						
City Funds			\$11,314	\$11,314	\$11,314	\$0
State			11,314	11,314	11,314	0
Federal - Other			1,285	1,518	1,285	0
TOTAL	\$2,303	\$1,529	\$23,913	\$24,145	\$23,913	\$0
Budgeted Headcount						
Full-Time Positions - Civilian	18	3	0	4	0	0
TOTAL	18	3	0	4	0	0

**The difference of Fiscal 2016 Adopted Budget compared to Fiscal 2017 Preliminary Budget.*

The proposed budget for rental assistance and housing placement remains unchanged in Fiscal 2017 when compared to the Fiscal 2016 Adopted Budget.

Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY13	FY14	FY15	FY16	FY17	FY15	FY16
Single adults exiting to permanent housing	8,526	10,012	8,734	9,000	9,000	3,092	2,946
Exits from the families with children shelter system, as compared to monthly goal	103%	90%	107%	*	*	99%	109%
Exits from the adult family shelter system, as compared to monthly goal	104%	78%	75%	*	*	66%	80%
Single adults placed into permanent housing who returns to DHS shelter service system within one year	4.5%	4.4%	2%	4.4%	4.4%	3.8%	3.3%
Adult families placed into permanent housing who returns to the DHS shelter services system within one year	15.0%	12.5%	14.2%	12.5%	12.5%	17.2%	13%
Families with children placed into permanent housing who return to the DHS shelter services system within one year (%)	9.5%	12.5%	16.5%	12.5%	12.5%	15.5%	11.4%

Source: Preliminary Mayor's Management Report

The percentage of adult families and families with children who returned to shelter within one year declined by approximately four percentage points each during the reporting period in Fiscal 2016 when compared to the same time period the previous year. The percentage of single adults who returned to shelter within a year increased slightly, from 2.9 percent to 3.3 percent. During both periods, most shelter exits were to unsubsidized placements and these numbers do not reflect activity related to the new rental assistance programs that began in October of 2014. In the Fiscal 2016 Mayor's Management Report, DHS will break out shelter returns within one year between exits to unsubsidized housing and permanent subsidized housing placements.

The percentage of adult families and families with children who exited shelter compared to monthly goals increased by 14 and 10 percentage points, respectively. The number of single adults exiting shelter to permanent housing declined by five percent, from 3,092 to 2,946, during the first four months of Fiscal 2016, reflecting more limited housing options for this group.

Capital Program

Capital Budget Summary

The Fiscal 2017 Preliminary Capital Commitment Plan includes \$162 million in Fiscal 2016-2019 for the Department of Homeless Services (including \$161.2 million City and \$890,000 Non-City funds). This represents less than one percent of the City's total \$57.2 billion January Capital Plan for Fiscal 2016-2019. The agency's Preliminary Commitment Plan for Fiscal 2016-2019 is 17 percent more than the \$138.1 million scheduled in the Fiscal 2016 Adopted Commitment Plan, an increase of \$23.9 million.

The majority of the capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal 2015, the Department of Homeless Services committed \$57.8 million or 62 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the agency's Fiscal 2016 Capital Plan will be rolled into Fiscal 2017, thus increasing the size of the Fiscal 2016-2019 Capital Plan. Since adoption last June, the citywide total Capital Commitment Plan for Fiscal 2016 has increased from \$19.3 billion to \$19.7 billion in the Preliminary Capital Commitment Plan, an increase of \$415 million or 2.2 percent.

DHS 2016-2019 Capital Commitment Plan: Adopted and Preliminary Budget					
<i>Dollars in Thousands</i>					
	FY16	FY17	FY18	FY19	Total
Adopted					
Total Capital Plan	\$41	\$55	\$27	\$15	\$138
Preliminary Plan					
Total Capital Plan	\$49	\$65	\$33	\$15	\$162
Change					
Level	\$8	\$10	\$5	\$0	\$24
Percentage Change	21%	18%	20%	0%	17%

Preliminary Capital Plan Highlights

The Capital Variance Report indicates a 17 percent or \$24 million variance between the Adopted Commitment Plan and the Preliminary Commitment Plan. Large capital projects included in DHS' Preliminary Budget for Fiscal 2017 include:

- \$14.2 million to renovate the 30th Street Men's Shelter, also known as Bellevue. This shelter is the largest in the City, and renovations include electrical upgrades and roof, exterior, and façade renovations,
- \$3 million to renovate the Bedford Atlantic Armory single adult shelter into a recreational center, and
- \$5.5 million for electrical and kitchen upgrades as well as facade and structural reconstruction at the HELP supportive employment center site.

Although DHS' current capital budget reflects very little change between the Adopted Capital Commitment Plan and the January Capital Commitment Plan, DHS, along with HRA, is in the process of evaluating current capital needs. In January 2016, the Mayor announced

plans to expand its current efforts to improve shelter conditions. In an effort to ensure the City's ability to identify and fix problems in the City's homeless shelters, DHS' capital budget will reflect the need for increased maintenance and capital investment in not-for-profit shelters to correct conditions that have accumulated in shelters over many years. Non-profit providers will be consulted to ascertain the capital funding needs for shelters in Fiscal 2016 and develop a capital assessment and maintenance plan so that fundamental repairs and improvements can be made that will reduce the ongoing need for repairs.

Appendix A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2016			FY 2017		
	City	Non-City	Total	City	Non-City	Total
DHS Budget as of the Adopted 2016 Budget	\$556,037	\$524,883	\$1,080,920	\$566,564	\$524,126	\$1,090,690
New Needs						
Adult Shelter Re-estimate	\$58,975		\$58,975			
Adult Shelter Programming	8,892		8,892	16,925		
Family Shelter Re-estimate	29,356	49,162	78,518			
Homeless Prevention for Single Adults	2,408		2,408	4,408		
NYC Safe and Shelter Security	10,498		10,498	7,409		
Shelter Provider Bonus	1,647		1,647			
Shelter Re-estimate	32,496		32,496			
Shelter Repairs and Maintenance	6,550		6,550	7,654		
Support for Homeless Veterans	1,600		1,600	700		
Subtotal, New Needs	\$152,422	\$49,162	\$201,583	\$37,096	\$0	\$37,096
Other Adjustments						
16 Sandy BLK		\$460	\$460			-
Carpenters UBJC Collective Bargaining	400	19	419	400	19	419
Collective Bargaining - Cement Masons L237	65	3	68	76	3	79
Collective Bargaining - Maintenance Workers L237	37	2	38	45	2	47
Collective Bargaining Auto Mechanics L246	1		1	2		2
End the Epidemic			-	(20,295)	(2,689)	(22,983)
Energy Manager		963	963			-
FY 16 Sandy VEH		25	25			-
FY 16-17 MRT EPVA Increase		1,016	1,016		1,584	1,584
FY16 MRT SSI Funds		4,989	4,989			-
Homebase Expansion		7,680	7,680		7,680	7,680
I/C With DHS - Washington Heights		86	86			-
Lease Adjustments	254		254			-
Member Item Reallocation	(19)		(19)			-
OSA Collective Bargaining	910		910	1,114		1,114
Put Up FY16 Revenue		250	250			-
Sheet Metal Workers L246 Collective Bargaining	15	2	17	20	1	21
Subsidized Jobs for Homeless Clients	(1,700)		(1,700)	(3,400)		(3,400)
Supportive Housing Shelter Savings			-	(3,710)		(3,710)
To Put Up ESG Revenue		12,155	12,155			-
To Put Up FY16 Revenue		1,261	1,261			-
Subtotal, New Needs	(\$36)	\$28,911	\$28,875	(\$25,747)	\$6,600	(\$19,147)
TOTAL, All Changes	\$152,386	\$78,072	\$230,458	\$11,349	\$6,600	\$17,949
DHS Budget as of the Preliminary 2017 Budget	\$708,423	\$602,955	\$1,311,378	\$577,913	\$530,726	\$1,108,639

Appendix B: DHS Reconciliation of Program Areas to Units of Appropriation

<i>Dollars in Thousands</i>	Personal Services	Other Than Personal Services	Grand Total
	001	002	
Adult Shelter Administration & Support	\$9,341	\$0	\$9,341
Adult Shelter Intake and Placement	8,907	0	8,907
Adult Shelter Operations	23,014	283,559	306,573
Family Shelter Administration & Support	9,048	9,706	18,754
Family Shelter Intake and Placement	26,373	0	26,373
Family Shelter Operations	12,570	495,687	508,258
General Administration	73,326	29,782	103,107
Outreach, Drop-in and Reception Services	888	50,719	51,607
Prevention and Aftercare	1,187	50,621	51,808
Rental Assistance and Housing Placement	1,285	22,627	23,913
Grand Total	\$165,939	\$942,702	\$1,108,641