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**Testimony of Yarrow Regan for Oversight Hearing of DHS HomeBase and Advantage**  
Thursday, April 14, 2010

On Tuesday April 6, 2010 I attended a meeting regarding section 8 vouchers at the Economic Justice and Social Justice Network. I had been approved for NYCHA Section 8 in April 2008 and have not yet been given my voucher number. I originally applied for Section 8 in October of 1994. In March of 2007 I was told by NYCHA that I would be one of the first people to get their voucher. To date this has not yet happened.

At the meeting a social worker stood up and said with great conviction that homeless people and those in danger of becoming homeless should go to the Home Base program and that was how they would get housing and housing vouchers. My ears perked up as I am living in a vermin infested (RATS) illegal boarding house. In early March, my landlord informed me that he is in the process of selling the house. I could be homeless again I was illegally evicted twice in 2009.

Three weeks ago not far from my home, a man was stabbed to death. Illegal drugs are sold openly, music is broadcasted until 3 or 4 am each day. This is not a good neighborhood to live in. I have been turned down for many apartments as to date I have not been given my NYCHA section 8 voucher yet.

On April 6, 2010 at around 3:00 pm, I called the Bronxworks (formerly Citizen's Advice Bureau) Home Base program at 1130 Grand Concourse, Bronx, NY 10456 phone number (718) 508-3114.

I was told that I am not eligible for the program as I am not currently in housing court. I spoke with Jaundy Parades. I asked her what the application process was and if I could get the denial in writing. She told me to come into their location, next to the Bronx Housing Court Mondays through Thursday from 9:00am to 1:00pm.

I went there, Monday April 12, 2010 at 12:40am. I was told by Vicky, the receptionist, that the cut off is 7 people, that they reached their quota for the day. "You should have been here at 8:00 am this morning" "and besides, this isn't your district office, you have to go to District 7." I told her that I had spoken at length with Ms. Parades and had been pre-screened over the telephone. I wanted to know if I could get the denial in writing. Vicky, the receptionist, put me on the phone with Jaundy Parades. She then told me I could come back on Thursday, but suggested that I go to the other location in my district that same day, April 12, 2010. I reminded her that we had spoken and she was going to give me the denial in writing. "Every Home Base has different pre screening methods; you have

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to go that one." I was told to go to Help at 1780 Grand Concourse, Bronx, NY. Phone number (347) 226-4840. I requested car fare, they told me that they don't do that.

However, they did have a phone available to call the district office they wanted me to go to. When I spoke with a young man there, he could not give me travel directions. I asked what subway stop it was near and how far it was from the subway. He said he had no idea and could not tell me. But to come in to be pre screened, that I would be given another appointment any way.

I took the bus. When I got off the bus I saw the D train stop at 175<sup>th</sup> Street, was right next to the entrance of Help. This scared me and I worried that I was not going to get any assistance if this was an indication of their professionalism and commitment to homeless New Yorkers. If they couldn't get the travel directions straight how would they navigate the voucher applications process?

No one else was in the waiting room which surprised me as so many people are homeless now and in need of help. I meet such people every single day, in addition to myself.

The pleasant young lady behind the desk told me that they don't do that any more, refer people from vouchers. We only do eviction prevention with back rent grants if you are in housing court. I asked when they stopped getting referrals from the shelters. I was told on 12/31/2009. I explained that I needed my denial in writing so she told me to sit and wait.

There was a manila folder with Apartments for Rent scrawled in handwriting and a Xeroxed newspaper ad for Flatbush Garden apartments taped to the wall. This was discouraging and depressing.

I met with a young lady who had me fill out an application. She told me she is a new trainee, has been training for three weeks. The office was deadly quiet except for a staff member who excitedly spoke on the phone about ordering her graduation gown. They had me fill out an application and asked me routine questions. The young lady checked the DHS database to see if Ms. Parades had entered me in there. She had not.

The staff member got her supervisor, Mr. Larry Hardison. He began interrogating me asking me if I had family members who could help me and when I informed that I did not, he asked me if I could increase my income. Then was asked if I would go into a shelter as Larry Hardison claimed that they only took referrals from the shelter. That was more conflicting information, as the receptionist told me that they longer referred people from the shelters. How about moving into another room? He asked me. I said, why would I do that? I need an apartment.

I asked him if this was the same agency that owns the building on 13<sup>th</sup> street since I had applied for an apartment there. He claimed he knew nothing about any apartment buildings.

This was very discouraging. He claimed that he did not have the map that Bronxworks had given me, asked me if he could photo copy it. Of course I said, yes. But why would I, some one in danger of becoming homeless and coming in off the street provide a city agency with information. I told the young lady that it was probably on their website, with my assistance she found it online and printed it out.

Mr. Hardison came back and requested my id and proof of address. I gave it to him. I asked him what was the maximum limit for eviction prevention grants, he couldn't tell me. He asked me for an emergency contact number which I gave him.

The young lady had very little knowledge of housing court procedures and the eviction process. She said she had to ask supervisor. This was discouraging that I knew more than the paid staff.

I asked Mr. Hardison about the fixed income advantage voucher. He said he didn't know anything about that. Ms. Parades had indicated that I might be eligible for that.

They finally printed out a denial letter with no end date alleging that my case is pending. If this is anything like the NYCHA Section 8 voucher that is pending, it seems like I could drop dead before any housing assistance is given to me.

It seems like the entire operation is a waste of money, unprofessional and not effective in preventing eviction. I question their verbal statements regarding who is eligible for their programs. Where is any of that criteria in writing?

I am concerned that once this horrible vermin infested boarding house is sold I will have no recourse but to sleep on the subway or street. If this is the case, Home Base will have been successful in creating yet another homeless New Yorker.

I am very upset about this as New York is my home. For better or worse the boarding house is a roof over my head for now. I am told a huge amount of stimulus money is poured into Home Base. Where is that money going? I have not benefited from this program and doubt that I ever will.

Thank you.



*City Council Hearing  
General Welfare Committee  
"Oversight: Update on DHS' Advantage NY and Homebase Programs"  
Thursday, April 15, 2010*

## INTRODUCTION

Good afternoon Chairwoman Palma, Public Advocate de Blasio and members of the Committee. I'm Robert Hess, Commissioner for the Department of Homeless Services and I'm pleased to be here today with my colleague, Human Resources Commissioner Robert Doar. Thank you for the opportunity to testify before you about modifications to our Advantage NY program and to update you on our Homebase program and the services we provide to Advantage clients and the community at large.

In 2007, the New York State Office of Temporary and Disability Assistance (OTDA) authorized DHS to create an Advantage NY pilot program to invest in homeless families and individuals by giving them the rent support they need to move towards independence. Advantage NY provided a strong motivation to work while empowering clients to move from shelter back into the community. The two year pilot concluded in late 2009 and since then, we have been evaluating our data to build on the successes of and further enhance the program.

We are pleased to report that the results have been promising. Since the program's inception, Advantage has helped more than 18,000 households exit shelter and return to the community. Currently, DHS continues to serve 14,580 active participants in our Advantage program. In 2009, one family Advantage lease was signed every 15 minutes, for an average of about 136 family lease signings per week. In 2010 the Department is experiencing even greater family lease signings from shelter, averaging over 175 per week for the past month, with a peak of 199 leases signed during the week ending March 26, 2010. Today, more families than ever before are moving from shelter and back into the community in homes of their own, which is the best possible outcome for all involved.

Just as importantly, many Advantage participants have defied the common wisdom that homeless families cannot obtain or maintain employment. More than 80 percent of Work Advantage participants demonstrated strong employment records during the first year and qualified for a second year in the program. For those who were able, but unwilling, to work under the previous program structure, it presented a missed opportunity to enhance their skill set, build savings, and move further on the path toward self-sufficiency. The conclusion of the two-year pilot program has given the City an opportunity to make what has already been a very promising program even better. Consequently, we will expand and strengthen the Advantage program's focus on employment with new work requirements and related rules that will go into effect on July 1, 2010 pending State approval.

## **WHAT DOES ADVANTAGE NY LOOK LIKE?**

Following two years of a pilot in which the Work Advantage program proved to be the most effective model, Advantage NY will continue to help families and individuals transition from temporary, emergency shelter back to self-sufficiency through a focus on employment.

As is currently the case, the revised Advantage New York program will offer one or two years of rental assistance to households in need as they exit shelter and return to their communities. Supporting our objective to decrease a client's overall length of stay, Advantage NY will now be available to families and individuals who have been in shelter for at least 60 days. We believe this is an improvement to the previous 90-day requirement of the current Advantage program, which will provide clients the opportunity to move more quickly into a home of their own.

The City will continue to supplement rent contributions in an effort to foster independence and responsibility in clients. Beginning on July 1, however, the majority of Advantage clients will be required to engage in work or work-related activities full-time as a condition to receiving a rental subsidy. Eligibility requirements for the revised program are as follows:

Clients entering **year one** of the Advantage NY program will be required to be employed for at least 20 hours per week, and participate in an additional 15 hours per week of housing searches or HRA-approved work activities. Clients will also be required to contribute 30 percent of their gross monthly income toward rent during their first year of participation in the program.

For **year two**, the subsidy will be available to those who are employed for 35 hours per week and remain compliant with program rules. The revised program has raised the income threshold as well, to where clients must continue to have an income that is less than 200 percent of the federal poverty level -- and improvement to our previous program which set the cap at 150 percent of the federal poverty level. During the second year, participants will be required to contribute the greater of half of their monthly rent, or 30 percent of their income, toward their housing costs.

While the new work requirements are critical in enabling clients to be self-sufficient, we also recognize that a small number of households are unable to work due to disability. To be eligible for Advantage NY, these families must also be in shelter for at least 60 days, with all adult members who are unable to work either (1) receiving SSI, SSD, or federal disability benefits, or (2) needed at home as a caregiver to a disabled family member, as determined by HRA.

## **WHAT HAPPENS AFTER FAMILIES LEAVE SHELTER?**

Advantage NY clients will continue to have access to citywide prevention services through HRA Job Centers and diversion units, DHS aftercare services, and legal service providers and community-based HomeBase programs funded by DHS.

While on Advantage, tenants can access services and information on a full range of issues in the way that best suits their needs and preferences. First and foremost, any Advantage tenant can call 311 and be directed to the community-based provider or government agency that can most effectively address their inquiry. Families can also walk into their local Job Center, or call their community Homebase or

legal service provider to make an appointment for benefits screening, job readiness and job search assistance, legal advice and counsel, landlord mediation services, information about tenants' rights and responsibilities, and renewal assistance. DHS has also created an aftercare helpline that answers tenant questions regarding Advantage, directs tenants to helpful resources, and makes community referrals. In addition, DHS sends tenants a quarterly newsletter highlighting program guidelines and helpful resources.

When the Advantage program ends, tenants can continue to access Homebase, and our legal services providers for employment support, legal assistance, applications for the FEPS program and short term financial assistance and arrears. DHS and HRA have also worked closely with Housing Court administrators to plan for an upcoming Advantage training for judges and staff and to establish service referral procedures for Advantage tenants. Advantage leases require that landlords inform DHS when commencing an eviction proceeding and DHS proactively conducts outreach to these tenants at risk of eviction and provides services and legal referrals. While for some families, homelessness is a short-term set-back that is quickly remedied, for others the road to long-term housing stability is longer and requires varying levels of support at many critical points along the way.

When we began to expand our prevention services in 2004, DHS did not have aftercare services for former shelter clients. One of the lessons we've learned over the past six years is that homelessness prevention services need to incorporate aftercare, and also that aftercare cannot come in a one-size-fits all approach. We enhanced the city's homelessness prevention network to make certain that at-risk families are accessing the full range of benefits that help to ensure housing stability in the long term. Aftercare services need to be available not only on demand to those tenants who are actively seeking such services, but also as a safety net integrated into the community, the courts, and the shelter door for those who do not reach out for assistance.

For example, although some families at high risk of shelter entry require the intensive case work and short-term financial assistance offered by Homebase, the resource has also expanded its reach by providing housing and benefit advice through individual sessions or group activities. Also, Advantage families can attend financial literacy workshops, child care fairs, tax prep sessions, and benefits screenings. Homebase works closely with other community organizations and city agencies that offer services and goods that can serve as an outreach and engagement tool, drawing families to the program.

During this fiscal year, Homebase has already enrolled over 1,000 Advantage tenants. Since opening for business last August, the DHS Aftercare Helpline has assisted over 20,000 callers—70% of whom are Advantage tenants.

## **WHAT HAPPENED TO THE FAMILIES WHO HAD SECTION 8 REVOKED?**

I wanted to update you about the implementation of our Flex Fund to assist the 2,589 households who lost their Section 8 vouchers this winter. At a hearing last month before this Committee, DHS was pleased to announce the creation of the Flex Fund, seeded with one million dollars of HPRP funding.

On March 4<sup>th</sup>, DHS mailed outreach letters to 2,589 families who lost their Section 8 vouchers and directed them to call Homebase if they were in need of assistance. To date, a total of \$22,226 from the

\$1 million Flex Fund has been spent on rental arrears and utilities payments for 13 of those revoked Section 8 voucher holders. Two of the clients were DHS Work Advantage clients, 5 were clients from the community, and 6 were clients known to DHS. In addition, twenty-five of the 2,589 households have entered shelter to date.

This fund is available to our Homebase offices to assist clients who find themselves in difficult times and in need of assistance due to unique circumstances. When anyone from the NYCHA Section 8 affected list calls Homebase, they will be assessed and served according to their risk of homelessness and available resources. Many callers will likely qualify for Family Eviction Prevention Supplement (FEPS); they will be referred to HRA to apply and invited to call back if any issues arise. Homebase will also assist those who do not qualify for FEPS with services such as budgeting and accessing public benefits, advice and coordination with HRA regarding one-shot payments, maximizing household income through employment or higher-wage employment, and reducing housing expenses by finding roommates and other methods. In addition, those who are at imminent risk of homelessness and can stabilize their housing situation through a short-term subsidy will receive financial assistance. DHS will continue to monitor the overall level of funding and city-wide demand.

DHS will also continue to provide this Committee with regular updates on the use of the Flex Fund to assist clients affected by the Section 8 voucher situation, including the number of such clients served by the Fund. As I previously stated, thus far, less than 1% have entered shelter.

#### **WILL FAMILIES RETURN TO SHELTER?**

Despite our best efforts, we know from experience and the findings of researchers that some families will return to shelter. While a certain level of recidivism is to be expected—historically 30% over 10 years—we have continually enhanced our services at the shelter door to address this demand. HRA diversion workers successfully help thousands of families return to their housing each year, and have nearly doubled their presence at our family intake center in the past several years. DHS has also posted social workers from PATH's Community Resource Room to help bridge Advantage families back to their community through services and community linkages. We'll continue to monitor this data as we work to enhance integrated and flexible safety net.

#### **HOW IS DHS USING HPRP FUNDS TO PREVENT HOMELESSNESS?**

The Flex Fund is one way we're using HPRP funds to prevent homelessness, but let me update you on our other efforts. As you know, we've set aside approximately half of our HPRP funds for prevention programs—funds we expect to be exhausted by next summer.

First, anti-eviction legal services are widely recognized as a valuable tool to prevent homelessness. So far this year, DHS funded community-based legal providers have provided over 2,900 households with legal advice and representation. Also because of HPRP funds, they have been able to serve single adults for the first time. Similarly our sister agency, DOHMH, has funded legal service providers who have served 458 HIV-positive households at risk of homelessness.

Second, HPRP funds have allowed us to continue to expand our Homebase homelessness prevention programs. Since July 2009 through the end of March, Homebase has served over 5,000 households.

Of this number, 3,000 were enrolled for case management and 2,000 received housing advice and referrals to community and public resources. Of all households served, well over 90 percent have avoided homelessness and remained in the community.

Federal HPRP prevention dollars must be targeted to families who would have to enter shelter “*but for*” homelessness prevention services. Homebase providers use community specific data from DHS and over five years of on-the-ground experience to assess and serve those who come to their door. Once clients are found eligible, Homebase is able to leverage the city’s substantial prevention-focused TANF dollars for subsidies and arrears payments to assist them. In fact, in order to serve as many families as possible, the funding for casework services is much larger than the Homebase financial assistance pool. That said, so far this year, Homebase has granted over two million dollars in financial assistance, providing short-term rental assistance as well as assistance with other housing costs.

For example, Ms. W. called 311 just last week. She is employed but has had a very difficult time paying her rent of \$1,394 and is sending a very high percentage of her earnings to her landlord. She had received a Section 8 voucher but had the voucher revoked in December. Ms. W will be working with the CAMBA Workforce Development program to find a higher paying, more stable job and consequently, to increase her ability to afford her rent in the long-term. In addition, Ms. W will also participate in CAMBA’s Going On My Own program, which will provide her with money and household management skills that will help prevent re-entry into the shelter system. Homebase will offer up to six months of financial assistance to supplement her rent payments and help her fulfill the requirements of her current lease. If she still cannot afford her rent after participating in the program, CAMBA will help her relocate to an apartment with lower rent.

## CONCLUSION

Thousands of individuals and families like Ms. W are successfully served each year by our homeless prevention programs, demonstrating that we are willing and able to work together with our community partners to meet the needs of families in these challenging times. I’m grateful to have a partner like Commissioner Robert Doar who will update you next on a policy change involving contribution requirements for households seeking temporary shelter.

I am confident that the enhancements we have made to the Advantage program will best assist our clients in returning to their communities and preparing them for the challenges of independent living in these difficult economic times.

I look forward to working with members of this committee and your fellow colleagues on the City Council as we continue to move forward with our efforts to reducing homelessness and encouraging self sufficiency in New York City. Thank you for the opportunity to testify before you today.





Human Resources  
Administration  
Department of  
Social Services

## TESTIMONY

Robert Doar, Commissioner  
Human Resources Administration/Department of Social Services

*"Oversight: Update on DHS' Advantage NY and Home-Base Programs"*

*Hearing of the New York City Council  
General Welfare Committee*

April 15, 2010

Good afternoon Chairwoman Palma, members of the General Welfare Committee and Public Advocate de Blasio. I am pleased to be here today with my colleague Robert Hess. Commissioner Hess and I work very closely together to help the residents of the city's shelter system.

As you know, the Human Resources Administration (HRA) is charged with the administration of key public benefits such as Cash Assistance (CA), food stamps, and Medicaid. We also administer programs that provide needed support to some of our most vulnerable citizens. This includes eviction prevention, specialized emergency housing assistance, and training and employment support. I want to take a moment to briefly explain these services in order to illustrate the depth of knowledge and range of experience our staff and managers bring to bear on the upcoming policy changes to the DHS Shelter System.

#### *Eviction Prevention and Emergency Housing Assistance*

Our Homeless Diversion Unit, in operation since 1992, is in every HRA Job Center in the City, in Housing Courts in all five boroughs, at PATH and at the Bellevue Adult Family Shelter to help low-income individuals avoid eviction and/or reconnect them to their former housing. With eviction being a key element in approximately 50 percent of referrals to our Adult Protective Services (APS) program, we have APS staff in Housing Court in all boroughs but Staten Island to assist those courts and, where needed petition for Guardians *ad Litem* on behalf of our clients. To prevent evictions, the APS Financial Management Unit acts as representative payee for approximately 2,300 particularly vulnerable clients, making sure their federal Social Security benefit is used to pay rent and utilities every month. We also oversee the City's Domestic Violence shelter system of 50 shelters that serve more than 3,000 individuals a day.

#### *Employment and Training Support*

To support the employment needs of homeless Cash Assistance recipients who face particular barriers to employment, HRA has developed a specialized approach. HRA primarily services residents of DHS shelters from its East River Job Center. This allows for a closer working relationship between HRA Job Center staff and DHS staff to jointly address the needs of the clients. This approach has proven successful and in fact, the East River Job Center has the highest number of job placements of all HRA centers. This calendar year alone the Job Center has documented over 2,000 placements.

DHS and HRA have also developed a specialized outreach to these families by pairing our Back to Work (BTW) vendors directly with shelters. Through resources provided by BTW vendors, shelter candidates are referred to appropriate job openings, prepared for off-site short-term training, and/or provided with follow-up after referral and job placement.

These efforts, combined with our long standing experience in administering public benefits for the City, place HRA in an ideal role to assist DHS by having an expanded role in the implementation of the client income contribution requirement for shelter residents who have earned income.

### **INCOME CONTRIBUTION REQUIREMENT (ICR)**

As Commissioner Hess mentioned, the City intends to institute an income contribution requirement for families with income in the Family Shelter System as mandated in state law and regulations. Initially, we approached the State Office of Temporary and Disability Assistance (OTDA) to hone our approach under state law and to include client contributions to restricted savings account. OTDA informed us our approach was not consistent with state law and that we are required to follow the official state approach, as we do already in the Domestic Violence Shelter System. To assist in the development of a successful contribution program, DHS and HRA have worked together to address the programmatic challenges of implementing the Income Contribution Requirement.

#### *The Family Shelter System*

First, I want to take a step back and provide a context to the term "Family Shelter System". Much credit is due Commissioner Hess for his accomplishments in transforming this system, making sure children and families get the support they need in shelter resulting in record placements back into the community. While in shelter, each family has their own unit and almost all have access to cooking facilities. Many have common areas and recreation space. Through DHS-contracted non-profit entities, they also have access to social services. DHS has calculated that the average length of stay in the Family Shelter System is 8.5 months and the average cost of shelter is \$100 a day; \$3,000 a month; or \$36,000 a year.

Many of the families in this system are often also eligible and receive Cash Assistance, Medicaid, food stamps, Child Care, and other government supports. For a family of three, the monthly average Food Stamp benefit is approximately \$394, transitional Child Care is \$1,200, Cash Assistance is \$321, and the average monthly cost for Medicaid coverage is \$1,356. If they have earned income, they will likely qualify for the federal, state and city Earned Income Tax Credit (EITC), and potentially the federal and Empire state Child Tax Credit and NYC Child Care Credit.

For example, at the minimum, a mother with two children earning \$13,195 per year would receive approximately \$2,796 (or \$233 per month) in Food Stamp benefits and \$6,507 in EITC benefits (*\$4,819 in federal, \$1,446 in state, and \$242 in city*). That is an additional \$9,303 in cash income

#### *Small Percentage of Clients Held to the Requirement*

I want to be very clear that this income contribution requirement applies to a very small percentage of the Family Shelter System. Those with no income are not being asked to contribute. Those families with very minimal income are also not being asked to contribute. This requirement is only likely to apply to approximately 15 percent of shelter clients, those who have employment income over a certain level (approximately \$9,000 a year for a family of three).

Under the state formula, a significant percentage of income that falls below the poverty line is not factored into the contribution calculation. As a result, in many cases those with incomes below the poverty line may pay only a modest percentage of income toward shelter costs. As income rises above the poverty line, the contribution as a percentage of income increases. For example, the family I just described who has \$13,195 in annual earnings and \$9,303 in government benefits would pay \$120 per month. They are being asked to contribute a significantly lower percentage of their income toward housing costs than most New Yorkers. In fact, between shelter cost, and adding in just Food Stamp and EITC benefits as described in the above example, this family is receiving at least \$45,303 a year in government benefits while being required to contribute \$1,440 annually towards shelter.

To be clear, the contribution requirement will not interfere with a family's ability to move out of shelter. While the required contribution is a modest amount, the City pays moving expense, broker fees, and rental deposits for shelter clients. As an example, for an apartment with a monthly rent of \$1,070, the City will pay first month's rent, one month security deposit, and one month rent towards broker's fee equaling \$3,210 plus moving costs that average \$800 for a total of approximately \$4,000. As Commissioner Hess has testified, the program will also pay on-going rental costs for eligible families under the Advantage program. Families who go to work are provided with substantial assistance to exit the shelter system and the income contribution is not a barrier to their leaving shelter.

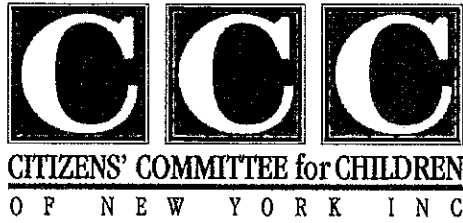
#### *Notification and Payment Invoice Process*

All PATH families will be given information that notifies them of the contribution requirement for eligible families with income. Those families with income entering the shelter system will receive material from HRA explaining the contribution. Monthly invoices will be sent directly to clients in the shelter and they will be required to start making monthly contributions at the beginning of the second month after entering shelter. Presently, through this process community providers will be alleviated of the burden of collecting the income contribution and therefore will be held harmless from amounts uncollected.

#### *Appeals and Follow Up*

Families subject to the requirement can contest the amount of contribution required through the OTDA fair hearing process. Clients who refuse to contribute will be subject to a sanction on a case-by-case basis in accordance with the DHS Independent Living Plan. However, if they ultimately do not comply with their requirement, HRA is taking our responsibility to hold clients accountable seriously and we will reach out directly to clients to seek the contribution.

Before closing, I do want to reiterate the importance of this requirement on moving families towards self-sufficiency and out of shelter. It is one of the fundamental tenets of public assistance: that those receiving assistance have the same responsibilities to contribute towards their own self-sufficiency whether they are in their communities or in shelter.



Testimony of

Stephanie Gendell  
Associate Executive Director  
Citizens' Committee for Children

*Oversight: Update on DHS's Advantage NY and Home Base Programs*

Before the  
New York City Council  
General Welfare Committee

April 15, 2010

Good afternoon. I am Stephanie Gendell, the Associate Executive Director for Policy and Public Affairs at Citizens' Committee for Children of New York, Inc. (CCC). CCC is a 66-year old independent child advocacy organization dedicated to ensuring that every New York City child is healthy, housed, educated and safe.

I would like to thank Chair Palma and members of the General Welfare Committee for holding this hearing today so that we can learn more from the Department of Homeless Services (DHS) about their Advantage and HomeBase Programs and their plans for serving homeless families in the future.

On April 12, 2010, 26,000 individuals were living in the DHS family shelter system, including almost 15,000 children. As we know, the economic downturn has led to a tremendous increase in joblessness in New York City, and more families are homeless now than ever before. More recently, the city's homelessness problem has been compounded by the Section 8 voucher freeze and the termination of 3,000 vouchers.

To try to combat the level of homelessness in New York City, the Department of Homeless Services (DHS) secured \$74.17 million in economic stimulus funding that was allocated directly to DHS. According to the City's Stimulus Tracker this stimulus funding is allocated for families as follows: \$39.93 million for HomeBase Homelessness Prevention; \$2.6 million for an aftercare helpline; \$2.1 million for anti-eviction legal services; \$9.7 million for expedited rehousing; and \$333,000 for rapid rehousing of youth. CCC applauds DHS and the Mayor's Office their work in securing these critical funds.

While CCC appreciates the efforts DHS has made to secure stimulus funds and then use the funds wisely, we remain very concerned about the numbers of children displaced from their homes and communities. It is too early to determine how successful this large allocation to DHS has been for preventing homelessness and expediting the transition of families from shelters to permanent housing. CCC urges DHS to be transparent and open about the uses of this funding and the outcomes of the Advantage Programs and HomeBase program.

With regard to HomeBase, CCC believes that a programmatic evaluation, which looks at the demographic information of families assisted by the program, the specific services provided to families and the efficacy of the intervention, would be invaluable to learning more its role in preventing homelessness in New York City.

Recently, DHS announced their intent to make changes to the Advantage housing subsidy assistance program and to begin collecting income contributions from working families living in shelter. CCC supports Senator Squadron's bill and the pending Senate Budget Resolution, both of which would prohibit the city from charging rent to families living in homeless shelters.

In addition, DHS is planning to eliminate the Children's Advantage Program and CCC has tremendous concerns about the impact this will have on children who have reunified from foster care. CCC urges the state OTDA and city HRA, DHS, and the Mayor's Office to reconsider this plan and for the City Council to take steps to prevent the dissolution of Children's Advantage.

Children's Advantage is currently a housing subsidy assistance program developed specifically for families in which the children have been reunified from foster care and the family is living in a homeless shelter. Thus, the families participating in Children's Advantage are those where the city (ACS) and a Family Court Judge have determined that prior abuse or neglect of the children warranted the child's removal from his/her home, that the child would be in imminent risk of harm if he/she remained in the home, and that placement in foster care was in the child's best interests. Removal from home and placement in foster care is often a traumatic event for children and their parents. It impacts children's attachments to their parents and requires children to spend part of their childhood living in someone else's home.

While the court process can often take years due to an overburdened court system, the goal for many children in foster care is that they eventually return home to their parents. Foster care provide services to foster children in an attempt to meet the children's needs and make it safe for children to live with their parents again. Often times, these services include job training and employment assistance for the parents. For the families participating in Children's Advantage, not only have the children been in foster care, but when they return to live with their parents, they are living in a homeless shelter. Children's Advantage has been helping these families obtain permanent housing.

DHS's plan to eliminate Children's Advantage such that child welfare reunification families living in homeless shelters can only obtain permanent housing if a parent works is concerning to CCC. In addition, families currently participating in Children's Advantage do not have to pay rent (even if they are working), but in the new plan, these families will need to pay 30% of their rent in the first year and 50% of their rent in the second year.<sup>1</sup>

While CCC believes strongly in the value of work and the stability income can bring to a family, we worry that tying permanent housing to employment for child welfare families (and charging 30% or 50% of the rent) will result in more former foster children having to grow up living in homeless shelters, and even more concerning, may jeopardize the stability of some reunifications.

It is important to understand the challenges facing families who have been through the foster care system. The children have often experienced trauma associated with being removed from their homes and experiencing abuse and/or neglect, and often their parental attachments were disrupted while they were living in foster homes. The children often have a range of needs related to their mental health, education and development. Similarly the parents to whom they return also have many needs such as mental health issues and histories of domestic violence and/or substance abuse.

The elimination of Children's Advantage means that there will be additional stressors on these often fragile families, who are not only dealing with the child welfare system but are also struggling with homelessness. For many of the young children in these families, if their parents do indeed get a job to meet the requirements of Work Advantage, they will need to be placed in child care—meaning in the care of another stranger—at a time when the family is working to rebuild and strengthen their relationships to one another. (It also means that ACS will need to spend more money on child care vouchers even though ACS is already struggling to afford their current child care system.)

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<sup>1</sup> In fact, Work Advantage (which will subsume Children's Advantage) has been only charging families \$50 per month in the first year, but DHS's proposal includes changing Work Advantage to require a 30% contribution in the first year for all participating families. CCC is also concerned about this increased rent contribution requirement for all families participating in Advantage.



DHS's plan does not provide for a child welfare assessment of whether obtaining employment at the same time as the family is moving to permanent housing and adjusting to reunification will have a negative impact on the family's stability.

Furthermore, the economic downturn has led to a significantly increased unemployment rate in New York City (10.2% in February 2010). Thus, it may be very difficult for parents to find jobs given the sheer number of people looking for jobs and the shortage of jobs created by the economic downturn. While work is often an asset to family functioning, CCC worries that the pressure on DHS and HRA to urge these often fragile families experiencing both child welfare interventions and homelessness, to obtain employment as a precursor to permanent housing, may jeopardize the success of reunifications and the safety of the children. We urge the city to reconsider this proposal.

Thank you for this opportunity to testify. CCC appreciates the City Council's interest in this very critical issue.

- African American Planning Commission
- Allen Women's Resource Center
- Barrier Free Living
- Center Against Domestic Violence
- Dwa Fanm
- Food First
- Good Shepherd Services Safe Homes Project
- HELP USA, Inc.
- Henry Street Settlement
- Jewish Board of Family and Children's Services
- New Destiny Housing Corp.
- New Vista For Families
- New York Asian Women's Center
- OHEL Domestic Abuse Program
- Paladia, Inc.
- Safe Horizon
- Sanctuary For Families
- Urban Resource Institute
- Violence Intervention Program
- Volunteers of America
- Mail c/o:  
CADV  
25 Chapel Street  
Suite 904  
Brooklyn, NY 11201

Testimony of NYC Coalition of Domestic Violence Residential Providers  
Before the New York City Council's Committee on  
General Welfare  
"Update on DHS' Advantage and HomeBase Programs"  
April 15, 2010

My name is Erin Feely-Nahem and I offer this testimony on behalf of the New York City Coalition of Domestic Violence Residential Providers – an organization representing all of New York City's licensed nonprofit domestic violence shelter providers, which serve thousands of battered women and children every year. Thank you for holding this hearing today on the Advantage Programs and allowing us to testify as to how the proposed changes to the program will affect domestic violence victims, a group that comprises about 30% of NYC homeless families<sup>1</sup>.

How many times have you heard someone ask why a domestic violence survivor doesn't just leave an abusive relationship? What is usually a very complicated and nuanced answer to that question – she is worried she will lose custody of her children, she is scared the abuser will retaliate, she has no economic resources – is now a very simple one. There is no place to go.

In an already very challenging housing environment with the loss of section 8 vouchers this year, the city is now threatening to eliminate a program referred to as "HRA Advantage" or "Domestic Violence Advantage," which is one of the only remaining permanent housing options for families exiting domestic violence shelter. This program helps survivors of domestic violence stabilize their families in an apartment where they can heal, develop independence,

<sup>1</sup> NYC Consolidated Plan 2010 pg. I-73

and utilize any necessary support services for six months before being required to secure employment.

Marta's story exemplifies the success of the Domestic Violence Advantage program. Marta is a 31-year-old woman who has a 9<sup>th</sup> grade education and is the mother of two boys, ages 11 and 13. The older child requires special education for developmental and vision delays. Marta entered a domestic violence shelter after a man she was dating started abusing her and threatened to kill her.

After 42 days in shelter, Marta became eligible for Domestic Violence Advantage. She was very motivated and wanted to have a safe place for herself and her two children. Marta was able to move out of shelter into an Advantage apartment.

Six months later, Marta called to speak to her former shelter caseworker. She reported that she was doing well and had found a steady job cleaning apartments. She was happy that her children were safe and settled and that her special-needs child was properly evaluated and receiving the education and services that he needs. Marta described feeling safe and content for the first time in a long time.

The standard image of domestic violence is that it consists of occasional punches and outbursts of rage. But that's not an accurate picture. Abusers use whatever power they have to control their partners, and victims are prevented from attaining independence through a variety of escalating

coercive tactics, ranging from threats to physical, sexual economic, and legal abuses. Abusers often destroy their victims' credit, maliciously report child abuse, steal documents needed for employment, and subject their victims to physical and sexual violence for every step towards freedom they try to take. Victims are punished for attempting to work (or not allowed to keep their paycheck if they work), prevented from going to school, learning English, and making friends or business contacts – anything that we normally associate with being adult and independent.

Because of this, victims are often forced to rely on public services when they first emerge from these relationships. Such services – in particular stable, affordable housing – are absolutely crucial to someone fleeing a violent partner.

Without Domestic Violence Advantage, domestic violence shelter residents would be left with Work Advantage, the program designed for homeless shelter residents. To be eligible for Work Advantage an individual must have held a job continuously for a period of at least one month. Domestic violence shelter residents often lack a high school diploma or prior work experience. This, coupled with the task of recovering from years of isolation and trauma usually renders it impossible for them to locate employment in the 135 days they are permitted to stay in domestic violence shelter. If they do not obtain housing in this time frame (far less than the allotted homeless shelter stay), they are left with few options - entering the homeless shelter system or returning to their abuser.

Domestic violence is incredibly expensive. In 2008, for example, NYC police

responded to 234,988 domestic violence incidents, well over 600 a day. An estimated 80% of juvenile offenders have backgrounds with domestic violence. As I mentioned earlier, 30% of NYC's homeless population consists of domestic violence victims: the city must pay to house them in homeless shelters every time they try to flee their abusers. Victims utilize the city's emergency rooms; they may end up with chronic health problems. If they have no income, the city foots the bill.

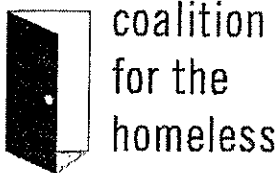
Having a safe apartment in which to rebuild can go a long way towards breaking the expensive cycle of abuse. Given sufficient time for healing, evaluating options, obtaining medical care and other services, most domestic violence survivors, like Marta, will make strides in their journey toward independence.

Families should not have to choose between being homeless and being abused, but that is exactly what they will be forced to do with the elimination of housing programs. Financially, as well as morally it makes sense to maintain programs that take into account the additional barriers that victims face in achieving independence. They provide survivors with the opportunity they need to become self sufficient and they ultimately save the City money because in the long run as they keep these families out of shelters and emergency rooms.

Contact:

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Erin Feely-Nahem, Housing Committee Chair, Coalition of Domestic Violence Residential Providers  
718-624-1950 / 718-230-0068



**TESTIMONY OF COALITION FOR THE HOMELESS  
BEFORE THE NEW YORK CITY COUNCIL**

**General Welfare Committee Hearing  
April 15, 2010**

**Submitted by Patrick Markee, Senior Policy Analyst, and Giselle Routhier, Policy Analyst  
Coalition for the Homeless**

We present this testimony on behalf of Coalition for the Homeless, a not-for-profit organization that assists more than 3,500 homeless New Yorkers each day. Since its founding in 1981, the Coalition has advocated for proven, cost-effective solutions to the crisis of modern homelessness, which now continues into its third decade. The Coalition has also struggled for more than 25 years to protect the rights of homeless people through litigation around the right to emergency shelter, the right to vote, and appropriate housing and services for homeless people living with mental illness and HIV/AIDS.

The Coalition operates several direct-services programs that both offer vital services to homeless, at-risk, and formerly-homeless New Yorkers, and demonstrate effective long-term solutions. These programs include supportive housing for families and individuals living with AIDS, a job-training program for homeless and formerly-homeless women, a Rental Assistance Program which provides rent subsidies and support services to help working homeless individuals rent private-market apartments, and two buildings in Manhattan which provide permanent housing for formerly-homeless families and individuals. Our summer sleep-away camp and after-school program help hundreds of homeless children each year. The Coalition's mobile soup kitchen distributes 1,000 nutritious meals to street homeless and hungry New Yorkers each night. Finally, our Crisis Intervention Department assists more than 1,000 homeless and at-risk households each month with eviction prevention assistance, client advocacy, referrals for shelter and emergency food programs, and assistance with public benefits.

**The Bloomberg Administration's Flawed Approach to Family Homelessness**

New York City is in the throes of a historic homelessness crisis. Currently, more than 39,000 homeless men, women, and children bed down in municipal shelters each night, the highest number since modern homelessness began three decades ago. In addition, more than 10,000 homeless families are sleeping in the municipal shelter system on any given night, including 16,000 children—an all-time record high.

By any measure, the Bloomberg administration's approach to homelessness – including the Mayor's 2004 five-year plan to reduce homelessness – has failed. This is especially true of the Mayor's decision to cut off homeless families and individuals from a longstanding priority for Federal housing programs – which are proven to reduce homelessness – and his administration's creation of deeply flawed and unrealistic local rent subsidy programs to replace those successful Federal programs.

Now, in the midst of record New York City homelessness, comes word that, instead of learning from the mistakes of the past eight years, Mayor Bloomberg is in effect doubling down on the failed policies of his first two terms. The Mayor's plan to force homeless families to pay for the cost of emergency shelter and

the proposed changes to the Advantage programs will only fuel further increases in homelessness in New York City.

We offer this testimony to express our concern regarding:

- Families currently on the City-administered Advantage program and reaching the end of their time limit.
- The forthcoming changes to the Advantage program proposed by the Bloomberg administration which we believe make a bad program even worse.
- The City's plan to implement "rent" requirements for homelessness families in municipal shelters.

### **Advantage New York: No Advantage for Homeless Families**

Since its inception in 2007, the City of New York has moved over 15,000 families from shelters to permanent housing using the three Advantage programs (Work, Fixed Income, or Children's). Unfortunately, with the Work Advantage program limited to only one or two years of assistance and given the recent funding problems with the Federal voucher program, this means thousands of formerly homeless families are currently, or will soon be, left with no assistance and put at extreme risk of returning to shelter.

According to DHS's own data, between September 2007 and October 2009, **nearly 1,000 re-applications for shelter have been filed from families that have timed-off of the Advantage programs.**<sup>1</sup> The applications, predictably, started to spike in mid-2009—at the Work Advantage program's two-year mark. This rate of return is especially troubling considering the thousands more families that are expected to time-off the program this coming year.

Families with disabilities or other barriers to work who were previously guaranteed a Federal Section 8 voucher after participating in Children's or Fixed Income Advantage are now, as a result of the Section 8 crisis, left with no assistance once they reach the limit of their City subsidy. By the end of 2010, this will amount to a total of **3,551 families**. These are families that have a significant barrier to work, as was established in their qualification for the program. However, even before the recent Section 8 funding problems, City records show that many families promised Section 8 vouchers through these two programs never received them and many of them have returned to shelter.

Nevertheless, even before the Section 8 crisis, the Work Advantage program was always fundamentally flawed, and was designed simply as a revolving door back to shelter. By the end of 2010, **3,543 families** will have timed off of the Work Advantage program. At the end of just two years of assistance, many of these families will still be unable to afford their rent in full. According to DHS's own report to the New York State Office of Temporary and Disability Assistance, **families on Work Advantage are working a median of 32 hours per week at \$9.50 an hour.**<sup>2</sup> This amounts to \$304 per week and roughly **\$1,216 per month before taxes**.

The math tells it all. With most Work Advantage families placed in apartments with rents at about \$1,100 a month or more, these families will not be able to afford their apartments after being cut off from Advantage assistance. Adding Work Advantage families to the families whose Fixed Income and Children's Advantage subsidies will be expiring this year, we can estimate that **more than 7,000 families are at risk of returning to shelter in 2010.**

<sup>1</sup> From DHS data entitled, "Reapplications of Families with Prior Advantage Exits," obtained via FOIL

<sup>2</sup> DHS March 2009 report to NYS OTDA, obtained via FOIL.

To make matters even worse, the City has now proposed changes to the Advantage program that, instead of improving upon the existing flaws, would actually exacerbate many of the problems with the program. Indeed, the City's proposed changes actually combine the worst features of the Work Advantage program and the even-more-deeply flawed Housing Stability Plus program, which was abandoned by the Bloomberg administration as a failure in 2007.

The City's new proposal would eliminate Children's and Fixed Income Advantage. The remaining program would still be time limited to only one or two years and it will not transition families onto Section 8 vouchers. Families will be required to work at least 35 hours a week – a requirement for receiving a second year of assistance, and something many families will not be able to achieve. (Note that currently most Work Advantage families are approved for a second year. Note also that, as described above, the City's own data show that the average Work Advantage family works fewer than 35 hours a week.)

During the first year, each family would be required to pay 30 percent of its income towards the rent. During the second year, the family would be required to pay 50 percent of the rent or 30 percent of its income, whichever is greater resulting in a very sharp increase in their contribution. After the second year, families would be cut off from assistance.

Again, consider the math. The typical Advantage family will have pre-tax income of around 1,200 per month, and will have apartment rents of around \$1,100 or more. By the second year the family will be forced to pay nearly half of its pre-tax income in rent, and after that the family will have no way to afford the rent. Even the examples cited by City officials in their February 10, 2010, letter to the State (attached), which outlines the proposed changes, show that the typical Advantage family will become homeless after one or two years.

Again, with families making an average of only \$9.50 an hour, the expectation that they would be able to contribute more during the program and then pay over \$1,000 in rent at the end of the program is incredibly unrealistic. Furthermore, the work requirement completely ignores that we are in the middle of the worst recession since the Great Depression and the City's unemployment rate is still at a whopping 10 percent.

The Bloomberg administration's proposed changes to the Work Advantage program represent a classic case of ideology ignoring basic reality. Moreover, the administration's policies on homelessness continue to ignore the research that consistently shows that long-term, flexible housing assistance is the best way to reduce homelessness and prevent families from ever returning to shelter.<sup>3</sup> The City's short-term assistance will continue to act as a revolving door right back into the shelter system if serious changes are not made.

### **Charging Homeless Families "Rent" for Shelter—the Worst Possible Idea**

As if the problems with Advantage weren't numerous enough, the City is also planning on re-implementing a disastrous policy from 2009—charging homeless families "rent" for shelter. According to the City's calculations, a family of three making \$25,000 a year would be forced to pay \$926 a month to stay in a municipal homeless shelter!

The City's ideology in promoting this policy is completely misguided and unrealistic. Families entering shelter will need to use every available resource to help them get out of shelter and into permanent

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<sup>3</sup> Vera Institute for Justice, 2005, "Understanding Family Homelessness"



housing, including saving as much money as possible. Imposing "rent" would keep families in shelter longer and prevent them from saving any money towards independent living.

The City of New York's imminent plan to charge homeless New Yorkers rent for shelter stays stems from a state regulation (18 NYCRR 352.35), issued in 1995 by the Pataki administration at the strong urging of then-New York City Mayor Giuliani.

On May 1, 2009, the City of New York first piloted their shelter rent program by implementing a new "Income Contribution Requirement," requiring working homeless families to pay for the cost of shelter. The City's misguided policy was immediately criticized by community leaders, shelter providers, elected officials, and homeless families, who said it effectively blocks homeless New Yorkers from saving their small incomes in order to move from shelters to permanent housing. Not-for-profit shelter providers opposed the new rules because it forced them essentially to become "bill collectors."

In addition, the new policy was implemented in a haphazard and unlawful way, with many families ordered to pay "rent" before receiving legal notices, some families threatened with ejection from shelter, and many other problems.

A May 8, 2009 *New York Times* article (attached) highlighted the plight of two homeless women with children, both of whom were being asked to pay large portions of their meager incomes in order to stay in shelters.

- Vanessa Dacosta, who earns \$8.40 an hour as a cashier at Sbarro, was informed that she had to give \$336 each month out of her roughly \$800 in monthly wages to her Manhattan homeless shelter.
- Martha Gonzalez, who is 49 and lives with her 19-year-old son in a rundown City-operated shelter in Brooklyn, said she was informed last week that she owes \$1,099 in monthly rent on a \$1,700 monthly income as a security guard in Manhattan.

While New York City was directed to temporarily suspend the policy by the state last summer, the Bloomberg administration made it clear at a City Council hearing last year that the policy would be re-introduced. In its latest iteration the NYC Human Resources Administration apparently plans to "garnish wages" to enforce the shelter rent requirement.

Although Bloomberg administration officials have repeatedly told the news media that they are compelled to implement the shelter rent requirement by the State, it is clear that administration officials strongly support the shelter rent rules. Indeed, last year the Bloomberg administration opposed State legislation that would have ended the shelter rent requirement (see the Mayor's memo in opposition, attached), and this year top Bloomberg administration officials have continued to lobby State Legislators opposing similar efforts to ban shelter rent.

Charging homeless families "rent" for shelter will lead to longer stays in shelter as families have less money to save for security deposits and rent in a permanent apartment. These longer shelter stays will also end up costing the State and City more money. The annual cost to shelter a homeless family is \$38,000, the majority of which is paid by City and State tax dollars.

This new policy also puts families at risk of being ejected from shelter. According to DHS's new Client Responsibility Procedure, if families do not pay their shelter "rent," they could be put out on the streets for a minimum of 30 days. Children would then be at risk of being put in foster care, at greater cost to their emotional development as well as New York City taxpayers.

There is no upside to the implementation of shelter rent. It will not save the City or State money and at the same time it will keep families in shelter longer and put families and children at serious risk of being ejected from shelter if they do not comply with these new rules.

We strongly support efforts by New York State Assemblymember Keith Wright, New York State Senator Daniel Squadron, and others to include language in the State budget that will prohibit the City of New York from charging “rent” in homeless shelters, and we urge the administration and the City Council to join in those efforts.

### **A New Wave of Homeless Families?**

Ultimately, Mayor Bloomberg’s strategy fails to address the reality that family homelessness is, at its root, a housing affordability problem. The Mayor’s current strategy ignores the factors that are driving families into homelessness in the first place—high unemployment, low wages, and lack of affordable housing.

The Mayor’s proposed changes make a bad situation even worse. Many formerly-homeless families timing off of Advantage assistance already end up back in shelter. Furthermore, the new changes to the program do nothing to improve the situation of families, but only make it more difficult for them to reach self sufficiency. Add to these the burden of shelter “rent” and how it will force many families to stay in shelter longer and longer.

If the Bloomberg administration is successful in imposing these misguided, punitive policies, it is likely that New York City will face a new wave of family homelessness—one to break even the current record numbers.



Michael R. Bloomberg,  
Mayor

**Human Resources  
Administration**

Robert Doar  
Commissioner

**Department of  
Homeless Services**

Robert V. Hess  
Commissioner

February 10, 2010

Kristin M. Proud  
Deputy Secretary of State Operations  
Executive Chamber  
40 North Pearl Street  
State Capitol  
Albany, NY 12224

Dear Deputy Secretary Proud:

We are writing to seek your approval on a revised plan for requiring income contributions during family shelter stays and for providing rental support for clients when they leave shelter. As you know, we previously submitted proposals on both these issues but are submitting revised plans based on numerous conversations, both internally and with your staff. Our new plan builds on the successful lessons of welfare reform by insisting that every shelter resident who can work must work. Services will be provided to shelter residents to assist them in gaining employment, but unlike past subsidies, those who can, must work to receive significant government support. By instilling responsibility through client contribution and firmly linking the Advantage NY program with employment, we will be fostering independence in our clients, with the goal of getting them back to their communities more quickly than ever before.

All Advantage NY subsidies would end after one or two years, and families must be in shelter 60 days before becoming eligible for the program. Only those with an official/certified letter are eligible. The new Advantage program will require employment and will help develop responsibility and self-reliance in shelter families. We recognize that assisting families in obtaining and retaining employment is the key to their ability to end dependency on critical safety net services.

The Advantage program will provide rental assistance subsidies to families who are working; to families where all the adults in the household are in receipt of SSI; and to families where all the adults are determined by the cash assistance standards to be needed in the home to care for a disabled household member. The Children Advantage program (providing Advantage eligibility based on an open child welfare case) would be discontinued and Fixed Income Advantage would no longer be available to households where a child is on SSI but an adult in the home can go to work.

Adults in the household who are required to work would need to be working at least 20 hours weekly, and would have to be involved in employment activities for a total of 35 hours before leaving shelter, to qualify for the first year of Advantage. The 35 hour requirement approximates the full work week individuals will need to work to support their families but recognizes that initially some may not be able to find full-time jobs. The hours between 20 and the 35 needed to qualify for Advantage can include job search, training and education.

activities provided by HRA and its vendors. Housing search will also be an allowable activity once a family receives a certified Advantage letter. Households will be required to maintain the 35 hour work/activity week during the duration of the Advantage subsidy.

The Advantage subsidy for the first year will be determined by calculating a client payment of 30 percent of household income from all sources toward the rental amount. The 30 percent client payment will ensure that those receiving the benefit will, like other New Yorkers, contribute to the costs of their housing.

Advantage will be available for a second year if the individual remains in need and has maintained eligibility requirements in the first year for a minimum of 10 of the 12 months and is working 35 hours weekly in unsubsidized employment, or is still in a verifiable disability or needed at home status. In the second year, clients will contribute 50 percent of the Advantage rent level unless 30 percent of their household income exceeds 50 percent of the Advantage rent level (See Example 2, Year #2, in Attachment 1). By offering a continued benefit to those who have maintained a 35 hour weekly work commitment or have increased their hours of work, we are providing a strong incentive for individuals to become self-sufficient and are investing in those families who are succeeding.

Eligibility for Advantage, level of subsidy and eligibility determinations for a second year of assistance will be made by the Human Resources Administration. All elements of this plan will apply to all current Advantage clients at the time of renewal.

The second part of our proposal relates to income contribution in family shelter. As you know, we are agreeing to institute an income contribution policy based on the State's cash assistance budgeting requirements that will ensure a smooth implementation and understanding of the program. While the formula is complicated, we will ensure that communications with clients are clear and easy to understand. We would expect individuals to contribute after 60 days spent in shelter. HRA will calculate the contribution levels and will be responsible for the collections.

We believe our proposal puts our clients first, yet at the same time, brings our system forward, supporting an overall responsibility amongst agencies, providers and clients to return individuals as quickly as possible back to the community in housing, which is the best possible outcome for all those involved. We propose to implement these changes 60 days after your approval.

We appreciate your comments and are available to discuss.

Sincerely,  
  
Robert Dear

  
Robert V. Fless

cc: Deputy Mayor Gibbs  
Encl.

**ATTACHMENT 1**

<b>Example 1, Year #1</b>	
Rent	\$1,000 per month
Household Income	\$1,000 per month
30 percent of Client Income	\$300 per month
Rent Subsidy	\$700 per month

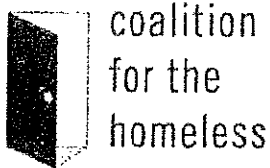
<b>Example 1, Year #2</b>	
Rent	\$1,000 per month
Household Income	\$1,200 per month
50 percent of Rent Level by Client	\$500 per month
Rent Subsidy	\$500 per month

<b>Example 2, Year #1</b>	
Rent	\$1,000 per month
Household Income	\$2,000 per month
30 percent of Client Income	\$600 per month
Rent Subsidy	\$400 per month

<b>Example 2, Year #2</b>	
Rent	\$1,000 per month
Household Income	\$2,000 per month
50 percent of Rent Level by client **	\$600 per month
Rent Subsidy	\$400 per month

\*\* In year two, the family will pay 50 percent of the rent or 30 percent of their household income if it exceeds 50 percent of the Advantage rent level. \*\*



## BRIEFING PAPER

# The Bloomberg Administration's Failed Policy Cutting Off Federal Housing Aid for Homeless Children and Families

By Patrick Markee, Coalition for the Homeless

April 13, 2009

Since 2005, the Bloomberg administration has broken with longstanding and successful New York City policy which targeted scarce Federal housing resources to help homeless children and families move from municipal shelters to their own homes.

Since the failed Bloomberg policy was implemented, the number of homeless children and families has soared. Currently more than 36,000 homeless New Yorkers sleep in municipal shelters each night, 80 percent of them in families. Since June the New York City homeless shelter population has risen by 9 percent, and the number of families has risen by 12 percent. Currently there are more than 9,600 homeless families with 15,500 children sleeping each night in municipal shelters, an all-time record.

Reversing the Bloomberg administration's failed policy will reduce New York City family homelessness and save City taxpayer dollars currently spent on expensive emergency shelter.

### Background: Federal Housing Assistance for Homeless Families

- For two decades, New York City mayoral administrations have targeted scarce Federal housing resources to homeless families residing in the municipal shelter system. The reasons for this are threefold:
  1. Scarcity: The Federal government does not provide sufficient Federal housing assistance to help all those eligible to receive it. Indeed, nationally only one in four eligible households receives Federal housing assistance, and currently more than 135,000 New York City families are on waiting lists for Federal housing programs.
  2. Efficacy: Federal housing programs are enormously successful in reducing family homelessness and helping formerly-homeless families remain stably housed..
  3. Fiscal Policy: Finally, emergency shelter for homeless families – which currently costs nearly \$36,000 per year – is both expensive and largely paid for by the City and State. Federal housing programs are less expensive and do not use City and State tax dollars.
- Thus, since 1990, tens of thousands of homeless New York City families have successfully moved from shelters to their own homes with the help of Federal housing programs.

### The Failed Bloomberg Administration Policy

- Unfortunately, since 2005 the Bloomberg administration has actually eliminated homeless families' longstanding priority for scarce Federal housing assistance.<sup>1</sup>
- Currently homeless families in New York City have virtually no access to the two major Federal housing programs available to low-income households: Section 8 vouchers, and public housing. In 2009 the City will assist more than 12,000 low-income families with Section 8 vouchers and more than 5,000 new families with public housing – almost none of them homeless families.

- The Bloomberg administration's current approach echoes "Alternative Pathways," a flawed policy implemented by the Dinkins administration in the early 1990s that re-directed Section 8 vouchers away from homeless families in shelter and that ultimately triggered a rise in the family shelter population. The Dinkins administration ultimately abandoned the flawed "Alternative Pathways" policy after family homelessness soared in the early 1990s.
- Similarly, since the Bloomberg administration adopted its policy cutting off Federal housing aid to homeless households, the number of new homeless families entering shelters has increased for three consecutive years and, in recent months, the number of homeless families in municipal shelters reached all-time record levels.
- The Bloomberg administration replaced proven Federal housing programs with untested, controversial, time-limited subsidy programs. The deeply flawed "Housing Stability Plus" program (2005-2007) was abandoned as a failure.
- The current "Work Advantage" program – with time limits of two years – began in 2007. The first group of time-limited families will run out of assistance this year. Bloomberg administration officials have no plan in place to assist formerly-homeless families who reach time limits and are still in need of housing assistance.

### **Research Shows that Federal Housing Programs Reduce Family Homelessness**

- A wealth of research and experience shows that Federal housing programs – Section 8 vouchers and public housing – successfully reduce family homelessness.<sup>2</sup>
- Studies by researchers from New York University, Columbia University, the University of Pennsylvania, the Vera Institute, and the U.S. Department of Housing and Urban Development show that housing vouchers successfully help move homeless families from shelters and help them retain housing.
- The failed Bloomberg policy was based on unsubstantiated claims that the availability of Section 8 vouchers was "inducing" families to enter the homeless shelter system. However, City officials then and now have never presented empirical evidence for these claims.
- Research studies by three respected economists refute the Bloomberg administration's claim that Federal housing programs produce a significant "inducement" effect. Instead, the studies show that eliminating priority for Federal housing programs leads to an increase in the family homeless population.
- Following are highlights of research studies from the past decade:
  - ◆ "An extensive body of careful research has demonstrated that housing vouchers are critically important both for preventing families with children from becoming homeless and for helping those who do enter the shelter system to leave it for permanent housing and not become homeless again....For families who do become homeless, housing vouchers are an extensively tested and demonstrably effective tool for moving to permanent housing and remaining stably housed." (Jill Khadduri, researcher at Abt Associates and former senior official at the U.S. Department of Housing and Urban Development)
  - ◆ "Formerly homeless families are generally quite similar to other low-income families. Homelessness for most is not a protracted experience, and housing subsidies alone are

sufficient to allow the vast majority to leave shelter and maintain stable housing in the community.” (Marybeth Shinn, Vanderbilt University)

- ◆ “Shelter population rose during the boom because the city slowed the rate at which it moved families into subsidized housing and it continued to rise after the boom because there was a recession. The population fell when the city stepped up placements into subsidized housing and the recession ended.” (Brendan O’Flaherty and Ting Wu, Columbia University, study of rise and fall in NYC family homelessness from 1997 to 2004)
- ◆ “We found that subsidized housing succeeds in curing homelessness among families, regardless of behavioral disorders or other conditions. Whatever their problems – substance abuse, mental illness, physical illness or a history of incarceration – nearly all of the families in our study became stably housed when they received subsidized housing.” (Marybeth Shinn and Beth Weitzman, New York University, five-year study of 564 homeless and low-income families)
- ◆ “Across all cohorts and follow-up periods, those families exiting to subsidized housing exhibited the lowest rates of reentry. Subsidized housing appears to be associated with better protection against shelter return than exiting to one’s own housing, other destinations, or unknown arrangements.” (Vera Institute, study commissioned by NYC Department of Homeless Services analyzing rates of return to shelter for formerly-homeless families)

### **Moving Forward: How the City of New York Can Successfully Reduce Family Homelessness**

The implications of these research studies for City policy are very clear: Federal housing assistance reduces family homelessness and reduces return rates for formerly-homeless families. Coalition for the Homeless urges City officials to repeal current policies that restrict Federal housing assistance to homeless families: The City should once again provide priority status to homeless families and individuals seeking Federal housing aid.

*For more information, please visit our website [www.coalitionforthehomeless.org](http://www.coalitionforthehomeless.org).*

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<sup>1</sup> The Bloomberg administration policy was implemented in two stages: (1) in October 2004 the New York City Department of Homeless Services halted referrals of homeless families to the top priority category for waiting lists administered by the New York City Housing Authority for the Section 8 voucher program and public housing; and (2) in 2005 the New York City Housing Authority reduced the priority classification for homeless people who submitted applications for both Federal housing programs – effectively removing homeless New Yorkers from the so-called “emergency category.” In 2004, the Bloomberg administration also introduced a replacement rent subsidy program targeted to homeless families, the time-limited “Housing Stability Plus” program. This program was abandoned in 2007 and replaced with new subsidy programs, including another time-limited (to a maximum of two years) program called “Work Advantage.”

<sup>2</sup> Following are the research studies referenced in this briefing paper:

Cragg, Michael and Brendan O’Flaherty, “Does Subsidized Housing Increase Homelessness? Testing the Dinkins Deluge Hypothesis,” Milken Institute (June 1997)

Khadduri, Jill, “Housing Vouchers Are Critical for Ending Family Homelessness” (January 2008), Homelessness Research Institute of the National Alliance to End Homelessness, available at <http://www.endhomelessness.org/content/article/detail/1875>.

O’Flaherty, Brendan and Ting Wu, “Fewer Subsidized Exits and a Recession: How New York City’s Family Homeless Shelter Population Became Immense,” Journal of Housing Economics (April 2006).

Shinn, Marybeth, “Ending Homelessness for Families: The Evidence for Affordable Housing,” Enterprise Foundation and National Alliance to End Homelessness (pre-publication release, 2009).



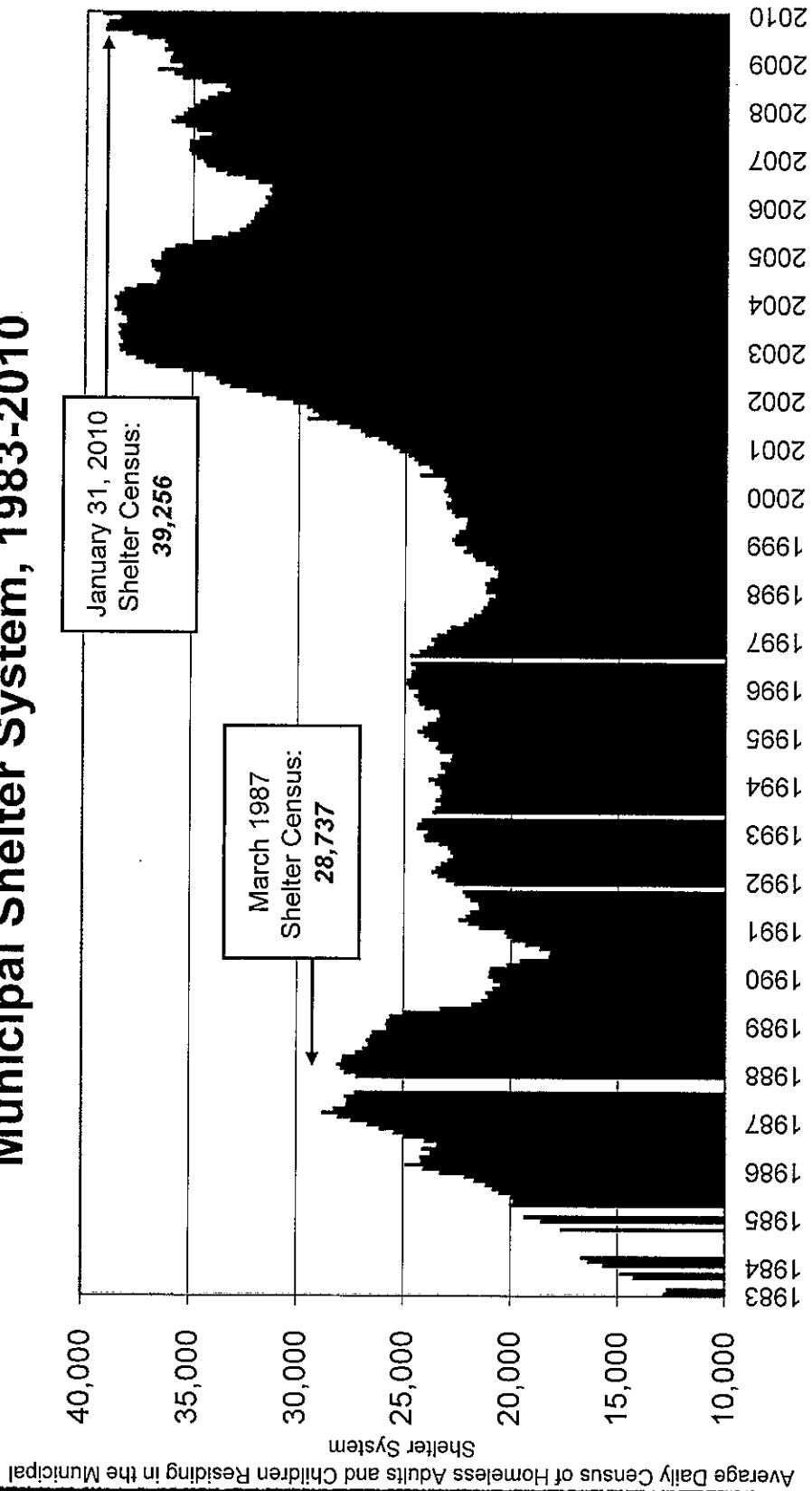
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Shinn, Marybeth, Beth C. Weitzman, et al, "Predictors of Homelessness Among Families in New York City: From Shelter Request to Housing Stability," *American Journal of Public Health*, Volume 88, Number 11 (November 1998), pp. 1651-1657.

Vera Institute, "Understanding Family Homelessness in New York City" (September 2005), available at [http://www.vera.org/publication\\_pdf/315\\_584.pdf](http://www.vera.org/publication_pdf/315_584.pdf).

Wong, Yin-Ling Irene, Dennis Culhane and Randall Kuhn, "Predictors of Exit and Reentry Among Family Shelter users in New York City," *Social Science Review* 71, Number 3 (1997), pp. 441-462.

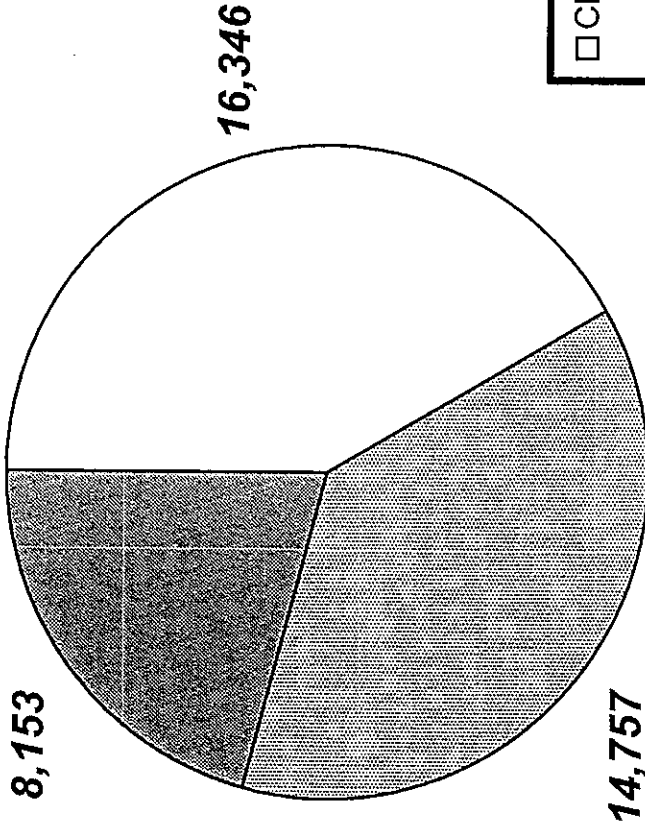
## New York City: Census of Homeless People in the Municipal Shelter System, 1983-2010



Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports  
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004



## New York City: Census of Homeless People in the Municipal Shelter System, January 31, 2010



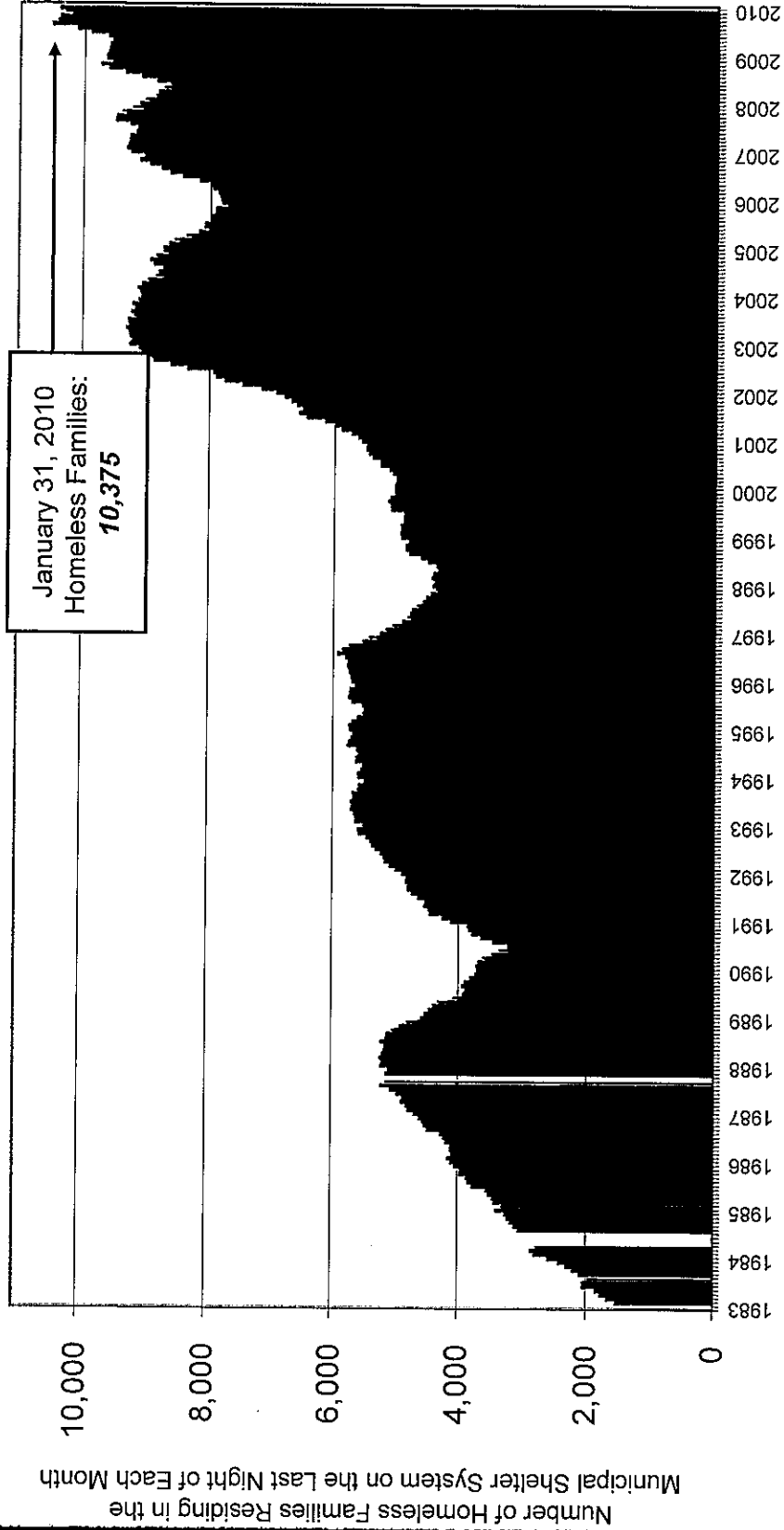
Total NYC  
Municipal  
Shelter  
Population:  
**39,256**

- Children
- ▨ Adults in Families
- ▩ Single Adults

*Note: Number of homeless single adults, homeless children, and homeless adult family members, residing in the municipal shelter system.*

*Source: New York City Department of Homeless Services, shelter census reports  
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004*

## Number of Homeless Families in the New York City Shelter System, 1983-2010



Source: New York City Department of Homeless Services and Human Resources Administration, shelter census reports  
Prepared by Patrick Markee, Coalition for the Homeless, 212-776-2004

**The New York Times**

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May 9, 2009

## New York Charges Rent for Working Homeless

By JULIE BOSMAN and ANDY NEWMAN

The Bloomberg administration has quietly begun charging rent to homeless families who live in publicly run shelters but have income from jobs.

The new policy is based on a 1997 state law that was not enforced until last week, when shelter operators across the city began requiring residents to pay a certain portion of their income. The amount varies based on factors that include family size and what shelter is being used, but should not exceed 50 percent of a family's income, a state official said.

Vanessa Dacosta, who earns \$8.40 an hour as a cashier at Sbarro, received a notice under her door several weeks ago informing her that she had to give \$336 of her approximately \$800 per month in wages to the Clinton Family Inn, a shelter in Hell's Kitchen where she has lived since March.

"It's not right," said Ms. Dacosta, a single mother of a 2-year-old who said she spends nearly \$100 a week on child care. "I pay my baby sitter, I buy diapers, and I'm trying to save money so I can get out of here. I don't want to be in the shelter forever."

City officials said the new rent requirement had been in the works since a 2007 state audit that forced them to pay back \$2.4 million in state housing aid that should have been covered by homeless families with income. They argued that homeless people with income should be expected to pay for a portion of their shelter costs, a model that echoes the federal Section 8 housing voucher program.

"I think it's hard to argue that families that can contribute to their shelter cost shouldn't," Robert V. Hess, the city's commissioner of homeless services, said in a telephone interview Friday. "I don't see this playing out in an adverse way. Our objective is not for families to remain in shelter. Our objective is to move families back into their own homes and into the community."

It is unclear why the state law has not been enforced until now. New York's situation is unusual, with far more working homeless families than elsewhere in the state, and higher housing costs than virtually anywhere in the country.

Anthony Farmer, a spokesman for the State Office of Temporary and Disability Assistance, said the new policy will eventually affect about 2,000 of the more than 9,000 families in New York City shelters. More than 500 families have been informed that they were expected to begin paying rent on May 1.

City officials said they started with families who are new to shelters, and would phase in the new approach over the next several months, including for people who are on welfare and are also working. They could not

yet estimate how much it would raise.

A flier posted in one shelter last week warned residents in bold, underlined type, "Failure to make the required contributions could result in the loss of your family's temporary housing."

But advocates for the homeless said the new policy was punitive and counterproductive, and some shelter residents, in protest, have already refused to sign the documents acknowledging receipt of the rent notifications.

"Families have been told to pay up or get out," said Steven Banks, the attorney in chief for the [Legal Aid Society](#). "The policy is poorly conceived, but even more alarmingly, it's being poorly executed. What is happening is that we have seen cases of families being unilaterally told, without any notice of how the rent was calculated, that they must pay certain amounts of rent or leave the shelter. We've already had a case of a survivor of domestic violence who was actually locked out of her room."

Mr. Hess acknowledged that if a family does not pay the required rent, it could be told to leave the shelter, but he noted that residents can contest the rent required through a state hearing.

Ms. Dacosta, for one, said she had spoken with her caseworker and demanded a hearing. Martha Gonzalez, who is 49 and lives with her 19-year-old son in a rundown shelter in Fort Greene, Brooklyn, said she was informed last week that she owes \$1,099 in monthly rent on a \$1,700 monthly income as a security guard in Midtown. She said she planned to contest the rent demand in court.

City officials did not immediately respond to Ms. Gonzalez's assertion that her rent would exceed half of her income.

Patrick Markee, the senior policy analyst of the [Coalition for the Homeless](#), called the policy "impractical," arguing that most working people who live in homeless shelters earn low wages and would be better off saving for a place of their own. "It's going to make families stay in shelter longer because they'll have fewer financial resources," he said.

"They are taking money from them that could otherwise be used to help themselves get out of the shelter system," agreed Arnold S. Cohen, the president and chief executive of the [Partnership for the Homeless](#). "We're dealing with the poorest people, the people who are the most in need, and we're asking them to pay for a shelter of last resort. As a city and a state that has a history of social and economic justice, I think we can do better than that."

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MEMORANDUM IN OPPOSITION

**LEGISLATIVE REFERENCE** S.5605-A – by Senator Squadron – Finance Committee  
A.8353-D - by M. of A. Wright – Passed Assembly

**TITLE** AN ACT to amend the social services law, in relation to financial contributions by recipients of temporary housing assistance and discontinuance of temporary housing assistance based on a recipient's actions

**SUMMARY OF PROVISIONS**

This bill amends subdivision 7 of section 131-a of the social services law by adding subparagraph b which requires all earned and unearned income for applicants and recipients of temporary housing assistance be disregarded in determining eligibility for public assistance and temporary housing assistance in the City of New York. It also requires that no recipient of temporary housing assistance shall be required to contribute to the cost of temporary housing.

**REASONS FOR OPPOSITION**

All New Yorkers who have income are expected to use some of their income to pay for their housing. The statute requiring residents of shelter, if they have income, to contribute some of that income toward their housing costs has been in State law for over two decades. A client's available resources and the actual cost of shelter determine a client's contribution amount. The income contribution requirement is a regulatory and statutory funding structure determined by the State. It is important to note that there is an income threshold, e.g., a family of four would not have to pay until it they earn over \$10,000 a year. The requirement begins only when people earn over a certain level and most people, including all those with incomes below the poverty line, are allowed to keep over half of their gross income. Further, people with income are eligible for a rent subsidy from the City to leave shelter that includes up to two years of their rent paid along with payment for moving expenses and a security deposit. In addition clients who live in other transitional housing also contribute a portion of their income toward rent.

The income contribution requirement has been challenged and upheld not only by New York State courts, Rodriguez v. Wing, but also the federal court system, Johnson v. Wing. Both Rodriguez and Johnson involved individuals receiving Supplemental Security Income and/or Social Security Disability benefits who were required to make contributions towards their shelter expenses out of such grants. These court rulings are consistent with the policy and mandates of Welfare Reform to promote self-sufficiency.

Also, of great concern is the provision that would disregard all earned income for any shelter resident applying for public assistance (PA) benefits. This provision will allow all shelter residents to receive a full cash benefit regardless of their income level, placing shelter residents in a better financial position than rental housing residents (who would not have their income exempted and who's cash benefit declines as their income increases) and creates a disincentive for shelter residents to leave the shelter system. As a result of this bill, New York City estimates that the current PA rolls will grow by an additional 8,400 households.

Further, this bill would create an unfunded mandate by placing a substantial additional financial burden on both the State and the City. The current State policy is equitable and there is no rationale to create a glaring disparity regarding public assistance policy between NYC and the rest of the state. Eliminating any income from the calculation of public assistance recipients' benefit level completely will have an even greater financial impact to the State and the City as it would increase the cost of the cash grant for clients in temporary housing. The increased cash assistance costs will put more pressure on the TANF block grant funds and may result in cuts to TANF services in local social services districts. Reductions in this funding could result in increased costs, above those directly associated with the bill, to both New York City and other districts. The financial burden of implementing this bill is approximately \$36 million and there is no provision in this bill nor in a budget appropriation currently that would identify how either the State or the City could pay for this unfunded mandate. As such, this bill would be contrary to the intent of the Governor's Executive Order #17 which seeks to reduce unfunded mandates on localities.

Accordingly, it is urged that this bill be disapproved.

MD: mac  
S: S5605-09  
9/9/09

Respectfully submitted,

MICHELLE L. GOLDSTEIN  
Director

**Testimony of The Legal Aid Society**

on

**THE CITY'S ADVANTAGE NY, HOME BASE,  
AND SHELTER RENT PROGRAMS**

**Presented before**

**The New York City Council**

Presented by:

**Steven Banks, Attorney-in-Chief**  
The Legal Aid Society

**April 15, 2010**



The Legal Aid Society welcomes this opportunity to testify before the New York City Council concerning the impact on our clients of three programs of the New York City Department of Homeless Services (DHS) and the New York City Human Resources Administration (HRA) – Advantage NY, HomeBase and a proposed new shelter rent program.

As you know, The Legal Aid Society is class counsel in litigation in which court orders require the City to provide lawful shelter and services to homeless children and their families and to homeless women and homeless men. The Society is also counsel to the Coalition for the Homeless.

Against a backdrop of record family homelessness, the worst economic downturn since the Great Depression of the 1930s, high unemployment, and high housing costs, the City has proposed three extremely counterproductive public policies: 1) limiting City rental assistance programs for relocating families from shelter to permanent housing to only those few families who are able to secure employment in the exceedingly tight job market or those few families in which every adult is actually in receipt of federal disability benefits or approved by HRA to care for a disabled child, and then cutting off such rental assistance at arbitrary time limits regardless of whether these families can pay the rent; 2) charging the limited number of homeless families who are employed rent for their shelter placements, thereby prolonging their shelter stays at increased cost to the taxpayers by depriving these families of the ability to fully apply their meager wages to obtain permanent housing; and 3) reducing homelessness prevention services available through the HomeBase program. These three misguided policies will certainly have the effect of exacerbating the current crisis in the family shelter system and increasing City shelter expenditures.

Earlier this week, the City announced that it will soon implement a 1995 Pataki-era State regulation which requires some shelter residents to pay rent to the City. This proposal would discourage homeless people from working and, rather than allowing them to achieve stability, would trap them in shelter or, even worse, deny them access to life-sustaining shelter if they are unable to pay. Implementing the State rules at this time is particularly short-sighted given the current economic upheaval, record job losses and unprecedented shelter entrances.

Likewise, the City has substantially abandoned its laudable prior commitment to preventing homelessness and helping families in shelter achieve stability and self-sufficiency. The changes that DHS and HRA have proposed in the Advantage program will make it much harder for families in shelter to move out, thereby creating a bottleneck in the shelter system as a whole which will create an ever increasing need to add shelter space at an increased cost to the taxpayers. These changes in the Advantage program will also make it harder for families who have moved out or will move out of shelter to remain in their apartments – with the predictable result that increasing numbers of families will have no choice but to return to the shelter system.

Moreover, the City's reductions in the HomeBase program's homeless prevention services will mean that fewer resources are available to keep New Yorkers threatened with eviction in their communities, causing disruptions in school attendance, medical care,

employment and family ties. Reducing prevention services will certainly result in increased costs for shelter because increasing numbers of families will lose their housing and need to seek shelter.

**The Legal Aid Society:** The Legal Aid Society, the nation's oldest and largest not-for-profit legal services organization, is more than a law firm for clients who cannot afford to pay for counsel. It is an indispensable component of the legal, social, and economic fabric of New York City – passionately advocating for low-income individuals and families across a variety of civil, criminal and juvenile rights matters, while also fighting for legal reform.

The Legal Aid Society has performed this role in City, State and federal courts since 1876. It does so by capitalizing on the diverse expertise, experience, and capabilities of 850 of the brightest legal minds. These 850 Legal Aid Society lawyers work with 600 social workers, investigators, paralegals and support and administrative staff. Through a network of borough, neighborhood, and courthouse offices in 25 locations in New York City, the Society provides comprehensive legal services in all five boroughs of New York City for clients who cannot afford to pay for private counsel.

The Society's legal program operates three major practices — Civil, Criminal and Juvenile Rights — and receives volunteer help from law firms, corporate law departments and expert consultants that is coordinated by the Society's Pro Bono program. With its annual caseload of more than 300,000 legal matters, the Legal Aid Society takes on more cases for more clients than any other legal services organization in the United States. And it brings a depth and breadth of perspective that is unmatched in the legal profession.

The Legal Aid Society's unique value is an ability to go beyond any one case to create more equitable outcomes for individuals and broader, more powerful systemic change for society as a whole. In addition to the annual caseload of 300,000 individual cases and legal matters, the Society's law reform representation for clients benefits some 2 million low income families and individuals in New York City and the landmark rulings in many of these cases have a State-wide and national impact.

**Shelter Rent:** Last year, the City attempted to implement an "Income Contribution Requirement" that had been part of a harsh and counterproductive Pataki-era regulation which had never been enforced in New York City. The 2009 shelter-for-rent program was a fiasco. Almost immediately following its implementation, the program was suspended after the Legal Aid Society informed the City that it was prepared to file a lawsuit to prevent further harm to homeless families. As then-New York City Comptroller William C. Thompson, Jr. noted at that time, implementation of the shelter-for-rent rule in effect taxes the poorest working families to pay for the safety net that protects them. The rule discourages homeless New Yorkers from working and rather than allowing them to achieve stability, threatens to trap them in shelter or, even worse, denies them access to life-sustaining shelter if they are unable to pay.

For many years, DHS has helped residents of the adult shelter system who have income to participate in savings plans. These shelter residents develop a savings goal that is consistent

with their abilities and needs, open a bank account, and bring proof of their savings to their case workers. With some caveats – workers must be sensitive to public benefits and disability rules that can penalize recipients with resources, including savings – these savings plans can be a productive way of helping able-bodied adult shelter residents to achieve self-sufficiency.

Despite the track record of these shelter savings initiatives, the Administration now says that it will try again to require some shelter residents to pay rent. This time HRA will be solely responsible for implementing the program. While we have not seen any proposed notices to clients, the notices that HRA sent out to shelter residents last year were defective and misleading and were eventually withdrawn under threat of litigation. We understand that City officials have admitted to shelter providers that they do not understand how to calculate the rents due from individual shelter residents.

The City has not retreated from its plans announced last year to seek to terminate families from shelter who are not paying their assessed rent – regardless of their ability to pay. Under the same Pataki-era rule pursuant to which the City is seeking to collect rent from shelter residents, DHS has also implemented a plan to expel from shelter families who it claims are not complying with rules, including payment of assessed shelter rent.

The City's plan to try again to implement its rent-for-shelter program is a disaster waiting to happen – again. Fortunately, pending State legislation would prevent the City from forging ahead with this plan a second time. The Legal Aid Society, along with Coalition for the Homeless, applauds the Assembly's passage of A-8353-D to amend Section 131-a of the Social Services Law and the Senate's inclusion of a prohibition on the City's rent-for-shelter plan in the Senate's budget resolution. This legislation would prevent New York City from charging rent for shelter, without limiting the City's ability to adopt a constructive plan to assist homeless individuals or families with income, such as by helping them to establish a savings plan, with the funds accumulated reserved for obtaining permanent housing or other resources necessary to achieve independence.

**Advantage NY:** The economic downturn has hit low income New Yorkers the hardest. We continue to see record numbers of families seeking shelter from the City's Department of Homeless Services. For example, in January 2010, 1544 families sought shelter, which is over 150 families more than in the prior January. On Monday night, 9,721 families – including nearly 15,000 children – slept in the DHS family shelter system. In contrast, in April 2005, there were 8,075 families – including 13,558 children – in the DHS family shelter system.

In the early years of the Bloomberg Administration, the City achieved record results in reducing the number of families in the shelter system in a positive way: it moved out more families from shelter into permanent housing than any other Administration had since the current era of mass family homelessness began in the 1980s. However, for ideological or philosophical reasons, the City has stopped using its two most effective tools for restoring families to stability: NYCHA apartments and Section 8 vouchers. Although many studies have shown that federal housing assistance is the most effective means of helping families achieve stability in their housing, the Administration will not prioritize federal housing assistance, including public

housing, for homeless families because it believes it will discourage applications for shelter by doing so. In fact, shelter applications have increased steadily since the City cut off priority for these federal housing programs for homeless families five years ago.

In place of the proven success of the New York City Housing Authority and Section 8 relocation programs, DHS introduced "Housing Stability Plus" or HSP, which even the DHS Commissioner later conceded was a failed program. The City then replaced HSP with Advantage, which presumed that people would achieve stability in one of two ways: employment or, for those unable to work, Section 8. There are, of course, not enough jobs available at this time in New York City for the Advantage families who need them, and, in the past few months, we have seen NYCHA rescind pending Section 8 vouchers that it had promised to families, stop issuing new ones, and threaten to cancel over 10,000 vouchers which are already in use.

The Advantage program was designed to last for the one to two years DHS expected the family would need to find work or obtain Section 8. The first families to enroll in the program have now finished the maximum two years allotted for the program, with no clear path to self-sufficiency. In fact, although these families now face a depressed job market and no new Section 8 resources, DHS and HRA have chosen to revise the Advantage programs to reinstate some of the worst features of the failed HSP program.

First, under the plan announced by DHS and HRA this week, the Advantage program will now have even more limited availability. To be eligible, a family will have to show 35 hours of work income, of which only 15 hours can be HRA-approved non-work activities. Families will only be exempt from this requirement if all the adults are disabled or a family member is so disabled that the adults cannot work because they are providing care to that person. Shelter residents who are unable to find jobs or convince a federal hearing officer that they are disabled will remain trapped in shelter. Shelter providers will also be harmed, because DHS is imposing financial penalties on them based on family's length of stay – which, in turn, will leave providers with insufficient resources to continue to make necessary supportive services available to shelter residents.

Second, the program will require recipients to contribute half the rent for the apartment in the second year. It is as if the entire five-year "step-down" period of the HSP program – under which the amount of the subsidy was reduced by 20 percent per year over the five years of the program – were implemented at once. As we saw with the HSP program, this will cause families to be evicted when they are unable to meet the rent payments required under the terms of the Advantage lease, let alone the extra unlawful "side deal" payments landlords often demand. For families with a "fixed income" from federal disability payments, this will mean paying most if not all of their subsistence level income toward rent.

Many families will never even be eligible for a second year of benefits, however, because under the changes proposed by DHS and HRA a family will only be eligible for a second year of the program if they have worked 10 of the past 12 months and are currently working 35 hours per week. In these economic times, very few families will be able to meet that test.

Since Advantage began in FY08, through November 2009, the last month for which we have data, the City had moved out 13,536 families through the Advantage program. According to the City, about 10 percent of families with prior shelter stays are returning to DHS to seek shelter again. We learned from a Freedom Of Information Law request that families formerly in Advantage apartments re-applied at the DHS Path intake office nearly 1,000 times between September, 2007 and November, 2009. Those figures are sure to increase as DHS and HRA begin to apply the new, completely unrealistic Advantage standards to those families.

In our experience, many of the families in the Advantage program are forced to make illegal "side deal" payments to landlords in excess of the maximum rents permitted and paid by the Advantage program. Families agree to pay these improper rents demanded by landlords because they are unable to find apartments at the rent levels set for the program, and because they are often counseled by shelter workers that there is no other way to move out.

Families who currently have these leases will not be able to meet the burdens of the new Advantage rules and will lose their homes. Families in shelter will continue to be pressured to accept these inappropriate side deals, however, because of the Pataki-era State rule DHS recently implemented which permits the City to terminate shelter for families who do not seek and accept permanent housing.

DHS has not offered any other solutions for families who are already losing Advantage benefits. As you know, NYCHA has recently revealed that it has a potentially catastrophic deficit in its Section 8 program. We know that at least 2,600 families who had been told they would get Section 8 vouchers had them recalled by NYCHA, and now NYCHA is threatening to terminate another 10,000 vouchers for New Yorkers who already have them. In response to this crisis DHS has offered only a \$1 million "flex fund" to help these families achieve permanency. We have not seen any public description of this fund or how it may be accessed, but even if a family with Advantage were only paying \$1,000 per month -- and many are paying much more than that -- the DHS "flex fund" would only cover 80 such leases for a year.

In summary, the flaws in the current Advantage program are already threatening to cause substantial numbers of formerly homeless families to have to seek shelter again, and the City's proposed changes will only make the situation worse. We are very concerned that as a result DHS will soon be facing a shelter population well in excess of the current, record numbers of homeless families.

**HomeBase:** Likewise, the City's HomeBase program was designed to find solutions for families facing homelessness to enable them to remain in their apartments. Recently, however, HomeBase workers have been diverted from their mission of diverting families from applying for shelter to replace City housing workers at hotels for homeless families. Those workers were laid off by the City last year, but State regulations require the City to provide those services to shelter residents. By replacing this necessary City staffing with HomeBase workers, DHS is reducing the resources available to prevent families from becoming homeless in the first place. This will only exacerbate the problems DHS will face in terms of increasing numbers of families seeking shelter because of the defects in the revised Advantage program.

With me today is K.N., who like thousands of other New Yorkers in the Advantage program faces eviction because the program will not enable her family to remain in their apartment. Ms. K.N. is a survivor of domestic violence who became homeless because the Administration for Children's Services told her that her apartment was not big enough to accommodate her four nieces and nephews, all of whom have special needs, who she had to take in when their mother became unable to care for them. She eventually found a new apartment through the Children Advantage program – which the City announced this week it will discontinue – but her family has now reached the City imposed two-year time limit for the program and Ms. K.N. has no other way to pay her rent. The HomeBase program also proved unable to help her.

We thank the Council for your continuing support for effective prevention and permanent housing programs that keep families in their homes and out of the shelter system. We will continue to update you about the needs of homeless New Yorkers and New Yorkers living on the brink of homelessness who seek our legal help to obtain access to justice.

Submitted by,

Steven Banks  
Attorney-in-Chief  
The Legal Aid Society  
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Testimony of K.N.,

client of The Legal Aid Society,

on

the City Shelter System, Advantage NY, and HomeBase

presented before

The New York City Council

April 15, 2010

Good afternoon. I am a survivor of domestic violence and a participant in the Advantage program. I do not want to use my real name because I do not want my batterer to find me but you can call me K.N. I became disabled in 2006 when I injured my back while working as a home health aide. I have been unable to work since and have difficulty doing basic daily tasks. I also suffer from high blood pressure and chronic back pain.

For the last two years I have lived in an Advantage apartment with my daughter, two nieces and two nephews. I became homeless in 2007. I had to move out of my apartment at that time in order to take custody of my nieces and nephews. The City's Administration for Children's Services (ACS) had removed them from the custody of their mother, my sister, after my six-year-old niece was left at home alone with her siblings and accidentally started a fire in the home by putting a blanket over a space heater to keep warm because she was cold.

After contacting every family member who I thought could take the children in because my apartment was too small, everyone said no, they could not take them in. My sister asked me if I would care for the children until she got herself together. Because I did not want my nieces and nephews to go into foster care, I decided to take them into my home. However, after three months, ACS said that my apartment was too small, and that if I wanted to keep my nieces and nephews, I would have to leave my apartment and enter a homeless shelter. Of course, I did not want to leave my own apartment, where I had lived with my daughter for four years, and go into a shelter, but I knew that my nieces and nephews had no one else who would take care of them and I was not willing to let them go into foster care. All four of them have special needs and they were clearly traumatized by years of abuse. For the children to be the ages they were- 15, 14, 12 and 6, they did not have the basic skills that a child of ages 1 to 5 has. I felt like after all they had been through, I could not just abandon them or trust that they would be taken care of in foster care. So, I did what ACS said, left my own apartment, and entered a homeless shelter in March 2007.

After a few months of living with me, my nieces and nephews trusted me enough to tell me that my nieces had been sexually abused by their mother's boyfriend. I contacted ACS and the police and the boyfriend was put in jail. The children's mother was charged with abuse and neglect in both Family Court and Criminal Court. She is on parole and has supervised visits with her children once a week.

My family and I resided in a homeless shelter from March 2007 to January 2008. This was one of the worst experiences of my and the children's lives. I pray never to have to go back into shelter. The shelter where we were placed was a one bedroom - even smaller than my own apartment from which ACS has told us to leave - with horrible conditions. The apartment was infested with roaches and rats. The windows could not be left open because rats would come in through the open windows. When we would come home at night we would find rats on our bed. On the first day we got there, the super showed me how it was possible to break open my front door using a credit card. We were robbed seven times during our stay there. When I complained to the management company I was told that I had to learn to take the good with the bad. I decided I would take the good. During the time that I was in shelter, I was certified for the Children Advantage program, and told to find an apartment for \$1316 for my family of six. It was not easy, but we found a place to live. We moved into our own apartment on Staten Island in January 2008.



My shelter worker told me that the Advantage program would pay my rent for one year and during that time I would be certified for Section 8. However, within the year, I had not received anything from Section 8. I went in person to the Section 8 office with my case worker from New York Foundling Hospital to check on the status of my application. When I got there, I was told that I had been denied Section 8 because my daughter had been arrested for a fight when she was in high school. I did not understand why this would have any affect on my Section 8 application because she was a minor at the time and all charges against her had been dropped. I never received any written notification that I had been denied Section 8 and would never have known if I hadn't gone in person. I was told that I would have to fill out a new Section 8 application and would have to start the process over again. The Section 8 worker told me send in a new application, which I did immediately. However, I never received any response on my new Section 8 application either.

The Advantage program continued to pay my rent for a second year. After two years in my apartment I expected to receive a Section 8 voucher but I still have not been certified for Section 8 to date. I contacted 311 to complain about Section 8 and was given a complaint number. I was contacted a few days later by DHS and was told that I would be receiving a letter in the mail telling me that my Advantage subsidy would be extended. To date I never received any letter. My Advantage voucher expired in December 2009 and my landlord told me that he was raising the rent to \$1500. Since my Advantage voucher expired four months ago, I have had no way to pay the rent. My family's only income is my disability money and my nephew's SSI - the total of which is only slightly higher than our monthly rent. Since I have taken my nieces and nephews into my home, I have been struggling to financially support them. For the first time in my life I took out credit cards to pay my bills and buy food, since the food stamps that I get are not enough to last to the end of the month.. Now I am in debt. My landlord recently served me with a notice saying that I have to move out by April 15, 2010 or he will evict me. He also told me that he sold the house to someone else and that the new owner would be moving into my apartment and I have to leave. He said if I just leave I will not owe him anything. He told me this after I asked him to give me a legal notice of eviction.

I was told that I should go to a HomeBase office in my neighborhood to see if they could help me. However, when someone from my church and I contacted them to explain my situation, they said that there was a list that had everyone who was waiting for a Section 8 voucher. They said that because my name was not on the list, I would not receive an extension on my rental subsidy. They told me to try Project Hospitality, and to look for a two-bedroom apartment. They said they could only help me if I was able to pay the rent going forward and even if I applied for a one-shot deal they would require the same thing. Other than that there was nothing they could do to help me.

Because of her conviction, my sister is not going to be able to get custody of my nieces and nephews again, at least not any time soon. Last weekend, she suffered a heart attack at age 39 and a shunt was placed in her heart. She and I have discussed me adopting the children.

I am absolutely terrified that my family and I will be evicted and will have to go to shelter. I am constantly stressed thinking about how I will pay my rent and keep my family in their home. I am trying to keep my blood pressure from rising again. Over the last year I have been hospitalized four times because of my blood pressure and chronic back pain. However, I

know I have to stay healthy and positive because I am the only person that my nieces and nephews can rely on. I cannot even think about making my nieces and nephews, who have already been through so much trauma, go back to shelter. I plan to continue to support and fight for these children but I cannot do it alone. The Advantage and HomeBase programs do not have any answers for me, and I am wondering what we can do next.

I am asking you to please help me to help them. I need an apartment or house that will accommodate my family. Please help us, no one should have to live in a shelter that is not fit to live in. The shelters of New York need so much improvement, and someone who really cares about the needs of people who are in need. I was given a vision years ago of a place called K.N.'s Haven House, which is a place of safety. I believe that God gave these children to me to keep them safe and that is what I am going to do. I love my nieces and nephews and I want the best for them- they deserve it. So please help us, and anyone else who has been put in the same situation that we have,

Thank you and God bless you.

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

Name: Steven Banks + client KN  
(PLEASE PRINT)

Address: \_\_\_\_\_

I represent: The Legal Aid Society

Address: 199 Water Street, New York

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. Advocacy Res. No. \_\_\_\_\_

in favor  in opposition

Date: 4/15/10

Name: Christy Parvizi  
(PLEASE PRINT)

Address: Homeless services united

I represent: 270 E. 2nd St

Address: NY 10009

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

Name: Patrick Markee  
(PLEASE PRINT)

Address: 129 Fulton St

I represent: Coalition for the Homeless

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

1:06 pm

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor -  in opposition

Date: 4-15-2010

(PLEASE PRINT)

Name: YARROW REGAN

Address: 309 E. 197th St, Bronx, NY 10458

I represent: CVIT (718) 584-5293

Address: 115 E. 106 St. NY, NY

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

12:55 pm

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Stephanie Gendell

Address: 1056 22nd

I represent: Citizens' Committee for Children

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

12:56 pm

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 4/15/10

(PLEASE PRINT)

Name: ERIN Feely-Nahem

Address: 595 Main St

I represent: NYC Coalition of Domestic Violence Residential Providers

Address: CADV 25 Chapel St Bldg NY

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

1:07 PM

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 4/15/10

Name: Robert Hess, Commissioner  
(PLEASE PRINT)

Address: 33 Beavers St

I represent: DHS

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

Name: Robert Dear  
(PLEASE PRINT)

Address: Commissioner

I represent: Human Resources Administration

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: \_\_\_\_\_

Name: Robert Hess  
(PLEASE PRINT)

Address: Commissioner

I represent: Department of Homeless Services

Address: \_\_\_\_\_

▶ Please complete this card and return to the Sergeant-at-Arms ◀