

Fiscal 2009 Executive Budget Hearings

Department of Homeless Services (Capital)

May 2008

*Hon. Christine C. Quinn
Speaker of the Council*

*Hon. David I. Weprin, Chair
Committee on Finance*

*Hon. Bill De Blasio, Chair
Committee on General Welfare*

*Hon. Helen Sears, Chair
Committee on Women's Issues*

*Preston Niblack, Director
Finance Division*

New York City Council Finance Division

Preston Niblack
Director

Jeffrey Rodus
Deputy Director

Jonathan Rosenberg
Deputy Director

Department of Homeless Services (Capital)

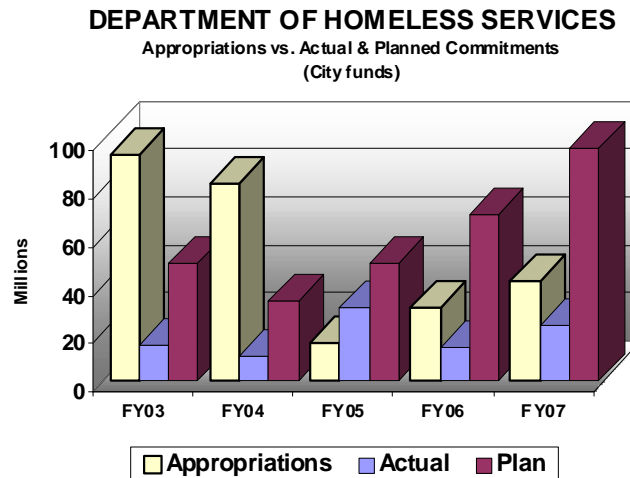
Crystal Coston
Analyst

Agency Overview

The Department of Homeless Services (DHS) began operations as an independent agency in July, 1993 pursuant to the adoption of its enabling legislation. In 1998, the City Council passed Int. No. 407 which placed the Department of Homeless Services under the New York City Department of Social Services. Homeless Services is headed by a Commissioner of Homeless Services, who also serves as a Deputy Commissioner of the Department of Social Services. In short, although the Department of Homeless Services technically operates under the Department of Social Services; in practice, it acts as an independent agency.

The agency's primary responsibility is to provide food, clothing, shelter and other critical services to the City's homeless population and to develop policies, programs and new transitional facilities to serve this population. The agency plans to transform the shelter system so that it provides emergency assistance to those who truly need it by assessing their needs within a limited time frame, and referring them, when appropriate, to services to meet those needs. A homeless person or family must accept the responsibility to participate in programs provided to assist them in resolving their crisis and in moving toward independent living.

The City of New York has approximately 50 homeless shelters for single adults and 157 shelters for homeless families. Currently, DHS operates only 9 out of 207 facilities. This reflects the Department's privatization efforts in recent years.

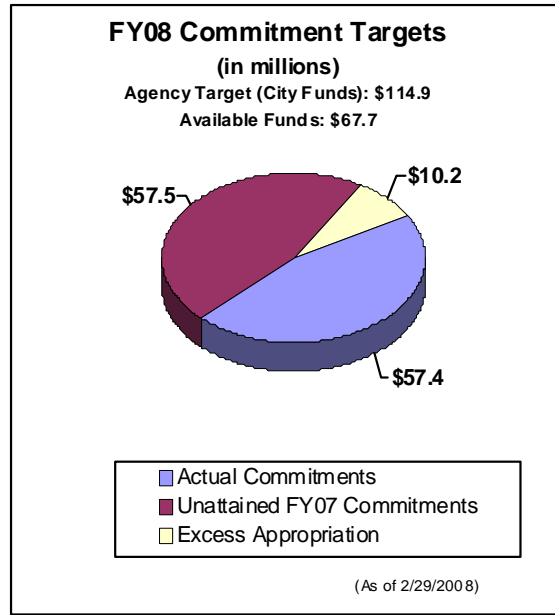


Fiscal 2009 Executive Capital Budget

Current Budget Summary

The May 2008 Capital Commitment Plan includes \$95.5 million in Fiscals 2009-2012 for the Department of Homeless Services (including City and Non-City funds). This represents less than one percent of the City's total \$43.1 billion Executive Plan for Fiscals 2009-2012. The agency's May Commitment Plan for Fiscals 2009-2012 is 15 percent more than the \$83.1 million in the January Commitment Plan, an increase of \$12.4 million.

As of February 29, 2008 the Department of Homeless Services has only committed \$57.4 million or 54.6 percent, of its \$105.4 million Fiscal 2008 Plan. Over the past five years the Department of Homeless Services has only committed an average of 30.8 percent of its annual capital plan. Therefore, it is assumed that a large portion of the agency's Fiscal 2008 capital plan will be rolled into Fiscal 2009 thus greatly increasing the size of the Fiscal 2009-2012 capital plan. Since Adoption, the Capital Commitment Plan for Fiscal 2008 has decreased from \$116.9 million to \$105 million, a decrease of \$9.9 million or 8.6 percent. This reduction is due to the rolling of funds from Fiscal 2008 to Fiscal 2009 in the Executive Plan.



Currently the Department of Homeless Services appropriations total \$67.7 million in city-funds for Fiscal 2008. These appropriations are to be used to finance the Department of Homeless Services \$47.7 million city-funded Fiscal 2008 Capital Commitment program. The agency has over 42 percent more funding than it needs to meet its entire capital commitment program for the current fiscal year.

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The Department of Homeless Services' capital commitments for the last five are shown below:

FIVE YEAR HISTORY – CAPITAL BUDGET (\$ in millions)					
	FY03	FY04	FY05	FY06	FY07
CITY	14	10	30	14	23
NON-CITY	0	0	0	0	0
TOTAL	14	10	30	14	23

The Preliminary Four-Year Capital Plan is shown below:

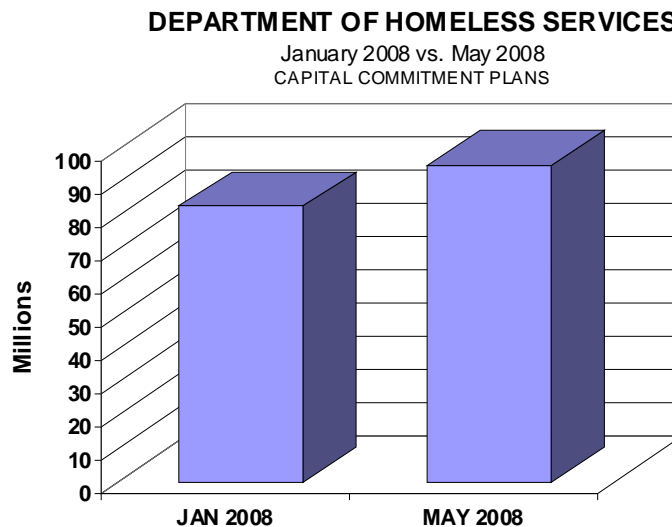
PRELIMINARY CAPITAL PLAN – JANUARY 2008 (\$ in millions)					
	FY09	FY10	FY11	FY12	FY's 09-12
CITY	15.0	29.0	13.9	25.2	83.1
NON-CITY	0	0	0	0	0.0
TOTAL	15.0	29.0	13.9	25.2	83.1

The Executive Four-Year Capital Plan is shown below:

EXECUTIVE CAPITAL PLAN – MAY 2008 (\$ in millions)					
	FY09	FY10	FY11	FY12	FY's 09-12
CITY	39.2	29.0	12.0	15.2	95.4
NON-CITY	0	0	0	0	0.0
TOTAL	39.2	29.0	12.0	15.2	95.4

EXECUTIVE BUDGET ISSUES/HIGHLIGHTS:

- The Department of Homeless Services' (DHS) Executive Four Year Capital Commitment Plan for Fiscals 2009-2012 is \$95.4 million in City funded Commitments for Fiscals 2009-2012. This funding has increased by \$12.3 million, when compared to the January Four Year Capital Commitment Plan. However, most of this increase is the result of approximately \$12 million rolling from Fiscal 2008 to Fiscal 2009. Excluding the \$12 million roll, the Executive Plan only increases by approximately \$300,000.



- In the Executive Four Year Capital Commitment Plan the focus of the Department of Homeless Services' is the maintenance and development of transitional housing for homeless families and single adults. The agency's Executive Four Capital Plan totals \$95.4 million. \$81 million or 85 percent of that amount is planned for the rehabilitation and development of transitional housing for homeless individuals and homeless families. \$14.4 million, the remaining 15 percent is planned for Social Service buildings, MIS, and equipment.
- Building code compliance, fire safety, and exterior building stabilization continue to be major priorities of DHS. Major projects at facilities for homeless families include renovation at the Auburn Shelter for fire safety systems and a heating plant, and an exterior building upgrade at the Nelson Avenue Shelter. In addition funding is planned for the construction of a new Intake Center for Families with Children.
 - The Auburn renovations (\$1.2 million to roll into FY '09) are currently in the procurement phase, and both the fire and heat system installation are scheduled for completion in January 2010
 - \$7.4 million is planned for the Nelson Avenue exterior building upgrade and fire system, the building exterior building upgrade is currently in the design phase. Construction is estimated to begin in February 2009 and estimated for completion in March 2010. The fire safety system construction is estimated for completion in July 2008.

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- \$57.6 million is planned for the new Intake Center. The center was demolished in December of 2007 and is being built at the 151 East 151st Street in the Bronx, and is scheduled for completion in 2010 (bid opening was scheduled for February 25, 2008).
- Capital projects at facilities for homeless single adults include building upgrades at the Harlem Men's Shelter, the Willow Avenue shelter and the Barbara Kleinman Men's shelter.
 - Harlem Men's Shelter exterior upgrade is currently in the construction phase and is scheduled for completion in April 2008
 - Willow Avenue building upgrade is currently in the design compliance phase and is estimated for completion in April 2011
 - The Barbara Kleinman Residence project is in the construction phase and is estimated for completion in September 2010
- Major MIS initiatives include continued expansion of DHS's computer network to directly link operated and contracted sites. The computer network expansion will provide access to the new Client Tracking System database which will enhance shelter management, reporting and interagency data sharing, and the implementation of a digital telephone system.
 - \$12.6 million was planned for Softscape, a major database application planned for development at DHS, but was proven not to fit their requirements, and DHS abandoned this project, and has reinvested those funds into building a citywide enterprise data system
 - DHS is still planning to update and enhance its network infrastructure with equipment and software that will support the increasing number of existing and developing applications (including Client Tracking System, and Handheld Apt. Inspection). DHS is also planning to procure equipment (storage, servers, etc.) for their Disaster Recovery site