



Income Contribution Requirement

June 24, 2009

Good afternoon, Chairman de Blasio and members of the General Welfare Committee. My name is Fran Winter, and I'm the First Deputy Commissioner of the New York City Department of Homeless Services (DHS). I'm here today to talk about the continuing transformation of our family shelter system during the Bloomberg Administration. During these tough economic times, we have seen an increase in the number of families applying for temporary shelter. However, we are transforming the family shelter system, putting in place a foundation that assists every family that crosses our threshold. This system also ensures that each and every family is treated with the dignity and respect they deserve. Today, each family's application for shelter is processed quickly at our family intake center and no one – adult or child - spends the night sleeping on the floor. Prior to this transformation, families were often forced to wait 20 plus hours over multiple days for their applications to be processed and children often slept on benches or the floor. Today, each family moves through the intake process efficiently over the course of six to eight hours during one business day.

I would like to take this opportunity to share with you the results of DHS' efforts to assist homeless families and families at risk of becoming homeless. More than 200,000 individuals have moved into permanent housing under the Bloomberg administration. With regard to the family shelter population specifically, I am pleased to report that in 2008, DHS helped a total of 7,065 families with children move into permanent housing—this represents a 27 percent increase over the number of families with children we assisted in moving out of shelter in 2007. Our Advantage New York rental assistance program is the most generous and effective local rental assistance program in the country, with one lease being signed every 20 minutes of the business day. Advantage offers not only housing but also employment services, which means that clients are not only moving into a home of their own but working and on a path to self sufficiency. Over 60 percent more families are moving out on a weekly basis with Advantage compared with Section 8 EARP.

We are moving individuals into homes of their own in record numbers. At the same time, our citywide homelessness prevention efforts are doing more to keep individuals from ever having to

enter shelter in the first place. For calendar year 2008, DHS, in collaboration with HRA, diverted a record number of at-risk families from having to enter shelter — we diverted 5,358 families, which is an 80 percent increase over 2007 and more than the two previous years combined. DHS remains committed to assisting each and every vulnerable New Yorker, and we will continue to do so, in a flexible system that is ready to address the City’s need, no matter what it may be.

I know the Council is interested in hearing about two specific policies, the State’s income contribution policy and our Client Rights and Responsibilities policy. As Committee members are likely aware, the State’s income contribution policy is currently suspended after brief implementation in New York City. We are now engaged in discussions with the State in an effort to come to an agreement on a sensible program. Our Client Rights and Responsibilities policy is currently under State review. Neither policy is actually in use in our family shelters at this time.

It is important to remember that these are just two of a series of policies and programs that make up our completely transformed family shelter system. Each and every one of these policies is aligned towards the compassionate and right goal of helping families and their children by minimizing the time they need to stay in temporary shelter in the first place and then assisting them with remaining stably housed in the community. We recognize that each family who comes into our shelter system has both rights and responsibilities, to themselves and to the other families living in our shelters. And we take these rights and responsibilities very seriously. And we ask them to work in partnership with us and our social services providers to take the necessary steps to return quickly to their own homes in the community. DHS and our providers also have mutual responsibilities to assist our clients in reaching the ultimate goal of moving back and living stably housed in the community.

Family Income Contribution Requirement

The income contribution policy that is currently in use across the State was first mandated by State regulations in 1997. Since the regulations were enacted, DHS has been actively engaged in a dialogue with the New York State Office of Temporary and Disability Assistance (OTDA) with our concerns about the policy. These concerns have included insufficient clarity as to how

the contribution amounts for each family are to be calculated, as well as the impact that the policy would have on the City's efforts to achieve what has always been our foremost goal—to move our clients into safe and stable permanent housing. While DHS had delayed implementing the policy pending the outcome of our conversations with the State, the State began an audit to evaluate the City's compliance with the policy. In February 2007, OTDA determined that we were not in compliance and consequently, imposed a penalty against the City of more than \$2.4 million. While OTDA rejected the City's appeal of the penalty, they did grant our request to refrain from imposing any additional penalties pending implementation of the necessary infrastructure for the correct budgeting and income collection procedures required by state law. When this process was completed at the end of April 2009, DHS was compelled to begin implementing the policy in the family shelter system. Technical issues arose with the calculation amounts and notices for families who receive public assistance and reside in shelter. Due to these issues, the State suspended the program on May 21, 2009 in all family shelters in New York City until these administrative issues are resolved.

Currently, the City and the State are engaged in productive dialogue, with the goal of putting in place a system that is both fair and transparent to clients. We are working to ensure that any calculation for the client contribution would not put an undue burden upon clients; that notices to clients are easy to understand; and that due process rights are readily accessible. DHS has informed the State that we will not implement a program that does not meet these basic principles. We are committed to getting this policy right and we will take the time necessary to further develop the policy and roll it out thoughtfully so that we do get it right.

Client Rights and Responsibilities

As I discussed earlier, as part of our continual efforts to ensure the best outcomes for each and every family who enters our temporary family shelter system, DHS created a Client Rights and Responsibilities Policy. This procedure begins with rights. From the day clients enter our shelters, they can see their rights spelled out clearly in one place. They will know that they have a right to safe and decent shelter and also that they have certain responsibilities. In addition, they will know that they have a series of due process and appeal rights available to them. Creating uniform expectations at the outset helps all of us – clients, staff, providers, and our community

partners – to focus on our shared goal of helping families move from shelter back into homes of their own as quickly as possible.

This policy is currently under State review. We would be happy to come back and speak about the policy before this Committee again once it is approved for implementation by the State. However, to help put things into context, I would like to give you information about a similar policy we currently use with great success for our clients in our single adult shelter system. DHS has implemented Client Responsibility in the single adult shelter system for approximately four and a half years. Out of the 79,646 individuals who have come through the adult shelter system between January 1, 2005 through June 14, 2009, DHS has only had to discontinue shelter for 15 individuals. Given these numbers, it is clear that this a tool that we have only used as a last resort and on rare occasions. The impact of this policy is quite different from what was predicted by naysayers who said it could force thousands of people back to the streets and may discourage people from seeking help in the first place. In fact, we have nearly 47 percent fewer individuals living on the streets today than we did when this policy was first introduced. Most clients – in both the single adult and family systems - do what they need to do to help themselves find permanent housing in the community. Clients want to move back home. And so we have every reason to believe that this will be a tool we rarely need to use in the family shelter system.

Despite all of this, there are some clients who need more support to move to homes of their own. And unfortunately, as in the case of the adult shelter system, there may be that rare client who unreasonably refuses to abide by the policies necessary to help themselves find housing and ensure the safety of other individuals in our shelter system. I'm not saying that someone who refuses a series of apartments will necessarily have their shelter discontinued, but a client who repeatedly stays in their room and refuses to see any apartments at all may put themselves on that path.

Do I hope that we don't have to sanction even one client in the family shelter system? Yes. Can I say with certainty that we won't ever have to sanction a client in that system? Of course not. However, what I can say with certainty is that our goal is to create a system that has sufficient checks and balances so that we minimize the risk of mistakes in the process. These checks and

balances put much greater accountability on DHS as well as on our providers to make sure we are doing everything we can to help clients move back into homes of their own.

The adult shelter system currently uses these multiple checks and balances: DHS must comply with a process for determining whether clients have not met their responsibilities and have their shelter discontinued. This process has built-in multiple levels of review, including a right to a State fair hearing, to ensure against erroneous determinations. We intend to use a similar system of checks and balances in the family shelter system, and we have every reason believe that we will achieve similar success for our clients as a result.

Conclusion

We have taken great strides to transform our family shelter system and we remain committed to our work. Today our system is one that meets the immediate needs of families and children who need temporary housing when they have fallen on hard times. But more importantly, it has the necessary supports in place to help them move back to homes of their own as quickly as possible. I will answer your questions at this time. Thank you.