



Update: Uniting for Solutions Beyond Shelter
September 9, 2008

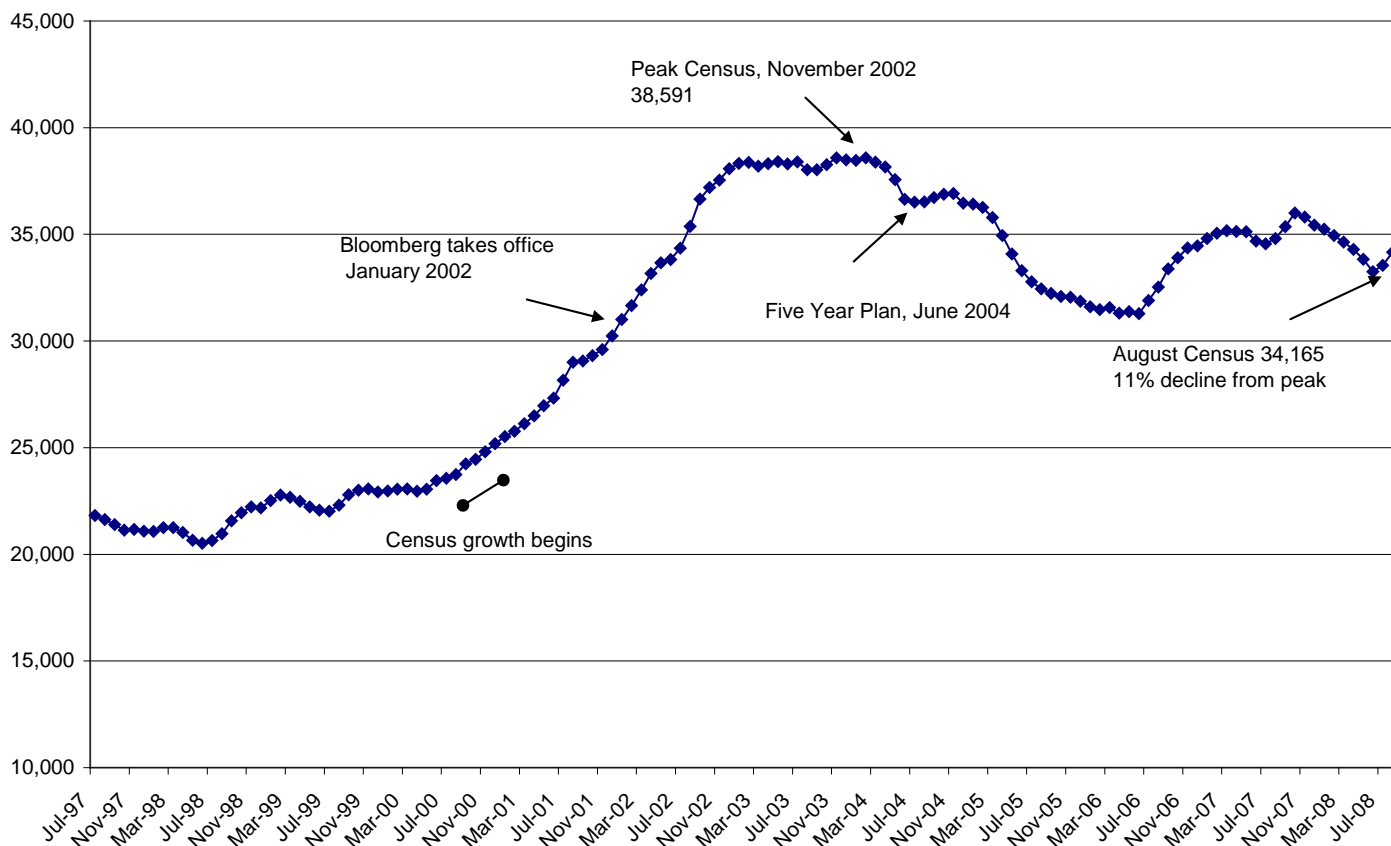
Good morning. My name is Rob Hess and I am Commissioner of the Department of Homeless Services. I am here, today, to provide an update on a common goal we all share-- reducing homelessness in New York City. Under the guidance of *Uniting for Solutions Beyond Shelter*, we have turned the New York City shelter system into one of the most effective systems in the country.

This city has come a long way in addressing homelessness under Mayor Bloomberg. In the past, children would be forced to wait restlessly on the floor for days at an overwhelmed and ill-suited family intake center. Today, families have an effective facility, equipped to meet their needs. In the past, the city did not know how many people lived unsheltered on New York's streets. Today, not only do we have an accurate count on this population, but we've tailored our service options to meet their needs, including Safe Havens for chronically homeless individuals who have rejected the traditional shelter system. Before, many felt that shelter was their only option. Now, citywide prevention teams work to keep our neighbors in the community.

To date, more than 175,000 individuals have been placed into permanent housing under the Bloomberg Administration. That's the equivalent of a city the size of Tallahassee, the Florida state capital.

If we could report to you today that we were successful at reaching all of our targets, that would mean that our targets were not ambitious enough. Yet, as I think about the many clients DHS has served over the years, I know that it would be a disservice to all those who have successfully moved on to independent living to measure success by a number alone. We reject the idea that not meeting the targets means we have not made tremendous progress. Our targets still serve as a driving force to excellence, and I am aware of them each and every day.

Total Individuals in Shelter



Overcoming Street Homelessness

Effective action often stems from listening. Street homelessness is a challenge, encompassing some of the most resistant and chronic clients. So we stopped, listened and reformed our approach and achieved remarkable results.

Our first step was understanding the population we sought to help. In the past, we were unable to properly quantify the number of people in need of services on the streets. As such, there was no way to determine where to best focus our resources. Street homelessness is the most visible form of homelessness. As a condition of urban life, it is intolerable, both for humanitarian and quality-of-life reasons. Despite that, when Mayor Bloomberg first took office, no one could even tell you the number of individuals on the street who we needed to assist.

This was unacceptable. Therefore, in 2005, we implemented HOPE, the annual citywide estimate of street homeless individuals. This survey enabled us to understand for the first time how many people were living unsheltered, which in turn allows us to measure the impact of our reforms over time. As Mayor Bloomberg says, “You can’t manage what you can’t measure.” The results of the 4th annual citywide HOPE count in January of 2008 indicate that there are presently an estimated 3,306 homeless individuals on the streets of New York. This is a 12

percent decrease from the previous year and a significant 25 percent reduction, 1,100 fewer New Yorkers, since 2005.

In addition to HOPE, through ongoing conversations with New Yorkers living on the street, we learned what services they were most likely to accept, and we revised our approach, accordingly.

We have taken services curbside, bringing the door of intake to the client, rather than asking the client to find the door. Outreach teams operate 24 hours a day, seven days a week through all five of the city's boroughs. These dedicated teams are on the frontlines, bringing over 800 individuals from street to housing since the program's inception last fall.

Because we now understand that the street homeless do not view shelter as a solution, nearly 300 Safe Haven and 150 stabilizations beds have been brought online for outreach placement, with a goal of 500 Safe Haven beds by year end. Our clients are receptive to this individualized housing approach and we look to see census numbers continue to decline. The progress that the City has made towards overcoming street homelessness is a true victory.

Take Mr. Smith, a 64 year old homeless man, who was sleeping on the streets. When Street to Home found him, he was camped out underneath some scaffolding, where he and a few other homeless people would abuse crack cocaine.

Street to Home engaged Mr. Smith, regularly, and convinced him to consider a transitional housing placement while the outreach team worked with him to find permanent, supportive housing. He agreed to try living in a safe haven, and found that the bed without a curfew allowed him to continue making small amounts of money recycling cans and doing odd jobs. Street to Home outreach staff assembled the documents required for the supportive housing application, and in short order Mr. Smith was matched with an apartment designated for chronically homeless individuals with active substance abuse issues.

In less than four months, Mr. Smith went from living on a dirty, wet mattress on the streets of Midtown Manhattan to his own one-bedroom apartment. All the way through, he was highly engaged in the housing process and extremely grateful for Street to Home's assistance. When asked about his crack abuse, he reported that he thought he could quit, but not while having to cope with the stresses of street life. Today, a man who may not have had a chance years ago, has a new, healthier life in his own home.

Prevent Homelessness

New York's entire approach to homelessness has changed. In the past, shelter was considered the only option. Today, when a family faces a housing crisis, the first line of defense is prevention. Community based service providers intervene for those in need before they are forced to the breaking point, helping instill that shelter should never be a substitute for a home.

Under the Mayor's leadership, we started with a targeted approach, introducing never before seen prevention programs in the areas of highest need. The demand for and the success of HomeBase demonstrated an existing need for these services in all New York communities. Today, we have moved from having no form of prevention programs under DHS to the agency

expanding our HomeBase model throughout the city's five boroughs. Since its implementation in 2004 through July 2008, providers have assisted 10,250 families and individuals and nine out of ten clients receiving HomeBase services successfully maintain housing in the community for more than a year.

And it didn't stop there. We expanded prevention to include aftercare, working not only with clients on the front end, but as they exit the door of shelter, as well, becoming our neighbors. Aftercare services offer clients stability as they re-establish themselves in the community, providing social services, information about work benefits, financial literacy, counseling and much more.

Prevention services can be effective. Let's look at the case of Thomas, a 47-year-old single male, who was renting a room in friend's apartment for \$100 per month. When the friend's daughter returned home, Thomas thought shelter was his only option until the Bedford Atlantic Shelter's assessment team referred him to HomeBase. There, a diversion unit was able to assist him in securing a one bedroom apartment and obtained a rent subsidy to supplement his earnings. Since moving into his new apartment Thomas remains engaged in his community and is proof that there are alternatives to shelter.

To compare the City's past and present prevention programs is to see undeniable progress. Before, prevention under DHS did not even exist. Today, we see citywide expanded services reaching out to those in need.

No HomeBase Prevention Services



HomeBase Prevention Services
Original 6 Communities



HomeBase Prevention Services
Citywide Coverage



Family Services

Families matter. At the beginning of the Bloomberg administration, homeless families faced an overcrowded and chaotic intake center. The Mayor and DHS successfully overhauled the system, putting in place an efficient and effective intake process in an accommodating new facility.

Indignities clients suffered at the intake center of the past were numerous. Over 150 families slept in the Emergency Assistance Unit each . Domestic violence victims were not afforded any privacy, forced to recount their traumatic stories in front of an audience. Children slept on benches, the floor and chairs, waiting days for services. The doctor's office lacked even a sink to wash up between patients. Brown paper peeled from windows, blocking light in a half-hearted attempt to maintain client confidentiality. When Gail Nayowitz, one of three court-appointed special masters who recommended that the facility be leveled, described the conditions of the EAU, she called it "probably one of the most disturbing places on Earth."

Today, we see an entirely different atmosphere in our PATH intake center, which replaced the EAU in November, 2004. Zero families are forced to wait overnight in uncomfortable conditions while in search of shelter. In 2003, intake process time was roughly 20 hours per family over the course of several days. Today, the application process takes six to eight hours with families obtaining placement the same day. Recognizing the complex needs of families applying for shelter at PATH, domestic violence staff has increased threefold, ACS staff has quadrupled and diversion staff has doubled from the old days of the EAU. Intensive support and services are available to clients throughout the application process, and there are multiple safeguards like fair hearings in place to ensure thorough and fair review of a client's application for shelter.

The City transformed the family system into one that treats clients with respect and dignity. In 2003, a court-appointed Special Master Panel was formed to study our family system and make recommendations. The panel spent two years looking at all aspects of family services. DHS took the Special Master Panel recommendations seriously, and today has successfully implemented each and every one. We literally tore down the defunct system of the past the day the EAU was demolished. And I am happy to announce that the first phase of construction on our new family intake center will begin by the fall of 2008. A state of the art facility will build on our success, further enhancing our ability to serve clients. There can be no doubt that entry to the shelter system has been fundamentally changed.

A Home of Their Own

When Mayor Bloomberg first came to office, homeless placement in New York was burdened under bureaucratic red tape. Section 8 vouchers allotted for housing were going unused. Families languished in shelters for months or even years awaiting application approval. So the City took action.

First we revitalized our re-housing unit so that all available Section 8 vouchers were used to move people into homes. In order to better assist clients seeking permanent housing, we put

housing specialists in shelters to work with client to help them search for and secure homes. DHS implemented a Performance Incentive Program for providers, including rewards for high placement rates and disincentives for not moving clients from shelter to housing. We also focused on client responsibility, showing clients that moving into permanent housing was not an option, but a requirement, and everyone able had a responsibility to help achieve it. Combined, these efforts served to break the housing log-jam.

Federal support waned, however, and families were abusing the shelter system as a gateway to Section 8. So we decided to create something truly revolutionary. Housing Stability Plus became the premier rental subsidy offered to clients throughout the country. In fact, HSP moved close to 9,000 people from shelter into housing in the first two years. It was an innovative solution, resulting from the Mayor aggressively tackling the issue head-on, but over time it became clear that HSP was not working as effectively. The agency recognized that services must be as individual as our clients. In order to accommodate the many needs that clients were experiencing, we created a dynamic new subsidy program.

Last year, DHS launched Advantage New York, the most generous municipal rental assistance program in the nation. To date, more than 6,000 families and individuals signed leases thanks to Advantage.

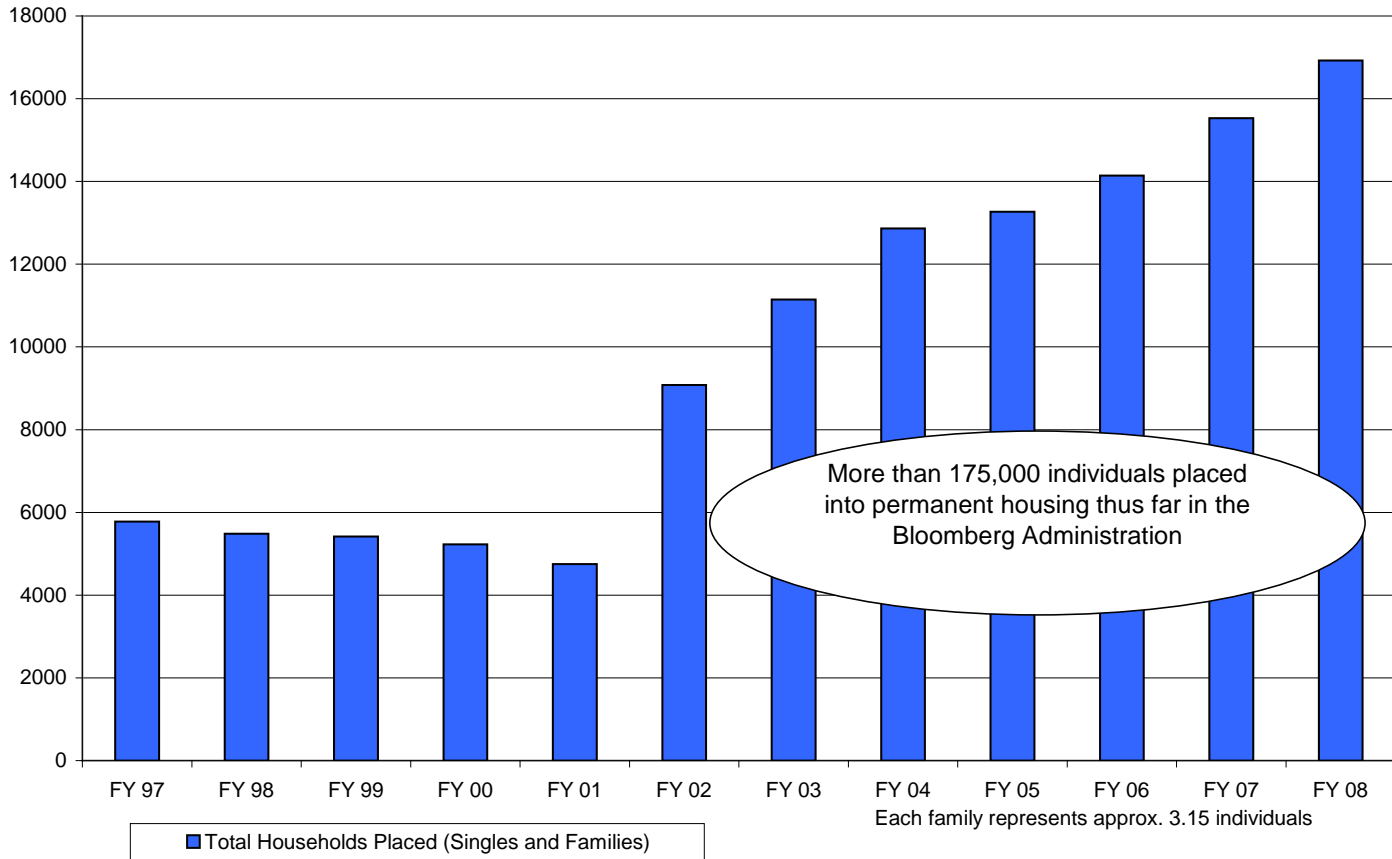
Families and individuals involved in Work Advantage are seeing their lives take shape and stability achieved. Of those continuing with the program, 88 percent remain employed, working an average of 35 hours per week. Nine out of 10 are paying a \$50 rent contribution, and two-thirds have established bank accounts. Perhaps the most innovative aspect of Advantage is its built-in savings component that helps clients prepare for a successful transition. The City matches up to \$250 of each month's rent in savings to create a "rainy day fund" for clients. The average family's savings over the first year is \$500. We all have moments in our lives when times get tough and we stumble, but by working with these families to develop resources, we hope we can prevent a fall. In April, 2007, the Daily News quoted an advocate as saying, "this new program threatens to create a revolving door back into shelter." I am pleased to tell you that statement is completely false. As of June, 2008, not one Advantage NY family had returned to shelter.

In April, I had the opportunity to talk with Iris, a former client at the HELP shelter in Brooklyn. She and her family ended up in shelter shortly after Iris became pregnant with her second child. After her husband qualified for Work Advantage, Iris' family started saving and with the assistance of a DHS housing specialist was able to find a new apartment to call their own. Iris, her husband and their beautiful sons are now enjoying their new home.

These cases are becoming increasingly common. Since the first of this year, DHS has been averaging 111 lease signings a week under the Advantage program. That's one lease signing every 19 minutes of the business week.

Moving clients to housing is no small challenge. At no point, though, did the Mayor ever walk away from this situation. He used our lessons learned to continue to build and evolve programs, using Section 8 and HSP as stepping stones to the success of Advantage.

**Total Households Placed into Permanent Housing
FY 1997 - FY 2008**



Challenges

Despite the many successes I have outlined so far, New York City continues to face many challenges in its efforts to serve the homeless population and those at risk of homelessness. To be most effective, we believe that full control of the shelter system should be given back to the City and its nonprofit partners. Our ability to run our intake and eligibility process for homeless families has been handcuffed for far too long by endless litigation. The McCain lawsuit has continued through four mayoral administrations, and has left oversight of our family shelter system in the hands of a judge and special interest advocates, rather than the elected Mayor.

In February 2006, a year after the court-appointed Special Master Panel unanimously recommended that the litigation should end; the City filed a motion to dismiss the case on grounds that the family shelter system of yesteryear is no more. Nearly two years after that motion and the City’s production of over a quarter million pages in discovery documents, the Court denied Legal Aid’s motion to compel production of additional documents and directed Legal Aid to commence deposition discovery.

This Spring marked the passage of three years since the distinguished members of the Special Master Panel rendered their final report, unanimously concluding that “after 22 years of system-

wide litigation involving homeless families with children, the City of New York has earned the opportunity to go forward into a new era,” free of judicial oversight. Last month marked the 25th anniversary of McCain. During this Administration, the City has demonstrated not only its ability to effectuate enormous change in the family shelter system, but also, its commitment to further improve and expand its services to homeless families and families at risk of entering shelter. It is therefore time for this exhaustive litigation to end and for the City — not plaintiffs’ counsel and not the courts — to determine how to best provide shelter to homeless families, assist them in obtaining a home of their own, and prevent homelessness in the first place. We have proven time and again that we have an enduring commitment to our clients and that, free from the constraints of litigation and judicial oversight, we will make this unique system an even more remarkable resource for homeless New Yorkers.

The Future

Our efforts have led, for the first time in this administration, to a decline in every part of the shelter system. Most remarkably, in the past year the number of adult families sleeping in shelter on an average night dropped by 19 percent. From October , 2007, to August , 2008, families with children sleeping in shelter decreased by five percent. Over the last four years, we have seen the largest decline in shelter census among single adults. We have decreased the number of adults living in shelter by 21% percent from 8,423 in August 2004 to 6643 in August 2008. Street homelessness is down 25 percent.

As we tackle the homeless issue head on, the lessons learned along the way have created a framework that will serve as a blueprint for future success. We have come a long way from the system of yesterday. There is no question in my mind that today’s New York City homeless system is one that will have a lasting impact on future administrations, but more importantly, it will have a lasting impact on New Yorkers like Iris and Thomas who now have a home of their own.

I would be happy to take questions from the Council.