



*City Council Hearing  
General Welfare Committee  
“Oversight: DHS’ Procedures for Locating Transitional Housing for the Homeless.”  
Int. 79/2010  
Thursday, June 10, 2010*

## INTRODUCTION

Good morning Chair Palma and members of the General Welfare Committee. I’m Seth Diamond, Commissioner of the Department of Homeless Services. Thank you for the opportunity to testify about the procedures that DHS follows as we locate transitional housing for homeless New Yorkers. As you will see, our process includes community notification and other efforts to ensure that all of our shelters and any sites we may open in the future act as responsible and respectful neighbors in their particular communities.

## THE CITY’S LEGAL AND MORAL MANDATE

At the outset, it is important to emphasize that in the City of New York, homeless individuals and families who lack available housing have a right to shelter. The City is mandated by law and court order to provide short-term, emergency housing to every homeless family or individual who is eligible for our services. Finding shelter for every man, woman and child who needs it remains a policy priority for this Administration, and I am very proud of my agency’s success in meeting this legal and moral mandate.

This past Tuesday night, DHS housed 35,686 individuals, including 14,622 children, in 206 transitional housing sites across five boroughs. On Tuesday alone, 182 families with children and 75 single adults sought shelter through the agency’s intake centers. Although this demand poses immense challenges, New York City successfully shelters homeless families and individuals seven days a week, 365 days a year.

Among the many challenges we face is ensuring that we comply with a complex set of federal, state and local laws and regulations. Under state and local law, DHS must place families with children in shelter pending investigation of applications for temporary housing assistance. As a practical matter, this means that the agency must shelter families the very same day they apply. DHS faces similar legal mandates with respect to homeless individuals facing a housing crisis.

At times, we must meet these legal and moral challenges in the face of community opposition sparked by pre-conceived notions about homeless families and individuals that pre-date all of us here today. Fortunately, however, in DHS’ 17-year history, such instances of “not in my backyard” have been few, and we have opened up hundreds of facilities without significant challenge. This is a testament to the procedures DHS employs in its siting of temporary, emergency housing, a process which considers community concerns to the greatest extent possible. Our success is also a testament to the generosity and compassion of you and your fellow New Yorkers.



Another significant challenge DHS faces is meeting fluctuations in shelter demand caused by economic and other factors outside the agency's control. While we engage in capacity management planning on an ongoing basis, projecting shelter demand is not an exact science. I don't think any of us could have predicted the severity of the economic recession that first gripped the nation, including New York City, in fiscal years 2009 and 2010. As a result, we encountered a 17 percent increase in the number of families with children entering shelter in FY 2010 to date, as compared to the same period last year. We also experienced a 12 percent increase in our single adult shelter peak census in the winter of 2010 as compared to the winter of 2009. Nevertheless, because of the dedication and hard work of DHS staff and our many shelter providers, last month marked the seventh straight month of decline in the family shelter census.

## **THE OPEN-ENDED RFP PROCESS AND DEVELOPMENT OF NEW CAPACITY**

It is precisely because of the inevitable fluctuations in shelter demand that DHS must maintain its ability to expand and contract shelter capacity as needed. This practice is also essential in order to balance shelter demand against our fiscal responsibility to avoid undue cost to the City. Although we have placed record numbers of homeless families with children into permanent housing from January 2009 through March 2010 — 10,725 families totaling approximately 32,175 individuals — we often must open new shelters as a temporary refuge for New Yorkers who literally have no other place to go. DHS accomplishes this through an Open-Ended Request for Proposals (or RFP) process through which predominately non-profit organizations offer their services as long-term shelter operators.

As the RFP is "open-ended," DHS does not prescribe due dates for submissions. This means that proposals from prospective providers may be submitted at any time, and we review all proposals as they are received. Based on capacity needs and whether or not the proposal meets the RFP criteria, DHS may select or reject a particular proposal. Locating suitable shelters is also driven in part by what proposals are submitted to us, when they are submitted, and what the level of shelter demand is at the time of a proposal's submission. It is the rare instance that, at any given moment in time, we are able to select and pursue one of several proposals, all of which are suitable for a given homeless population. Upon the agency's selection of a provider, DHS commences the contracting process, which ends with the New York City Comptroller's registration of an executed contract between DHS and the provider. Under the RFP, the operator would provide a significant level of services beyond simply providing a private living space or unit. The procurement process, which optimally takes seven to nine months assuming there are no delays beyond DHS' control, entails review by other City or Mayoral agencies, including the Mayor's Office of Contracts, the Office of Management and Budget, the Department of Investigation and the Law Department. The procurement process also includes public review of the draft contract, including a public hearing, as well as analysis under the Fair Share Criteria promulgated pursuant to Section 203 of the City Charter.

Given our legal obligation to meet all eligible homeless families' *immediate* need for shelter, while pursuing contract negotiations and procurement procedures with proposed providers, DHS also seeks to bring on additional capacity by reviewing offers of buildings for their use as temporary shelter. If DHS determines that a building is suitable for use as a shelter, it enters into a per diem arrangement with the building's operator (i.e., the building owner or landlord) pursuant to which the operator receives a fee for shelter only in the form of a per diem rate per family. Operators of sites in use as per diem shelters may make arrangements with nonprofit entities to provide incidental services to the



homeless families residing there. While per diem payment arrangements are entirely legal, DHS believes that, as a matter of sound policy, the agency should continue to move toward establishing contracts for per diem facilities to the extent shelter demand, existing capacity, provider willingness and fiscal constraints allow. The agency has made significant progress toward this end. As of May 31, 2010, 1,659 family shelter per diem units targeted for conversion are now subject to contracts which are in various stages of the procurement process. These units together with the 6,258 units currently under contract — 7,917 units in total — constitute over two thirds, or 73.29 percent of all units within the shelter system for families with children and adult families. This percentage does not include our single adult shelters all of which are under contract.

## **FORMAL COMMUNITY NOTIFICATION PROCESS**

### **► Prospective Provider Notification**

Pursuant to DHS' Open-Ended RFP process, at the time a prospective provider submits to DHS a proposal to operate a homeless shelter site, the proposer must have submitted prior written notification to the Community Board (its Chair and District Manager) of intent to submit a proposal to DHS. As explicitly stated in the Open-Ended RFP, a signed copy of the letter on official organization letterhead and proof that the letter was received by the Community Board must accompany the proposal submitted to DHS. In its proposal the prospective provider must include an introductory paragraph stating that the proposer has submitted a proposal under the Open-Ended RFP process for review; the type of proposed site (e.g., Tier II family facilities, neighborhood-based cluster transitional residences for families with children, state-certified facilities for homeless single adults); the proposed capacity and the address. The prospective provider must also include either a request to meet with the Community Board to discuss the proposed program, or a summary of the presentation meeting that took place with the Community Board. We also require the proposer to include background information about its qualifications as a social services provider. The Open-Ended RFP also clearly states that Community Board notification is a minimum requirement, and DHS will deem proposers that fail to meet this requirement non-responsive and disqualify them.

Once the proposed provider completes the notification process to the Community Board, each individual Board has discretion over how it chooses to proceed. Sometimes a Community Board invites the provider to present its proposed program at a Board meeting and answer questions from their members about the proposed site. Other times, a Board will find the content provided in the notification sufficient and dispense with a meeting.

Upon submission of a proposal, and after community notification has been made in accordance with DHS' requirements in the Open-Ended RFP, the Agency's Chief Contracting Officer unit, or ACCO, begins the quality assurance review process to evaluate the proposal and see if it meets the requirements of the RFP. If all criteria are met, the ACCO submits the proposal to a three-member evaluation committee who reviews the proposal and scores it based on the qualification requirements of the RFP. If a proposal is given a passing score, the ACCO advances the process with a notice to proceed to the proposed provider. DHS and the proposer then enter into contract negotiations and if these negotiations prove successful, the contract proceeds through the other steps of the procurement process, ultimately leading to registration of an executed contract.



### ► **DHS Notification**

Upon completion of the notice to proceed, DHS distributes six notification letters of the proposal — one to each of the following officials: the Community Board District Manager, the Borough President, the appropriate members of the City Council, State Senate and Assembly, and the U.S. House of Representatives. In this notification, DHS informs the officials of the provider's proposal and also includes a copy of the letter from the proposer describing it. Throughout the procurement process, DHS is available to meet or speak with members of the Community Board or elected officials regarding proposed shelter sites or questions on siting.

There are two exceptions to the notification process that I just described: one concerns neighborhood-based cluster sites and the other concerns sites operated pursuant to a per diem arrangement. A cluster site is comprised of buildings in geographic proximity to each other under the operation of a single social services provider. Depending on the cluster, some of the units within a particular building are used to shelter homeless families, while units in another building are comprised of shelter clients and rent-paying tenants. Traditionally, in order to protect the confidentiality and privacy of homeless families residing in mixed-use buildings, DHS did not provide community notification in the manner I just described. As a result of community discussion about how the cluster model looked and functioned, and as we brought cluster sites under contract, the agency decided to apply our community notification process to mixed-use cluster buildings. In these types of buildings, where 50 percent or more of its units will shelter homeless families as contemplated under an RFP proposal or after more than 50 percent of a building's units are added pursuant to a registered contract, regular community notification takes place. This is a concrete example of DHS considering input from the community and adjusting its policies based on the feedback it receives.

In the case of shelters operated pursuant to per diem arrangements, to date, DHS has not adopted a formal notification process with respect to sites opened in order to meet an emergency need. We recognize concerns on both sides of the issue: DHS' concerns about providing notification where, for a variety of reasons, a contract may never come to fruition, as well as the community's concerns to know what is being contemplated and have their voices heard. The procurement process specifically provides for public review of the proposed contract, including a public hearing. In addition, the City Charter requires DHS to submit to the Community Board a fair share analysis in which the agency evaluates the site in accordance with fair share criteria specified in the Rules of the City of New York. Notwithstanding the absence of any legal requirement to provide community notification in the absence of a proposed written contract, DHS will reconsider this issue.

### ► **Community Advisory Boards**

Earlier, I alluded to the fact that DHS welcomes and encourages feedback on new shelter sites outside of and as a compliment to our formal notification process. To this end, all DHS' contracts with its shelter providers require that the provider form a Community Advisory Board (CAB) comprised of shelter staff, residents, and representatives from the community to meet on a regular basis to address community issues arising from the facility's operation. Specifically, CABs assist us in identifying and addressing quality of life issues in the immediate area, including how security, loitering, and sanitation would be handled. In our experience, engaging interested members of the community in a CAB ensures input from the neighborhood and allows a forum for a constructive two-way dialogue to address any concerns that may arise.



A good example of DHS' commitment to Community Advisory Boards (CABs) is our Fort Washington shelter in Council Member Rodriguez's district. The CAB associated with Fort Washington is convened by the shelter operator, Project Renewal, and includes wide participation by residents of the surrounding neighborhood, the Community Board, DHS staff and leadership from the shelter. The meetings consist of a dialog among participants about the relationship between the shelter and the community and how Project Renewal and DHS can minimize the shelter's impact on its neighbors. From DHS' perspective, the community feedback and active participation by interested neighbors have significantly improved the operation of this shelter.

Recently, Council Members Palma and Arroyo have been involved in the CAB that the agency set up prior to completion of construction of our new intake center for families with children in the Bronx. We started meeting with this group while the facility was still in the development phase and have found the discussion to be beneficial to the local businesses, elected officials and other community members in addressing some of their early concerns during construction.

### **SUCCESSFUL BALANCING OF COMPETING CONCERNS**

Frequently, we are asked why shelters are located in particular boroughs or neighborhoods. I already have explained how various factors including legal mandates, emergency need to meet increased demand, when and what kind of proposals are submitted to us at any given point in time, and fair share analysis, affect where DHS locates shelter facilities. Given the pressure we are under to meet the emergency shelter needs of thousands of homeless New Yorkers and the significant challenges we face in meeting this urgent demand, DHS does an extraordinary job in balancing competing concerns in locating suitable shelter sites. To visually demonstrate our success in keeping families with children who enter shelter as close to their original neighborhoods and communities as possible, you will find maps at the end of my written testimony that reflect how family shelters are located proportionally in the boroughs where families entering shelter originate.

As a matter of sound public policy and good social work practice, we also strive to minimize the traumatic disruption to homeless families' lives by making every effort to place them in their borough of origin so that parents and children are not uprooted from their schools, community supports, and daily routines. In April 2010, we had 7,897 school-aged children in shelter and we successfully placed 88 percent of families in the same borough as the youngest child's school. This means that many families with children are placed in shelters near their own communities. Moreover, according to the New York City Department of Education, two-thirds of the City's homeless children remain in their school of origin.

In the case of homeless single adults, upon their entry into the adults services system, we first assess their needs to determine what type of shelter offers programs that best meet each client's individual needs whether it be a shelter for employed or employable individuals, facilities for mentally ill men or women, or transitional residences for persons with substance abuse issues. Here again, we are not mandated to provide such individualized shelter programs, but we do so out of our commitment to doing what will best assist homeless New Yorkers to move out of shelter and into permanent housing.

## CONCLUSION

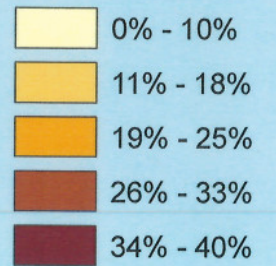
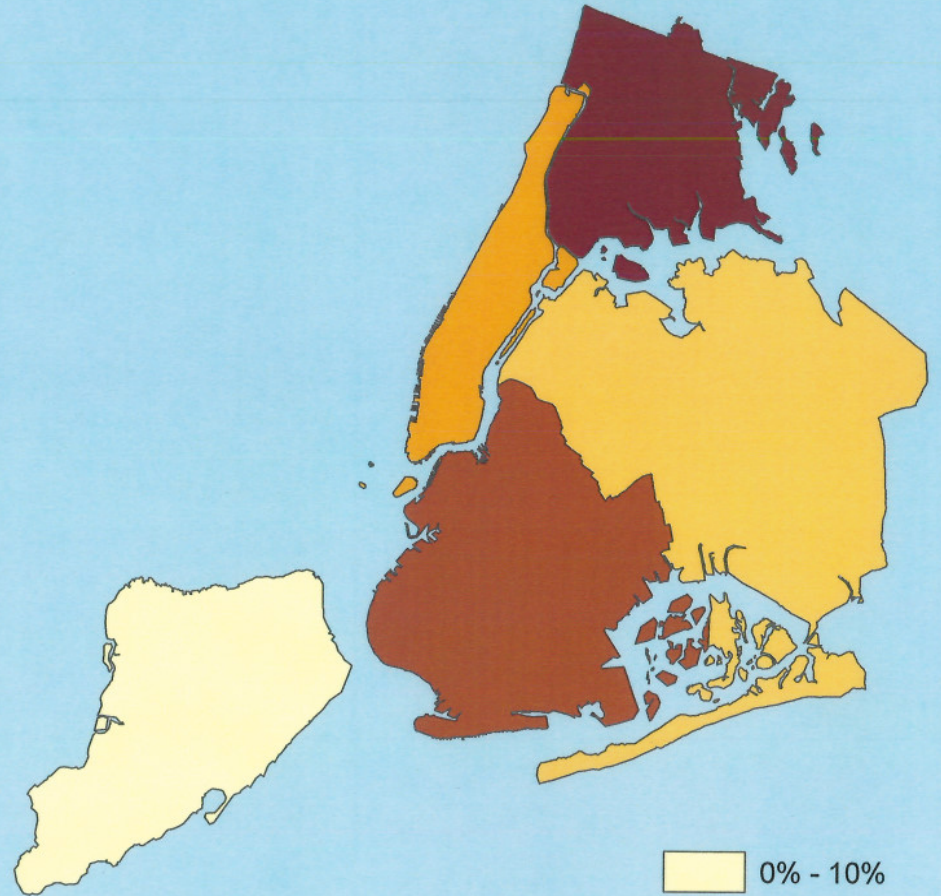
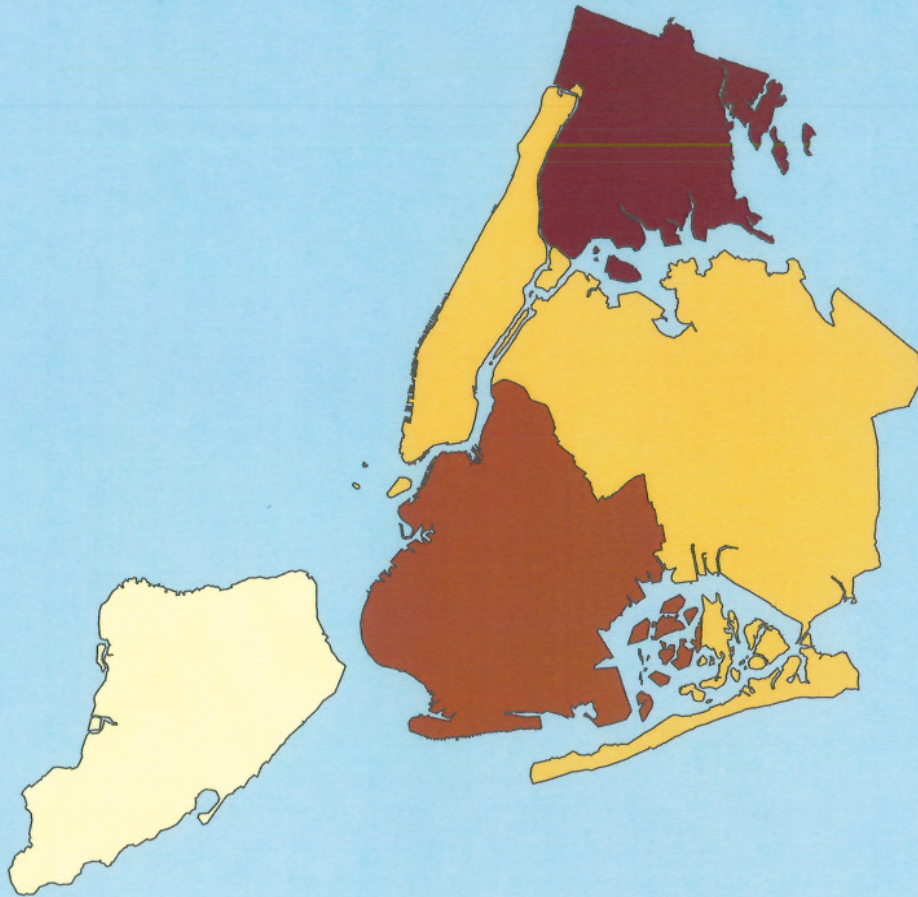
Opening shelters is neither an easy nor popular process but the Department of Homeless Services and its shelter providers strive to be good neighbors. We are always available to meet with Community Boards to discuss ways in which our notification process can be improved or to address particular issues of concern. Just this past March, Chair Palma participated in our meeting with the Bronx leadership team and all 12 Community Boards to address our efforts and pool our resources to reach a consensus on community expectations around locating shelters sites and community notification, while at the same time meeting the needs of homeless families and single adults. As an agency, we have thorough notification procedures. I hope the Council and DHS can continue to work together to educate our communities about the issue of homelessness and bridge the communities' concerns about shelters located in their neighborhoods. I'd be happy to take any questions you may have.



# Family Shelter Entrants Origin Compared to Unit Location

ENTRANTS

UNITS



0

5

10

20

30

40 Miles