Testimony of

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Before the

New York City Council
General Welfare Committee

Oversight Hearing:

Examining the Use of Cluster Sites as Temporary Shelter for the Homeless

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Good morning. My name is Caroline Nagy and I am the Policy Associate for Housing and Homelessness at Citizens' Committee for Children of New York (CCC). CCC is a 70-year-old independent, multi-issue child advocacy organization dedicated to ensuring that every New York child is healthy, housed, educated and safe. I would like to thank Chair Annabel Palma and the members of the General Welfare Committee for holding this hearing today on the use of cluster sites as temporary shelter for the homeless.

Family homelessness has reached crisis levels in New York City, with over 10,000 families, including over 21,000 children, living in the municipal family shelter system.[1] Due to the rapidly increasing number of homeless families, New York City has greatly expanded its use of cluster site shelters over the last several years, from 1,824 cluster shelter units in Fiscal Year 2011,[2] to over 2,500 cluster shelter units today.[3] CCC is extremely concerned about New York City's current record number of homeless families, as well as the City's increased reliance on cluster site shelters to house them.

Experiencing homelessness is extremely disruptive to the lives of children, separating them from their homes, friends, schools, and broader communities and negatively impacting their physical and mental health. Today, as I testify before you, there are 10,517 families living in the DHS shelter system, including 21,870 children.[4] This represents a 49 percent increase over the average number of children living in homeless shelters in Fiscal Year 2011, which was 14,701.[5] In addition to the record numbers of homeless children, families with children are sleeping in shelters for increasingly longer periods of time: the average length of stay for families was 410 days in August 2013,[6] as compared to 260 days in Fiscal Year 2011,[7] a 58 percent increase.

The expansion of cluster shelters is an unfortunate result of New York City's record homelessness. Creating new cluster shelters is an inefficient response to the City's increase in homelessness because it does not confront the underlying reasons behind the crisis, which is the high cost of housing in New York City relative to what low-income families can afford, and the lack of programs to assist homeless families in their moves out of the shelter system. These cluster sites also come at a high expense to the City, costing over $3,000 per month per unit, which is significantly more than the $1,000 it would cost to provide a housing subsidy for a homeless family.

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[1] New York City Department of Homeless Services, Daily Census. Oct. 3, 2013
[2] New York City Department of Homeless Services, Critical Activities Report, Families with Children Services, Fiscal Year 2011. Available at: http://www.nyc.gov/html/dhs/downloads/pdf/familyfy11.pdf
[3] Cindy Rodriguez, WNYC News, To Create Housing for Homeless, Landlords Evict Paying Tenants, Aug. 12, 2013. Available at: http://www.wnyc.org/story/311609-homeless-more-lucrative-landlords-their-own-paying-tenants/
[4] New York City Department of Homeless Services, Daily Census. Oct. 8, 2013.
[5] New York City Department of Homeless Services, Fiscal Year 2011 Critical Activities Report. Available at: http://www.nyc.gov/html/dhs/downloads/pdf/familyfy11.pdf
[6] New York City Mayor's Office of Operations, CPR Agency Performance Reporting: Department of Homeless Services. http://www.nyc.gov/html/ops/cpr/html/home/home.shtml, last visited Oct. 4, 2013.
[7] New York City Department of Homeless Services, Fiscal Year 2011 Critical Activities Report. Available at: http://www.nyc.gov/html/dhs/downloads/pdf/familyfy11.pdf

Additionally, cluster site shelters provide less access to services that would help families move out of shelter faster. Unlike in conventional, Tier II shelters, which generally provide services such as case management and housing search assistance onsite, families in cluster shelters often must obtain services offsite. This can pose barriers to homeless families, especially for those who work long or irregular hours, or who must accompany their children on long commutes to their schools.

Finally, CCC is concerned about the impact cluster shelters have on the City's affordable housing stock, as well as the health and safety conditions associated with some of the cluster site buildings. To create cluster site shelter units, the City contracts with private homeless service providers to obtain apartments, oversee maintenance by the landlords and provide services to the homeless tenants. Because the City can pay daily rates for cluster sites that exceed what rent-stabilized tenants would pay, expanding cluster shelters can lead to the loss of affordable, rent-stabilized units, exacerbating New York City's housing affordability crisis. The demand for cluster shelters creates negative incentives for building owners to displace rent-stabilized tenants in order to convert their apartments into cluster shelter units, leading to accusations of tenant harassment.[8] Also troubling are reports of health and safety violations at some cluster site buildings, including mice, bed bugs, broken elevators, a lack of heat and hot water, and violations of fire safety laws.[9]

Recommendations:
With New York City homelessness at an all-time high, the best measure to counteract the expansion of cluster site shelters is to reduce the number of homeless families. It is imperative that the Mayor, the Department of Homeless Services, the City Council and the New York State government come together and take immediate steps to address this crisis. CCC respectfully submits the following recommendations:

1. **Invest in homelessness prevention:**
One of the best ways to reduce the number of families in the shelter system, and eliminate the trauma shelter causes for children, is to prevent families from becoming homeless in the first place. Current preventive services in New York City include the Department of Homeless Services' HomeBase program, the FEPS rent subsidy for public assistance recipients, HRA One-Shot deals, civil legal services and other innovative program at nonprofits working with residents of some of the most at-risk neighborhoods in the city. CCC has long advocated for increased funding for current homelessness prevention programs to improve their capacity to meet the need for services. These

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[8] See, e.g. Cindy Rodriguez, WNYC News, To Create Housing for Homeless, Landlords Evict Paying Tenants, Aug. 12, 2013. Available at: http://www.wnyc.org/story/311609-homeless-more-lucrative-landlords-their-own-paying-tenants/; Joseph Berger, New York Times, For Some Landlords, Real Money in the Homeless, Feb. 8, 2013. Available at: http://www.nytimes.com/2013/02/09/nyregion/for-some-landlords-real-money-in-the-homeless.html; Patrick Wall, DNAinfo, City Sends More Homeless Families to Shelters Inside Apartment Buildings, Jan. 8, 2013. Available at: http://www.dnainfo.com/new-york/20130108/new-york-city/city-sends-more-homeless-families-shelters-inside-apartment-buildings; Julie Bosman, New York Times, Tenants Wary of Clustering of Homeless, March 3, 2009. Available at: http://www.nytimes.com/2009/03/04/nyregion/04homeless.html
[9] *Id.*

essential, cost-effective programs must be supported with sufficient funding through City and State funding streams.

2. Create a rent subsidy program for homeless families

More than two years after the end of the Advantage program, New York City still has no large-scale program to provide rental subsidies to families exiting the shelter system, leaving shelter providers and families struggling to find alternate routes out of shelter. Without a housing subsidy, it is extremely difficult for low-income families to find suitable housing on their own, and as a result too many families are getting stuck in shelter for dramatically increased periods of time. Additionally, there are concerns that the families who do move out of DHS shelters are moving into unstable situations that may not be tenable in the long term, and may, in fact lead to repeat episodes of homelessness.

In order to better support families in their move from shelter to permanent housing, CCC urges the Council and Mayor's Office (be it this Administration or the next) to work with the State government to create a new housing subsidy program for homeless families. While housing subsidy programs may seem expensive, they are more cost-effective than shelter: the cost of shelter is \$3,200 per month[10] compared to the cost of a rental subsidy, which would be approximately \$1,000 per month.

3. Prioritize housing resources for homeless families:

Given the number of families living in DHS shelters, it is necessary to use all resources available to provide permanent, affordable housing for homeless families. This includes granting homeless families prioritized access to NYCHA public housing units and Section 8 Housing Choice Vouchers, prioritizing homeless families for access to new affordable housing units, and increasing the supply of supportive housing.

4. Ensure that families in cluster shelters have sufficient access to social services.

When the use of cluster sites cannot be avoided, the City should work with social service providers to ensure that case management, housing assistance, and other essential services can be obtained at locations that are easily accessible from the cluster units, at hours that can accommodate families' schedules.

5. Ensure that tenants are not displaced in any new cluster site facilities and that building owners respond promptly to repair needs.

The City must refuse to locate cluster site shelters in units made vacant through the harassment of tenants, and must ensure that building owners are held accountable for any health and safety violations at all shelter locations. Unsafe housing conditions are unacceptable for any New York City family, regardless of their situation, but are especially egregious in City-contracted facilities.

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[10] According to the Homebase Evaluation, DHS spends on average \$105.08 per night of shelter per family. Abt Associates, Final Report: Evaluation of the Homebase Community Prevention Program, June 6, 2013, at 14.

6. Enhance reporting on the use and extent of cluster site shelters:

The City previously reported the number of cluster site shelters and units in the Department of Homeless Services Critical Activities Report, which was available to the public online. The Critical Activities Report was discontinued following the end of Fiscal Year 2011, and today, while DHS data can be found online in a variety of sources,[11] none of these reports provide information on the number of cluster site shelters, the number of units, their location, or the affiliated service provider. CCC believes this information is of vital public interest and should be included among the data DHS regularly releases to the public.

In conclusion, CCC looks forward to working with the City to continue to support solutions for ending family homelessness in New York City. Thank you for this opportunity to testify. CCC appreciates the City Council's interest in this very critical issue.

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[11] These include the DHS Data Dashboard, available at:
http://www.nyc.gov/html/dhs/downloads/pdf/dhs_data_dashboard_charts_fy_2013.pdf; the Mayor's Management Report, available at: http://www.nyc.gov/html/ops/html/data/mmr.shtml; Local Law 37 Reports, available at: http://home.nyc.gov/html/ops/nycstat/html/reports/reports.shtml; and the Citywide Performance Report, available at: http://www.nyc.gov/html/ops/cpr/html/home/home.shtml