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False Start – Fresh Promise

Homeless service providers advocate reform of New York City's Housing Stability Plus program

Executive Summary

To read our full report please visit www.hsunited.org

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Homeless Services United (formerly the Council on Homeless Polices and Services) is a coalition of sixty nonprofit agencies serving homeless and at-risk families and single adults throughout the five boroughs of New York City. Our membership includes nearly eighty percent of the nonprofit shelters serving homeless adults and families under contract with the New York City Department of Homeless Services.

Executive Summary

In November 2004, over 9,000 homeless families and 8,600 homeless single adults slept each night in New York City's sprawling shelter system. Across the city, rents were out of reach for low-income households and tens of thousands of New Yorkers turned to emergency shelters. Due to cuts at the federal level, the city could no longer rely on the Section 8 program as the principal source of rental assistance for families exiting shelter. At this time, Mayor Michael Bloomberg announced a major change in housing policy and worked with the state to create a new, time-limited subsidy program to help homeless households leave shelter and return to the community. That program, Housing Stability Plus (HSP), uses a combination of city, state, and federal funds to help people to afford rent. The HSP program varies in several significant and controversial ways from the federal Section 8 program, which was previously the primary affordable housing resource available to New York City's homeless families.

As the HSP program neared its first full year of operation, Homeless Services United undertook a survey of our members to assess the strengths and limitations of the city's new rent supplement program. Our study found that though HSP offers homeless families on public assistance relatively rapid access to housing assistance, significant reforms to the program are necessary in order to ensure that the promise of housing stability for thousands of New York City's homeless children and adults does not go unfulfilled.

Key findings from our survey include:

The certification process for HSP is usually faster than that of other housing supports available in the past. Though, faster certification for HSP does not necessarily result in faster placement. Nearly two-thirds of respondent shelters reported that they have placed fewer families in permanent housing since the onset of HSP.

Shelters reported frequently being unable to locate HSP apartments of adequate size at authorized maximum rent levels and being unable to find landlords willing to participate in the program. The majority of programs reported that HSP apartments are usually in worse condition than those available through other subsidies. The majority of programs also reported that clients usually move into HSP apartments with three or more people to a bedroom.

Homeless families are often ineligible for HSP because a family member is working and earning too much income to receive public assistance and consequently HSP or because a family member has been sanctioned by public assistance or has had their case closed. A significant number of HSP households receive a reduced rent benefit because at least one family member is ineligible for public assistance.

Landlord requests for illegal side payments in excess of the maximum authorized HSP rent are common.

Clients placed in HSP apartments face significant barriers to employment.

The vast majority of single adult shelter residents residing at respondent programs were ineligible for HSP. The most commonly reported reasons why single adults are ineligible for HSP are because they have not resided in shelters long enough or they are receiving social security benefits.

The city's approach to HSP placements is different for homeless single adults and homeless families. While all eligible families are required to leave shelter using the program unless they have other resources to help them leave, the city approves applications only for single adults who seem likely to succeed given the program design. Over one-third of respondents reported that DHS had rejected applications they submitted for eligible single adult residents. More than three-fourths reported that they did not submit applications for eligible single adult residents that they believed would be rejected. The most common reasons why agencies did not submit HSP applications for single adults were because clients were seriously and persistently mentally ill, clients were using substances, or clients had poor employment prospects.

Reforming the HSP program

The challenges of helping poor households to compete in New York City's difficult housing market are extraordinary and based upon the findings of our study and a review of previous research and administrative data, we recommend reforms to the HSP program including:

Increasing HSP rents and strengthening quality assurance procedures

Rents for the HSP program are significantly below the Fair Market Rent (FMR) established by the federal Department of Housing and Urban Development. The maximum monthly HSP rent for a family of two is 23 percent or \$249 lower than the 2007 proposed Fair Market Rent for a one bedroom apartment. HSP rents have not been adjusted since the program was initiated. During this time, FMR increased by as much as 16 percent. This leads to difficulties finding landlords willing to rent apartments through the HSP program, HSP apartments that present serious health and safety risks, and overcrowding. To increase the stock of safe apartments available for rent through the program, rents should be increased, quality assurance standards for apartments should be strengthened, and occupancy standards should be established.

Encouraging recipients of housing assistance to work

HSP does not encourage self-sufficiency. Though the rent supplement decreases by 20 percent each year and is eliminated after five years, recipients must maintain an active public assistance (PA) case to keep receiving rental assistance. This creates a serious disincentive to obtain well paid employment. Those who are working while in shelter are often not eligible for HSP and face a choice between keeping their job and finding a permanent home. To encourage maximum self-sufficiency the HSP rent supplement should continue for those who leave PA for work and affordable housing options should be available to those who are already working when they leave shelter.

Providing support to those who are unable to work

A large portion of households currently receiving public assistance are unable to work because they are children, are elderly, or are disabled. Despite city data that show that about 40 percent of public assistance recipients are unable to work, all HSP households must earn income to offset the annual rent benefit reduction regardless of whether the only adult is disabled or elderly. For some HSP households, the only potential wage earner has been determined by the federal government to be disabled and unable to work. To minimize the number of households who will be unable to maintain their HSP apartments and the number who will be forced to return to shelters, the annual step-down and time limit should be eliminated for children, the elderly, and the disabled.

Expanding affordable housing options for families ineligible for HSP

Leading studies in the field have demonstrated that housing subsidies are the most effective tool for preventing a return to homelessness for families exiting shelters. Yet, subsidized housing is a scarce commodity in New York City, and shelters currently have limited tools to reconnect families ineligible for HSP to affordable permanent housing. To avoid long shelter stays, placements in unstable, unsubsidized housing, and/or the placement of families that do not have potential wage earners in HSP apartments, we urge the city and state to develop additional affordable options for families who are ineligible for HSP, but have inadequate income to afford housing on the private market.

To read more about the results of our study and about these and other recommendations for strengthening the Housing Stability Plus program please visit www.hsunited.org.

Acknowledgements

Homeless Services United wishes to express our deepest gratitude to the following individuals and organizations whose experience, knowledge, and commitment to improving the lives of homeless people were invaluable to the development of this paper:

Lauren Bholai-Pareti
Susan Cahill
Steven Grimaldi
Autumn Hurst
Colleen Jackson
Joan McAllister
Fred Shack
Heather Shangold

And all of our member agencies who participated in this project.

Homeless Services United (formerly the Council on Homeless Policies and Services) is a coalition of nonprofit agencies serving homeless and at-risk adults and families throughout New York City. HSU provides advocacy, information, and training to member agencies to expand their capacity to deliver high-quality services. HSU advocates for expansion of affordable housing and prevention services and for immediate access to safe, decent, emergency and transitional housing, outreach and drop-in services for homeless New Yorkers. Homeless Services United promotes effective solutions to end the crisis of homelessness in New York City. Please visit us at www.hsunited.org.