



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
SCOTT M. STRINGER

December 6, 2016

Steven Banks
Commissioner
NYC Human Resources Administration
Department of Social Services
150 Greenwich Street, 40th Fl.
New York, NY 10007

Re: November 25, 2016 Emergency Declaration Request

Dear Commissioner Banks:

I write in response to the two emergency declaration requests you submitted to my office on November 25, 2016, one for shelter capacity for single adults and the other for shelter capacity for families with children and adult families. Both requests seek to not only extend prior approvals granted by my office to procure shelter units on an emergency basis, but also to substantially increase the capacity requested. Given the need to ensure that no resident goes without shelter, I have approved these requests. However, I must also express my deep misgivings about the type of shelter capacity these declarations requested, and what appears to be limited progress towards the Administration's stated goals and commitments around ending reliance on commercial hotels and ceasing the use of cluster housing.

Commercial Hotels

After the tragic murder of a young mother and two of her children at a Staten Island hotel being used as a homeless shelter in February, Mayor de Blasio pledged to phase out the use of commercial hotels for shelter as quickly as possible. The Administration reaffirmed that commitment in its April 11, 2016 Review of Homeless Service Agencies and Programs.

Consequently, I am deeply troubled that the November 25, 2016 emergency declarations submitted to my office request an unprecedented approval for 2,629 shelter units for families with children, 225 shelter units for adult families, and 1,075 shelter beds for single adults, *exclusively in commercial hotels*, at a cost of \$217,641,069. While my office has previously approved emergency declaration requests for both populations, the November 25, 2016 emergency declaration requests will add hundreds of additional commercial hotel rooms to the shelter system for families with children, and more than double the number of commercial hotels beds being used for single adults.

This is a dramatic increase in capacity, and notably, the first time the Department of Homeless Services (DHS) has requested capacity exclusively in commercial hotels.



The increasing utilization of commercial hotels to house individuals and families experiencing homelessness is concerning for a number of reasons:

1. Security – The February 2016 murders in Staten Island made the security risks associated with using commercial hotels as shelters painfully apparent. Two days after the murders, Mayor de Blasio pledged to offer security services to all commercial hotels housing homeless individuals and families. However, there has been no transparency around whether these services were in fact offered to all hotels, what the services consist of, whether all hotels accepted the services, and if not, whether DHS ceased use of any hotels as a result.
2. Conditions – Commercial hotels, designed for brief stays, not permanent residency, do not provide suitable accommodation for persons facing homelessness, particularly families with children. Hotel rooms lack kitchens, leaving homeless families with children unable to shop and cook for themselves, making it more challenging to keep fresh and healthy food available and increasing the cost of food purchases. Further, hotel rooms do not offer the privacy that an apartment with more than one room may offer, creating additional challenges for families, especially large families with multiple children.
3. Services – While DHS contracts with service providers to offer services to families staying in hotels, these are often less robust than the services that a Tier II shelter offers, such as on-site child care. An investigation released by my office on October 26, 2016 found that none of the commercial hotel shelters included in the investigation provided child care options for families.
4. School Access – According to a recent Independent Budget Office (IBO) report, staffing and resources at the Department of Education’s Students in Temporary Housing unit has not kept pace with the increase in shelters for families with school-aged children that have opened, and that families placed in cluster sites and commercial hotels have been particularly difficult to reach. Additionally, although federal law requires that students entering the shelter system can continue to attend their “school of origin,” DHS has struggled to place families near their youngest school-aged child’s school. The agency was able to do so in only 55 percent of cases in Fiscal Year 2016, down from 84 percent in Fiscal Year 2010.
5. Cost – The cost of sheltering families in commercial hotels is astronomically higher than all other types of shelter used by DHS. A recent DHS analysis provided to my office found the following average costs per family associated with different types of shelter contracts:
 - Cluster – \$2,740 per month or \$32,880 annually
 - Family hotel – \$2,850 per month or \$34,200 annually
 - Tier II – \$3,540 per month or \$42,480 annually
 - Commercial hotels – \$6,570 per month or \$78,840 annually

The high cost of commercial hotels is all the more alarming considering that we are spending these funds on the least appropriate rooms with the fewest services in the shelter system.

Cluster Units

Cluster units have long been a problem within the Families With Children shelter system. In fact, according to the most recent DHS Shelter Repair Squad Scorecard, there were 13,847 open building violations at cluster sites not identified for closure in October 2016, the highest number of building violations in the shelter system. Many cluster buildings are owned by notoriously bad landlords with histories of tenant harassment and warehousing apartments, creating a situation where the City rewards bad actors with lucrative shelter contracts while simultaneously taking affordable housing units off the market.

Acknowledging these problems, in January 2016 Mayor de Blasio vowed to end the program within three years.

However, with the bulk of the first year of that three year period behind us, my office has only registered one contract that anticipates the closing of cluster units, accounting for 365 unit closures, and is aware of the closure of another 260 units run by a different provider. This leaves slightly more than two years for the Administration to find ways to close or convert the approximately 2,400 other units in the cluster program. Yet there are no metrics, timelines, or meaningful public reports about this effort, making it impossible to assess what progress is being made.

Managing the Homeless Crisis

The two emergency declarations recently sent to my office suggest that the Administration's policy decisions to end the use of commercial hotels and phase out the use of cluster units has run headfirst into the obligation to provide housing to the more than 60,000 homeless individuals living in our City. The inconsistencies between the Administration's stated policy goals and recent actions call into question whether the commitments to phase out the cluster program and end the practice of placing families in commercial hotel units will be met. In addition, if this year is consistent with recent experience, the coming winter will bring an uptick in the number of New Yorkers facing homelessness, putting even more pressure on the system.

Therefore, I request that you provide my office with a written statement addressing the following:

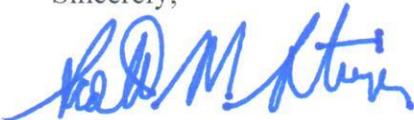
1. How the Administration plans to meet its goal of phasing out the use of cluster units by December 31, 2018 and whether or not it is on track to do so.
2. If the Administration's policy is still to end the use of commercial hotels through emergency contracts or any other contracts means, how that policy objective will be accomplished, including a projected date by which the City will no longer use commercial hotels and a plan describing the steps necessary to do so.

3. Whether security services have been offered to and accepted by every commercial hotel housing homeless families, what those security services consist of, and whether the City is still sheltering individuals or families at any hotels that declined security services.
4. How the Administration plans to increase the percentage of homeless families placed near their youngest school-aged child's school and provide adequate transportation to ensure that all children in shelter are able to arrive at school in a timely fashion.
5. Whether the Administration intends to require all DHS family shelters with on-site child care to obtain DOHMH licensure and whether these facilities have all been inspected for building and code violations since my October 26, 2016 investigation was released.
6. How the Administration plans to procure commercial hotel rooms beginning January 1, 2017 (after the emergency declaration expires), in the absence of a registered contract for these services.

Please provide all responses to my office by: December 23, 2016.

The obligation to house individuals and families facing homelessness extends to providing adequate shelter. Rectifying the high cost and low quality of services found at commercial hotels combined with the persistently poor conditions in cluster sites demands our full and immediate attention. I look forward to hearing from you.

Sincerely,



Scott M. Stringer
New York City Comptroller