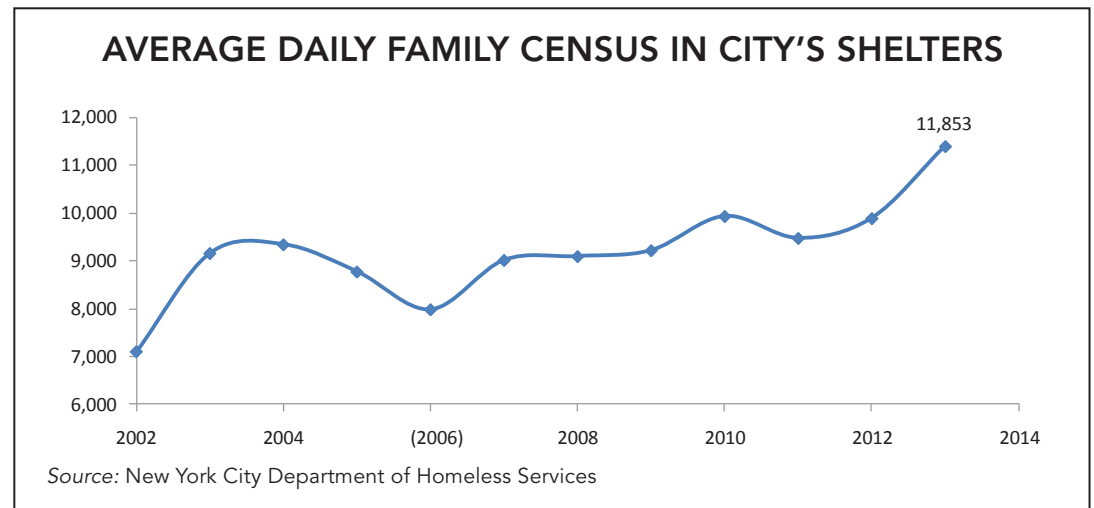


STRONG FAMILIES RENTAL VOUCHER: A Proposal to Alleviate Homelessness in New York City

MAY 2013

THE CITY IS FAILING THE HOMELESS

The New York City Department of Homeless Services (DHS), which manages nine City-run and 222 privately-run shelter facilities, consisting of 64 adult facilities and 167 family facilities, publishes a daily census of the number of homeless families in New York City seeking shelter. As of May 3, 2013, there were 11,890 families in the City's shelters, representing 18,108 adults and 20,668 children. The number of families has increased 60 percent under the Bloomberg Administration, from an average of 7,100 families in FY 2002 to an average of 11,500 during the current Fiscal Year.



Currently, the City's 167 family shelters receive almost \$400 million in funding from City, State, and Federal sources. According to the New York City Office of Management and Budget, in FY 2014, New York City alone plans to spend \$127 million for family shelters. Using the current average family shelter census of 11,500 families, the annual cost per family is almost \$35,000, of which the City pays \$11,058.

Family Shelter Costs		
SOURCE	FAMILY SHELTERS	PER FAMILY (11,500)
City	\$127,169,782	\$11,058
State	\$30,079,365	\$2,616
Federal	\$236,794,396	\$20,591
Block Grant	\$3,545,000	\$308
TOTAL	\$397,588,543	\$34,573

Source: Office of Management and Budget (Preliminary Budget FY 2014)



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continued

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The Proposal: Empower Families

The Comptroller's Office recommends that the City create a Strong Families Rental Voucher Program to provide housing vouchers for up to 10,000 families living in the City's shelters. The program would be similar to federally-funded and locally-administered Section 8, also known as the Housing Choice Voucher Program. To qualify initially, a family would need to meet low-income requirements and have resided in a homeless shelter for a minimum of 180 days. A family would be able to renew the voucher for up to five years, pending an annual recertification to confirm income eligibility. After five years, the voucher would be phased out.

The current average monthly voucher for extremely low-income families is \$902. There is a four-year phase-in period, but to provide the subsidy to 10,000 families would cost \$108 million. The cost would be offset by foregone family shelter expenses, resulting from the decrease in demand for shelters as families take advantage of the vouchers.

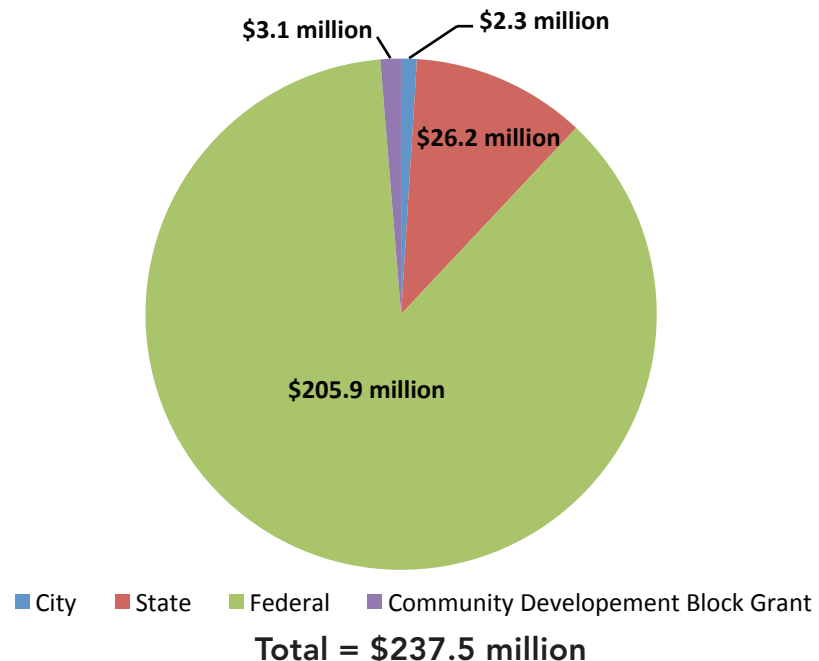
Costs and Savings of NYC Rental Subsidy Program

FISCAL YEAR	FAMILIES SERVED	VOUCHERS	REDUCED COSTS AT SHELTERS
2014	2,500	\$27,060,000	(\$27,888,110)
2015	5,000	\$54,120,000	(\$55,776,220)
2016	7,500	\$81,180,000	(\$83,664,330)
2017	10,000	\$108,240,000	(\$111,552,440)

Source: Comptroller's Office estimates

The program will cost about \$11,000 per year, compared to the current per family cost of approximately \$35,000. A Strong Families Rental Voucher program is a win-win for homeless families and taxpayers alike. Struggling families will be empowered and given an opportunity to start over, and overall taxpayers could save \$237.5 million annually.

TAXPAYER SAVINGS FROM THE STRONG FAMILIES RENTAL VOUCHER PROGRAM



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