



FY 2022 Agency Watch List

Homeless Services Provider Agencies

New York City Comptroller Scott M. Stringer

Bureau of Budget

MARCH 2021

Why is This Agency on the Watch List?

Homeless services provider agencies are once again on the Comptroller's Agency Watch List. First announced in 2018, the Agency Watch List spotlights city agencies that raise budgetary concerns due to rapidly increased spending and meager measurable results. The following report reviews trends and recommends indicators that should be reported and monitored to evaluate the effectiveness of agency spending in achieving the Administration's stated goals.

New York City's homeless services expenditures cross six agencies that share responsibilities for supporting, sheltering and permanently housing every eligible person or family that seeks assistance, including the Department of Homeless Services (DHS), the Department of Social Services (DSS), the Department of Youth and Community Development (DYCD), the Department of Health and Mental Hygiene (DOHMH), the Department of Housing Preservation and Development (HPD) and the Department of Veterans Services.

Despite extraordinary increases in spending for homelessness prevention and permanent housing, the homeless population in shelter has remained stubbornly high, resulting in rising costs for shelter and associated homeless services to meet the legal mandate to provide shelter. Comptroller Stringer has urged the Administration to expand supportive housing that combines affordability with social services and is desperately needed to ensure homeless individuals and families can transition to independent living. Comptroller Stringer also called on the City to direct housing capital investment toward the creation of affordable housing within the reach of extremely low and very low-income households. Currently, extremely low income is defined as below 30% of AMI, or \$30,720 per year for a family of three, and very low income is below 50% of AMI or \$51,200 for a family.

Recent Developments

The effects of the COVID-19 pandemic on the City's shelter population have been considerable. There are 6,151 fewer individuals in shelter now than there were nearly one year ago on March 22, 2020 when New York on PAUSE commenced. This 10.6% decrease in the shelter census has touched every demographic group except for single adult men in shelter. The number of single adult men in shelter has risen by more than 1,400 since the start of the pandemic.

Pandemic induced complications have spurred the City to further step-up its reliance on commercial hotels, especially for single adults that had previously been sheltered in congregate settings with many people per room. Shortly after the start of the pandemic, the City entered into a nearly \$300 million

contract with the Hotel Association of New York City to place sheltered individuals in hotels in order to prevent the spread of COVID-19 among homeless populations.

The overall shelter census now stands at 51,685 individuals, which is less than 1,000 individuals above the shelter census that the current Mayoral administration started with on January 1, 2014, and down nearly 10,000 from the peak of 61,415 individuals in shelter on January 12, 2019. This dramatic expansion and recent contraction, overshadowed by the pandemic, has substantially altered the demographic makeup of the City’s shelter system with considerably fewer families with children and many more single adults.

Budget and Spending

- Total spending for homeless services grew by 138 percent between fiscal years 2014 and 2020, rising to a total of \$3.5 billion.
- In FY 2020, spending on Family Shelter operations fell for the first time, by \$24 million or 2.1 percent. Overall spending grew by 8.7 percent, or \$284 million, driven in large part by pandemic-related spending.

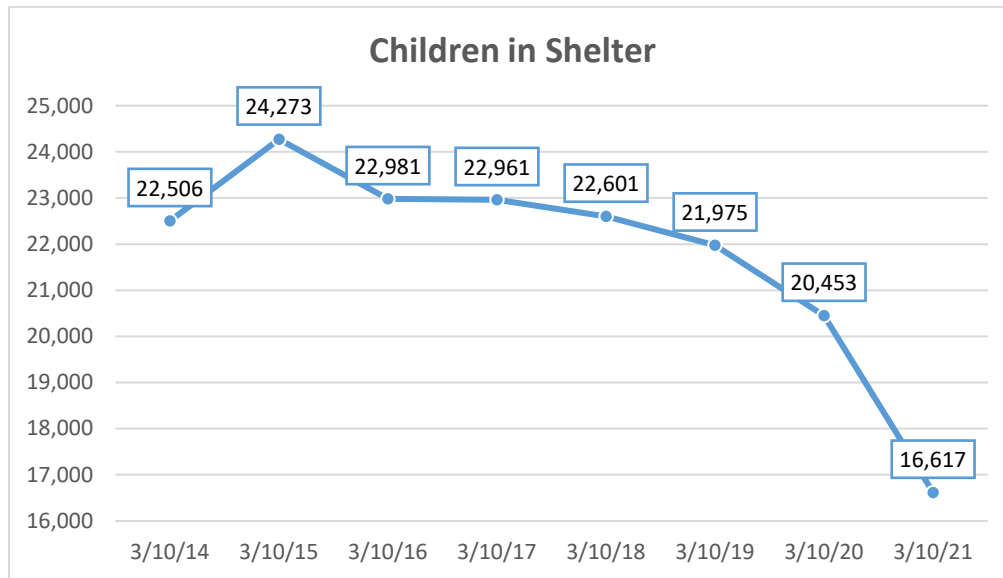
(\$ in millions)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021*	FY 2022*
Adult Shelter Operations	\$326	\$356	\$456	\$572	\$709	\$767	\$826	\$672	\$656
Family Shelter Operations	\$505	\$577	\$653	\$933	\$1,134	\$1,147	\$1,123	\$1,111	\$1,123
Domestic Violence and Youth Shelters	\$69	\$76	\$82	\$88	\$91	\$105	\$110	\$112	\$111
Rental Assistance	\$215	\$249	\$318	\$419	\$464	\$497	\$557	\$518	\$515
Prevention, Diversion, Anti-Eviction & Aftercare	\$221	\$290	\$362	\$430	\$425	\$482	\$512	\$472	\$462
Homeless Administration & Support	\$151	\$160	\$204	\$227	\$260	\$249	\$403	\$600	\$262
Total Citywide Homeless Spending	\$1,488	\$1,708	\$2,075	\$2,669	\$3,083	\$3,247	\$3,531	\$3,485	\$3,130

SOURCE: Office of the Comptroller; Financial Management System. NOTE: *Budgeted as of FY 2022 Preliminary Budget. Totals may not add due to rounding.

Shelter Population Trends

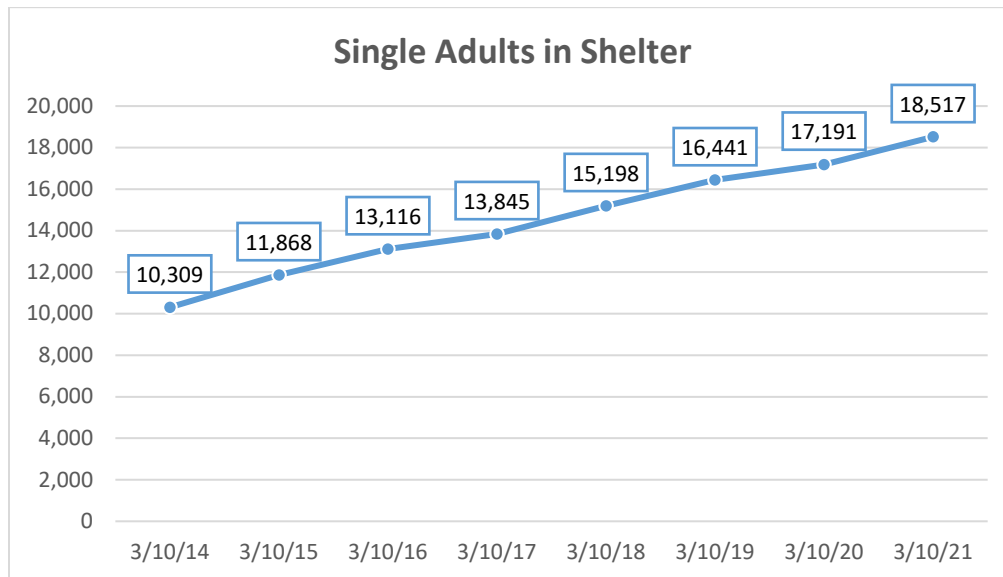
The Comptroller’s FY 2019 Agency Watchlist listed children’s and single adult populations as important indicators to follow. There have been divergent results. On March 10, 2014, families with children accounted for 73 percent of the shelter population. Seven years later, families with children now account for just 56 percent of the shelter population. Single adults, which had accounted for 20 percent of the shelter population seven years ago now account for 36 percent of the shelter population as of March 10, 2021.

- Since this time two years ago, the number of children in shelter has declined by 5,358 – a 24 percent drop. Most of this reduction occurred during the pandemic period.



SOURCE: Office of the Comptroller; NYC Open Data.

- The single adult population has continued its steady growth. There are now 8,208 more single adults in shelter than there were in March 2014, an 80% increase.



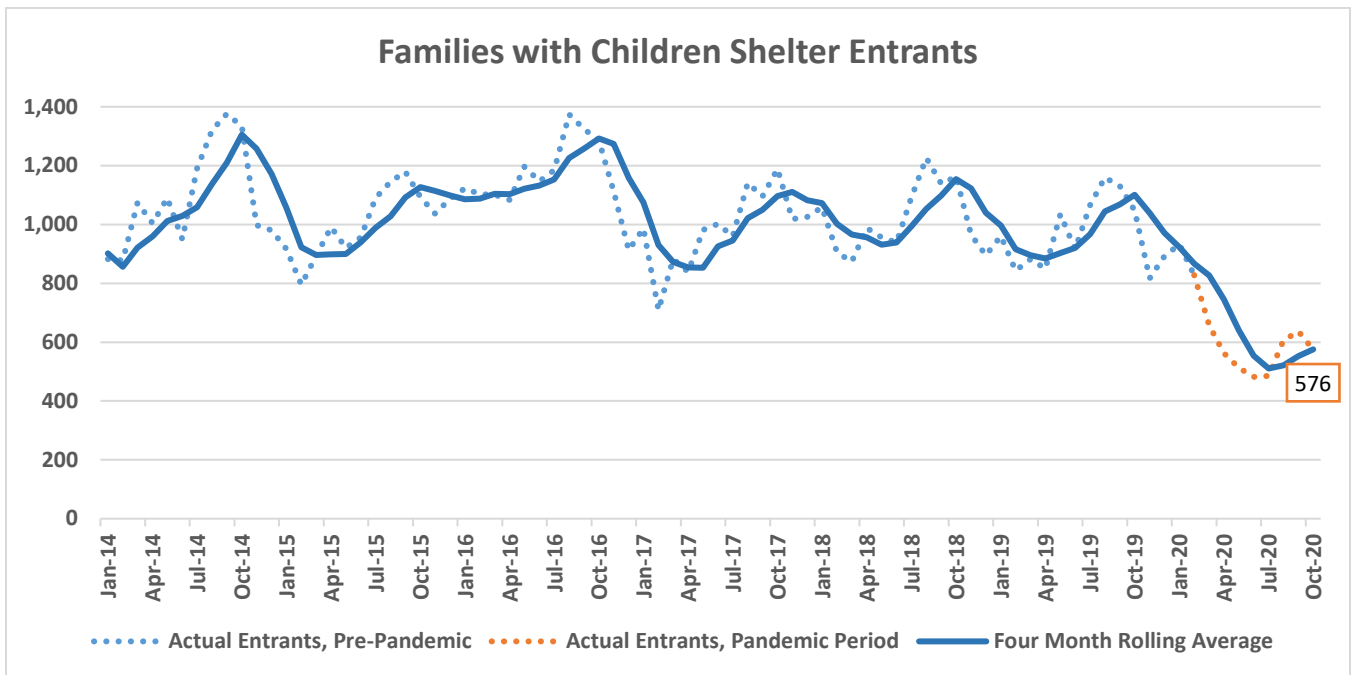
SOURCE: Office of the Comptroller; NYC Open Data.

Indicators to Watch

- Average daily shelter population, by household type (Daily DHS Shelter Census; <http://www1.nyc.gov/assets/dhs/downloads/pdf/dailyreport.pdf>) .

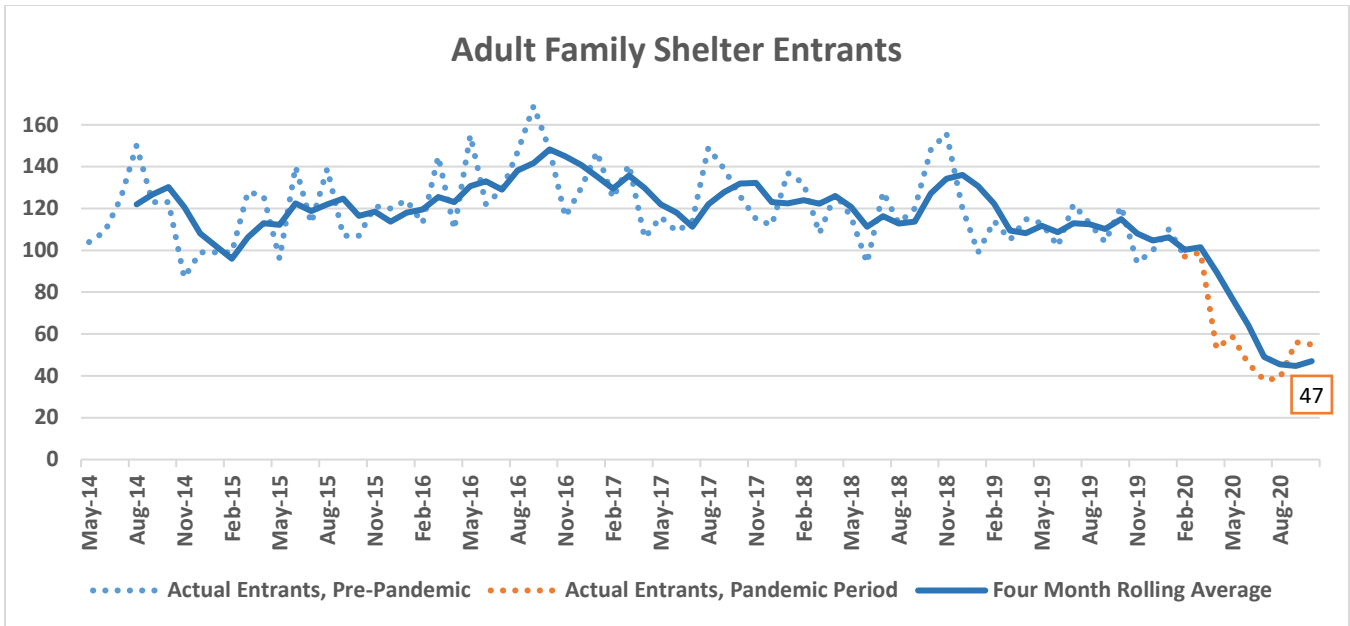
Shelter Entrants

- Most categories of homeless residents saw steep declines in shelter entrances in the first six months of the pandemic. Several factors likely explain the drop, including the eviction moratorium in place during the pandemic, federal assistance including unemployment benefits, and a fear of contagion.
- The number of families with children entering shelter, which typically peaks in the fall at around 1,100, was roughly half that number in October of 2020.



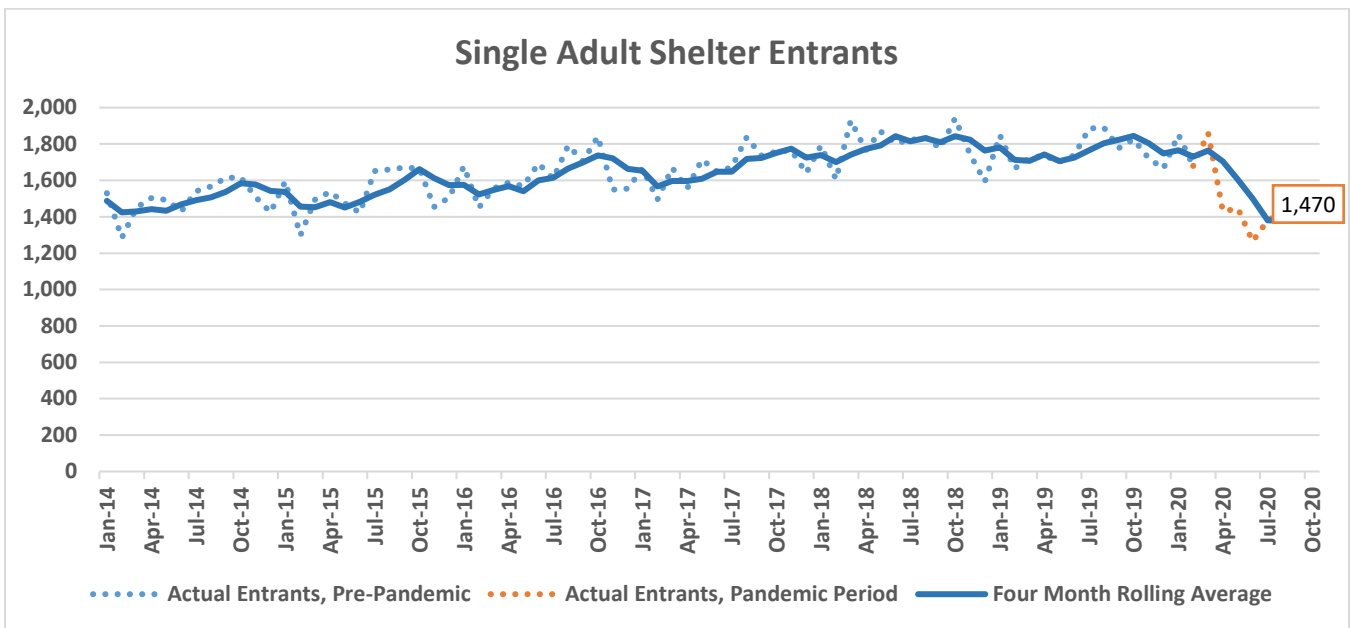
SOURCE: Office of the Comptroller; DHS STAT Reports.

- The falloff was even more pronounced among Adult Families, declining from an average of over 100 per month, to under 50.



SOURCE: Office of the Comptroller; DHS STAT Reports.

- Single Adult shelter entrants also fell, but less dramatically.



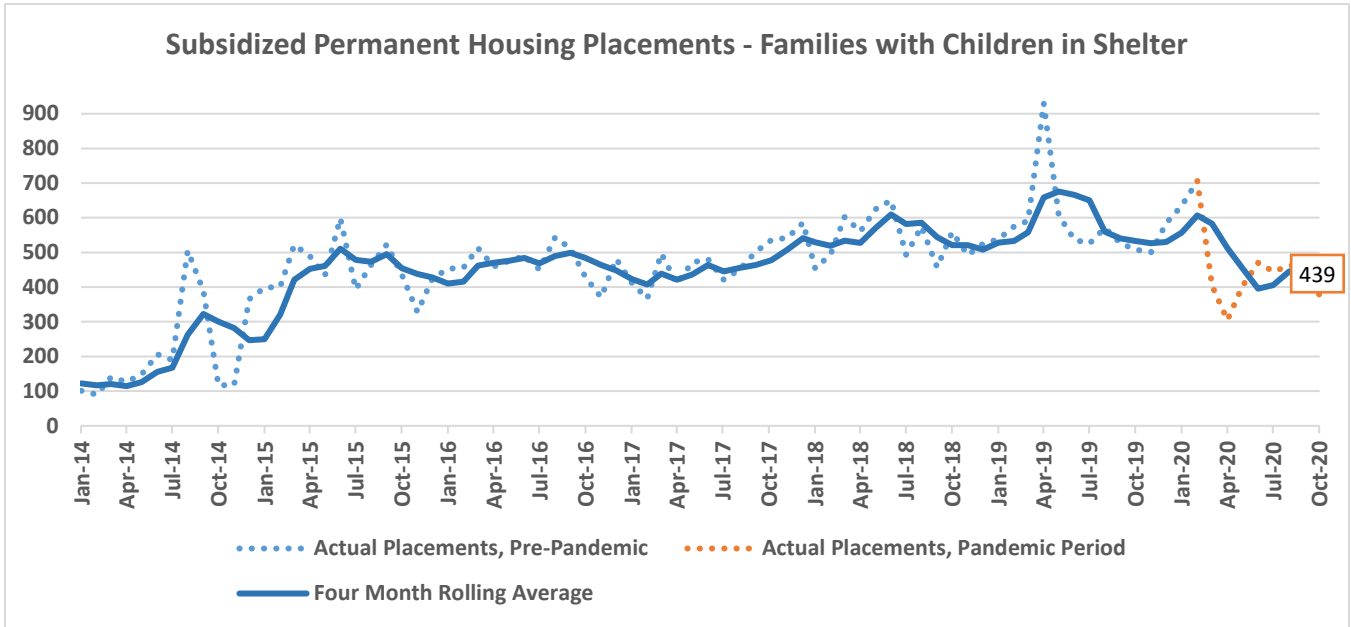
SOURCE: Office of the Comptroller; DHS STAT Reports.

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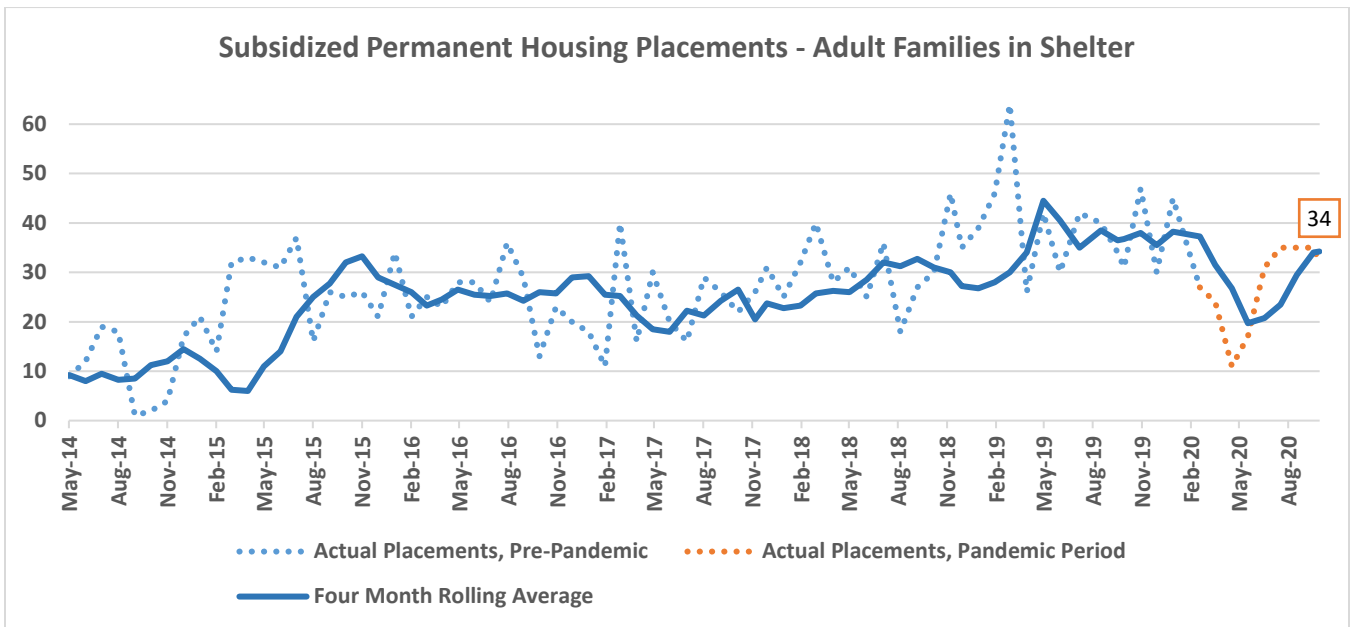
- Applications for shelter by household type; quarterly (*not publicly reported*)
- Reasons for seeking shelter; quarterly (*not publicly reported*)
- Disposition of applications; quarterly (*not publicly reported*)
- Diversions from shelter at PATH Center; quarterly (*MMR and Daily DHS Shelter Census*)

Subsidized Housing Placements

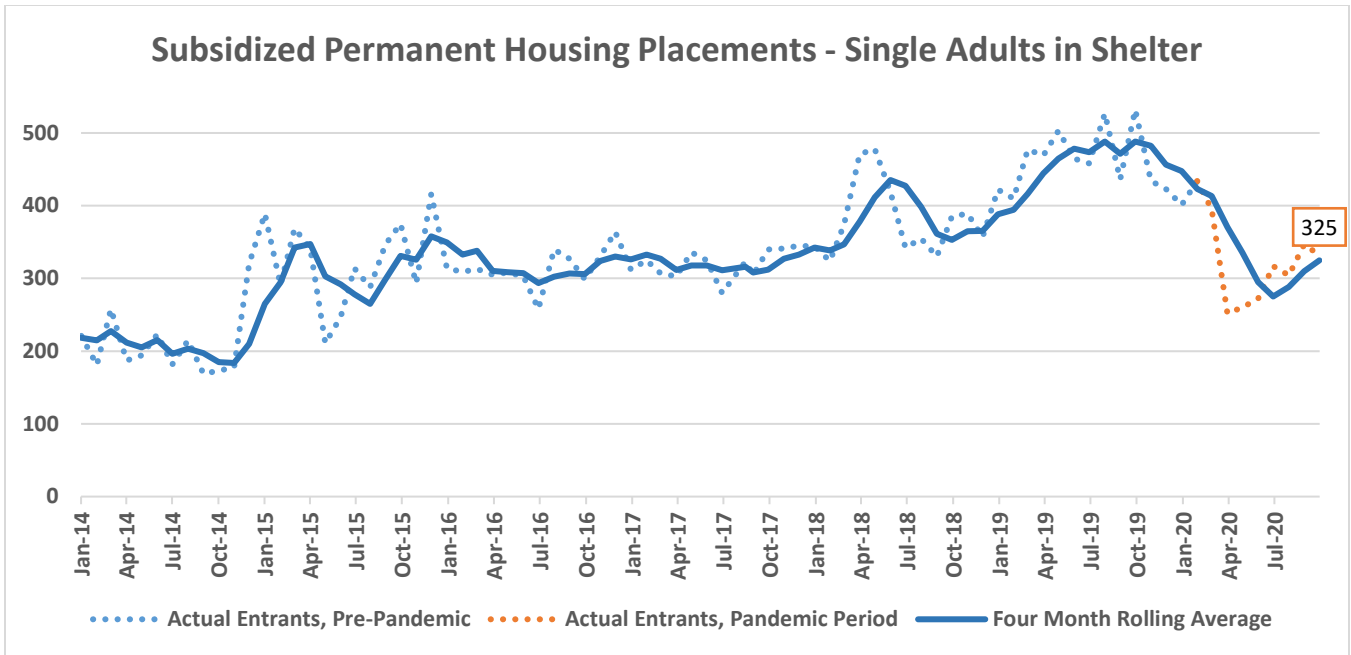
- Subsidized placement in permanent housing has become the primary method of leaving shelter. After sharp drops in the early months of the pandemic, placements began to rise again in the late summer/early fall, although not to their previous levels in the case of families with children and single adults.



SOURCE: Office of the Comptroller; DHS STAT Reports.

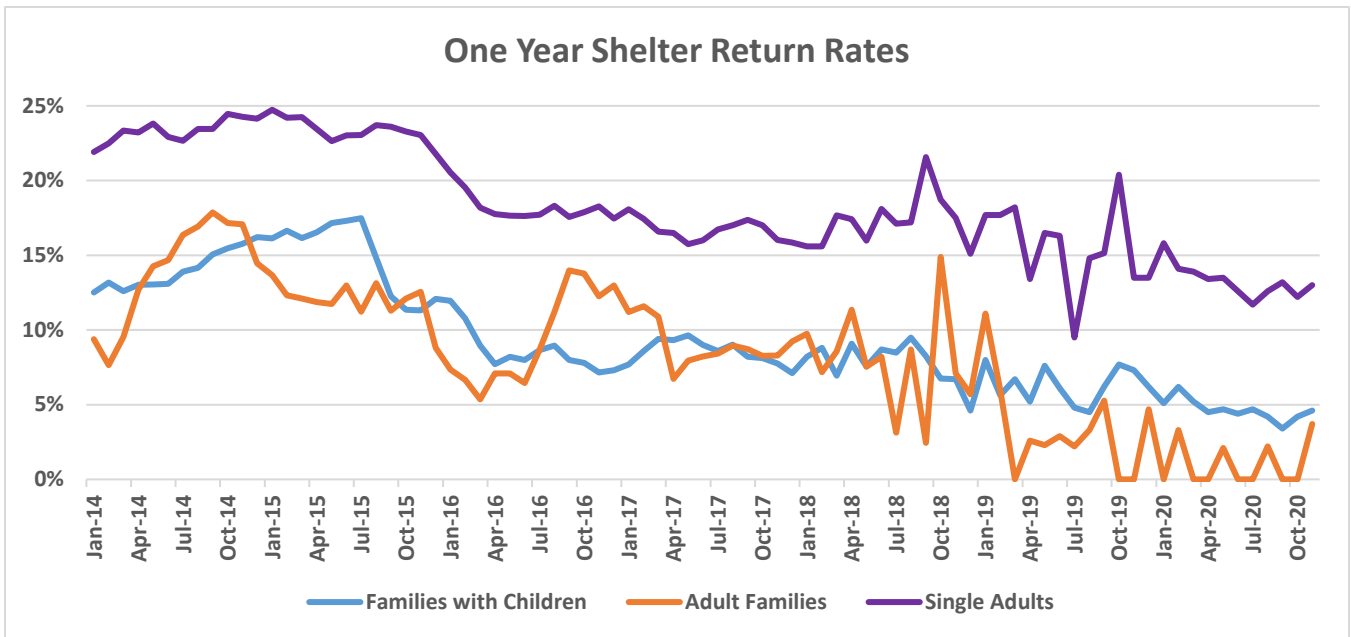


SOURCE: Office of the Comptroller; DHS STAT Reports.



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- The rate at which families and individuals return to shelter with one year of exit has continued to decline in all categories.



SOURCE: Office of the Comptroller; DHS STAT Reports.

Indicators to Watch

- Subsidized housing placements by type of subsidy; monthly (*not publicly reported*)
- Number of households currently receiving subsidy, by type of subsidy; quarterly (*not publicly reported*)

- Unsubsidized shelter exits, by reason; quarterly (*not publicly reported*)
- Utilization rate of subsidized placements; quarterly (*not publicly reported*)
- Expiration rate of subsidized placements; annual (*not publicly reported*)
- Shelter return rates; annual (*MMR*)

Prevention, Diversion and Outreach

- Requests for emergency assistance at the Rent Assistance Unit dropped 16 percent from 77,342 in FY 2019 to 65,234 in FY 2020. At the current rate reported in the Preliminary Mayor’s Management Report, emergency rent assistance requests are on pace to total even lower by the end of FY 2021.
- The rate of approval for emergency rent assistance requests has also dropped recently, from 78.0 percent in FY 2019 to 72.2 percent in FY 2020 and 63.6 percent after the first four months of FY 2021.
- The number of street homeless individuals assisted with housing placements by the City’s HOME-STAT program more than doubled from FY 2019 to FY 2020 and placements in FY 2021 have thus far exceeded the preceding years rate.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021*
Diversions at PATH	N/A	N/A	N/A	N/A	12.3%	13.0%	12.0%	9.4%
Adults receiving preventive services not entering shelter	96.0%	93.5%	90.6%	92.6%	92.8%	90.8%	89.7%	90.6%
Adult families receiving preventive services not entering shelter	97.3%	91.5%	90.7%	94.0%	96.1%	95.2%	94.5%	95.9%
Families with children receiving preventive services not entering shelter	94.0%	94.5%	94.1%	94.2%	93.4%	93.0%	93.4%	94.3%
Request for emergency assistance at Rent Assistance Unit	57,912	65,138	82,306	79,624	77,605	77,342	65,234	18,740
Rent Assistance Unit emergency assistance requests approved	66.5%	74.2%	67.6%	66.7%	75.1%	78.0%	72.2%	63.6%
Housing Court anti-eviction legal service cases	N/A	8,900	11,837	16,702	25,156	32,171	24,109	2,753
HOME-STAT clients assisted with housing placements	N/A	N/A	N/A	2,146	2,849	2,753	5,909	2,053

SOURCE: Mayor’s Management Report. NOTE: *As of 10/31/2021.

Indicators to Watch

- Street outreach assistance provided, by type of assistance, including shelter placements; monthly (*partially reported in MMR*)
- Anti-eviction legal service cases and dispositions; monthly (*partially reported in MMR*)