

# NYSERDA – LIFE 2018

## Housing Insecurity & the Need for Rental Assistance

- ❖ There are over 130,000 homeless children in NYS
- ❖ More than 80,000 households are on the brink of homelessness in NYS

Keeping people in their homes will save taxpayers hundreds of millions of dollars

# New York State is Failing to Meet its Legal Obligations

- ❖ Shelter Allowances: “SHALL BE ADEQUATE to enable the father, mother or other relative to bring up the child properly, having regard for the physical, mental and moral well-being of such child...
- ❖ and “...SHALL PROVIDE for the support, maintenance and needs of one or both parents if in need, and IN THE HOME.”

NYS Social Services Law Section 350

“A schedule establishing assistance levels so low that it forces large numbers of families with dependent children into homelessness does not meet the statutory standard.”

Jiggetts v. Grinker, 75 NY 2d 411 – NY: Court of Appeals 1990

# What is the Shelter Allowance?

- ❖ Prior to 1975, the rents of households on public assistance were paid in full.
- ❖ When the shelter allowance was created in 1975, it was originally designed to pay the full rents of the vast majority of households on public assistance.
- ❖ The state (OTDA) establishes a shelter allowance schedule, setting the maximum rents a household can receive based on district, family size, and whether heat is included in rent.
- ❖ Currently, about 170,000 households receive a shelter allowance.

# Shelter Allowances are Woefully Inadequate

- ❖ The shelter allowance has failed to keep up with the rising cost of housing.
- ❖ For households of three including children, the shelter allowance ranges from \$259 to \$447 per month.
- ❖ The actual cost of housing for two-bedroom apartments, which are suitable for households of three, ranges from \$697 to \$1878 per month.
- ❖ Two-thirds of public assistance households living in private housing have rents that exceed their shelter allowances.

# Shelter Allowances Versus Rents

County	Current Shelter Allowance for 3 Person Household w/ Children	2016 HUD Fair Market Rent for 2 bedroom unit
Albany County	\$309	\$1,005
Allegany County	\$273	\$658
Broome County	\$290	\$729
Cattaraugus County	\$269	\$693
Cayuga County	\$290	\$761
Chautauqua County	\$285	\$674
Chemung County	\$283	\$895
Chenango County	\$264	\$680
Clinton County	\$275	\$782
Columbia County	\$290	\$923
Cortland County	\$281	\$741
Delaware County	\$274	\$729
Dutchess County	\$412	\$1,271
Erie County	\$301	\$755
Essex County	\$268	\$844
Franklin County	\$259	\$747
Hamilton County	\$259	\$747
Warren County	\$259	\$747

# More than 80,000 NYS Households are on the Brink of Homelessness

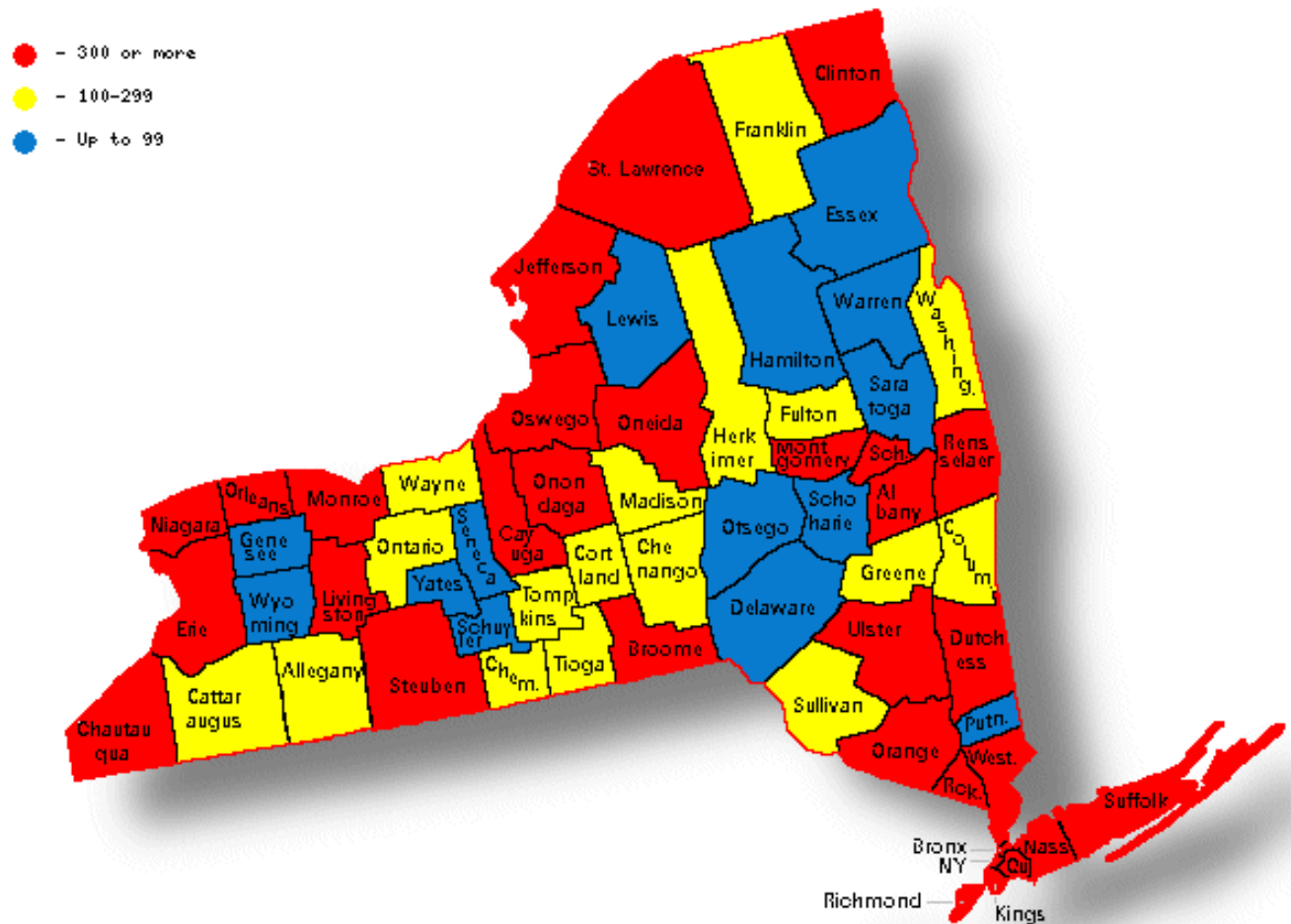
- ❖ More than 82,000 households in private housing have rents that are 1.5 times or more than their shelter allowances.
- ❖ This means that roughly half of those receiving shelter allowances without other housing subsidies are placed at serious risk of becoming homeless due to shelter allowances that are far below the actual cost of housing.
- ❖ This includes nearly 21,000 households whose rents are more than 2.5 times their shelter allowances, and who will be homeless without intervention.

# Most Households with Shelter Allowances are Struggling, on the Brink, or Will Be Homeless Without Intervention

Oct-15	Struggling to Make Ends Meet Number of Households w/ Rent Over Shelter Allowance	On the Brink of Homelessness Number of Households w/ Rent = One and a Half Times Shelter Allowance	Will Become Homeless without Intervention Number of Households w/ Rent Two and a Half Times Shelter Allowance
Albany County	1,598	1,334	493
Allegany County	268	180	42
Broome County	2,326	1,913	607
Cattaraugus County	375	234	66
Cayuga County	439	349	93
Chautauqua County	1,645	1,235	306
Chemung County	266	218	66
Chenango County	180	137	34

Home Stability Support

# Number of Households on the Brink of Homelessness



Source: diymaps.net (c)



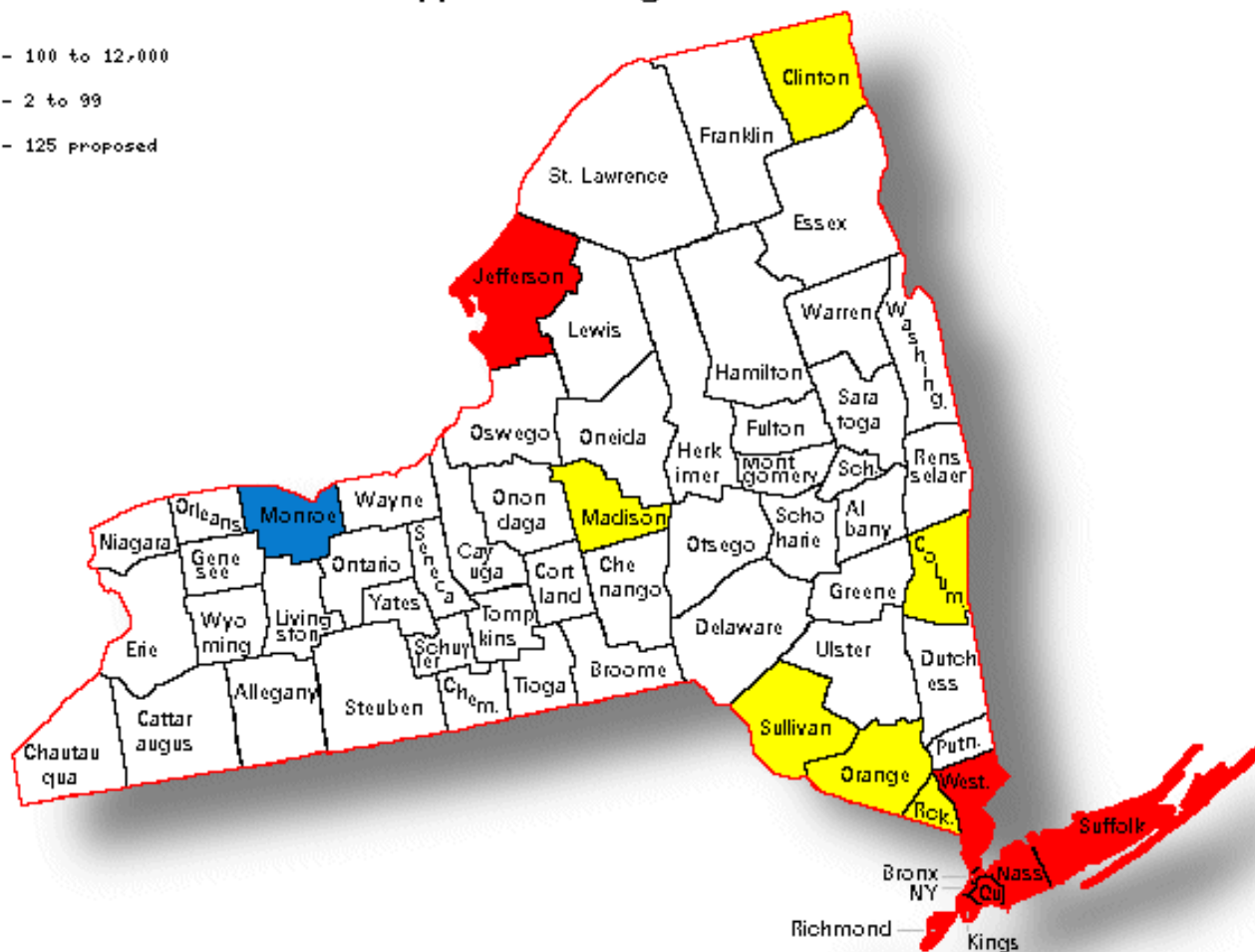
# What Are Rent Supplements?

- ❖ Rent Supplements are additional support to help people pay their rent...because: **THE RENT IS TOO DAMN HIGH!!!**
- ❖ In 2003 NYS authorized districts to create rent supplements.
- ❖ But only 11 districts plus NYC, out of 58, provide supplements.
- ❖ About 15,000 households receive rent supplements.
- ❖ The vast majority of these rent supplements are inadequate.
- ❖ Most districts limit eligibility for restrictions, including: families only, no sanctions, must have imminent threat of eviction. Very difficult to obtain if fleeing DV or living in hazardous conditions.

# Most Districts Provide No Rent Supplements

Distribution of Rent Supplements by Number of Households Assisted

- - 100 to 12,000
- - 2 to 99
- - 125 proposed



Source: diymaps.net (c)

# Inadequate Shelter Allowances + Lack of Rent Supplements = Exploding Homeless Crisis

- ❖ Homelessness has grown and will continue to grow exponentially due to wholly inadequate shelter allowances and rent supplements.
- ❖ We are in the midst of the worst crisis of homelessness since the Great Depression.
- ❖ NYS informed the United States Department of Housing and Urban Development (HUD) that over 19,000 more people enter homelessness per year than exit homelessness each year.
- ❖ More than 60,000 people sleep in shelters each night in New York City.
- ❖ Over 7,500 more people live in shelters from Long Island to Western New York.
- ❖ Thousands more people sleep on the streets, in abandoned buildings and in makeshift campsites.
- ❖ Taxpayers spend BILLIONS of dollars to cover the avoidable costs of this crisis.

# Taxpayers are Forced to Pay BILLIONS of Dollars for Homeless Services

- ❖ “Taxpayers fund over \$1 Billion” for the statewide shelter system. (*Gov. Andrew M. Cuomo, State of the State, 2016*)
- ❖ Hundreds of millions of additional dollars are spent statewide every year for the homeless:
  - Programs and Shelters for Runaway and Homeless Youth
  - Domestic Violence Shelters and Services
  - Soup kitchens
  - Emergency Room utilization
  - Law enforcement costs
  - Rent Arrears
  - Housing Court costs

# Impact of housing instability/homelessness

- ▶ Costs for emergency shelter, related services
- ▶ Poverty/housing instability sources of stress
  - More school absence, lower test scores, more dropouts
  - For all ages – increase in negative health outcomes, including anxiety & depression
  - Adults – impact on ability to get and retain job

# The Need for Heating Assistance

- ▶ Thousands of utility terminations each year, massive accumulated debt.
- ▶ PA recipients often in arrears on utilities, face shut-offs
- ▶ Must request emergency assistance from DSS and agree to recoupment (reduction) of future benefits to repay
- ▶ Debt again accumulates, DSS pays again, debt mounts  
Result: a permanent reduction in the meager PA grant.
- ▶ The reality: Too many low-income New Yorkers, esp. outside of NYC, are at risk of loss of their homes and of loss of heat.

# Proposed Solution: HOME STABILITY SUPPORT (HSS)

- ❖ Proposed statewide rent supplement:
  - ❖ Who is eligible? Families and individuals facing eviction, homelessness, or loss of housing due to domestic violence or hazardous conditions.
  - ❖ What is the benefit: Up to 85% of area FMR, or up to 100% of FMR at local option
  - ❖ Replaces all existing optional supplements

# HSS (cont'd)

- ❖ Fuel-for-heating supplement covers heating costs if household pays for heat separate from rent
- ❖ How long does the benefit continue?
  - \*\* Household may receive HSS up to 5 years, but time can be extended for “good cause.”
  - \*\* If become ineligible for PA due to earnings, can receive 1 year transitional benefit
- ❖ Eligibility for rent or heating supplements not affected by sanctions
- ❖ HSS costs covered with federal and state funds, no local share



# Cost Versus Benefit of HSS

## Cost Comparisons Demonstrate Significant Savings

- ❖ New York City data shows there would be a significant savings with HSS (see below).
- ❖ New York State does not report Temporary Housing (shelter) costs for districts outside of New York City.
- ❖ Based on data that is available for some districts, significant savings would also be achieved in the counties outside of New York City as detailed in the next slide.
- ❖ For every household currently receiving locally funded temporary housing assistance (shelter) or rent supplements that will receive state-funded HSS, there will be **100 percent cost savings** to the locality.

### New York City

- ❖ HSS would cost \$11,224 per year for a household of three in New York City.
- ❖ Temporary Housing (shelter) costs \$38,460 for a family with children in New York City.  
= **Net Savings \$27,236 per household per year**
- ❖ HSS would cost \$9,865 per year for an individual in NYC.
- ❖ Temporary Housing (shelter) costs \$25,925 for an individual in NYC.  
= **Net Savings \$16,060 per person per year**

(continued)

# Cost Versus Benefit of HSS (*continued*)

## Suburban Example: Westchester County

- ❖ HSS would cost \$10,296 per year for a household of three in Westchester County.
- ❖ Temporary Housing (shelter) costs \$57,040 for a family with children in Westchester County.  
**= *Net Savings \$46,744 per household per year***
- ❖ HSS is estimated to cost \$7,320 per year for an individual or couple in Westchester County.
- ❖ Temporary Housing (shelter) is estimated to cost \$36,000 for an individual or couple in Westchester County.  
**= *Net Savings \$28,680 per person or couple per year***

## Upstate Urban Example: Monroe County

- ❖ HSS would cost \$4,687 per year for a household of three in Monroe County.
- ❖ Temporary Housing (shelter) costs \$32,400 for a family with children in Monroe County.  
**= *Net Savings \$27,713 per household per year***
- ❖ HSS would cost \$2,784 per year for an individual in Monroe County.
- ❖ Temporary Housing (shelter) costs \$10,950 for an individual in Monroe County.  
**= *Net Savings \$8,166 per person per year***

## Rural Example: Columbia County

- ❖ HSS is estimated to cost \$4,800 per year for an individual or couple in Columbia County.
- ❖ Temporary Housing (shelter) is estimated to cost \$27,000 for an individual or couple in Columbia County.  
**= *Net Savings \$22,200 per person or couple per year***

# Home Stability Support Will Save Taxpayers Hundreds of Millions of Dollars

- ❖ Three key areas of savings: Reduced shelter utilization, other homeless services cost savings, and prevention of future evictions.
  - **REDUCED SHELTER UTILIZATION:** Moving very large numbers of individuals and families out of homeless shelters would save hundreds of millions in temporary housing costs, allowing communities to close shelters as demand falls.
  - **OTHER HOMELESS SERVICE COST SAVINGS:** Preventing very large numbers of individuals and families from becoming homeless will save hundreds of millions of dollars in costs avoided for soup kitchens, emergency room visits, law enforcement and housing court costs, and programs and shelters for runaway and homeless youth.
  - **PREVENTION OF FUTURE EVICTIONS:** A recent analysis of the impact of preventing 5,237 evictions for households likely to enter shelters commissioned by the NYC Bar Association found that savings of \$251 million per year could be realized in New York City alone.

# The Rent Supplement Pilot

- ▶ Pilot – a very modest program!
- ▶ Ambitious goal: “prevent eviction & address homelessness” by providing a PA rent supplement to those who are “...are homeless or are at imminent risk of homelessness...”
- ▶ But then the details. The supplement:
  - Is available only in Rochester and NYC
  - Enables households to pay up to 100% of FMR
  - Is funded at \$15 million, covering a four-year period. \$1.1 million for Rochester and \$13.5 million for NYC. \$400,000 for evaluation.
  - Fuel for heating allowance did not make it into the pilot
- ▶ Positive view: Help to ~250 families, recognition of the inadequacy of the PA rent allowances...

# What's next?

- ▶ What's next? – Regroup with legislators and & advocates. What makes most sense?
- ▶ Move forward with HSS? Develop a new model? Other strategies? But continue the campaign in some form or another.
- ▶ Would you like to join the effort? For starters, sign up for our mailing list!
- ▶ [Dfriedman@empirejustice.org](mailto:Dfriedman@empirejustice.org)