



Briefing Paper
**Homeless Again:
Former Advantage Tenants Adding to
Already Record Homelessness in New York City**

June 15, 2012

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With New York City homelessness already at record levels, the number of homeless children and adults crowding municipal shelters is poised to rise even higher in coming months as families cut off from the Advantage program return to shelter. Unless Mayor Bloomberg ends his refusal to provide housing assistance to homeless children and families, New York City faces an unprecedented wave of homelessness over the next year.

In March 2011, the Bloomberg Administration terminated the Advantage rental subsidy program for homeless families in the shelter system and has, to date, refused to replace it with Federal housing programs used successfully in the past by previous mayors. Indeed, for the first time since modern homelessness began, there is no housing assistance in place to help homeless families move from shelter to permanent housing.

Additionally, in February 2012, when a protective court order was lifted, the City abruptly stopped paying rent for an estimated 7,000 remaining Advantage households. These formerly-homeless households are now struggling to stay in apartments they can no longer afford without a subsidy. Some have already returned to the shelter system; many more are fighting eviction in the city's housing courts; and others are poised to lose their homes in the coming months.

All the while, the City is now experiencing new record levels of homelessness. As of April 2012, there were 43,000 people, including a record 17,000 children, sleeping each night in municipal shelters – a 10 percent increase from the previous year. And in the coming months former Advantage families returning to shelter will put even greater strain on the already bursting shelter system.

Summary of findings:

- Between July 2008 and November 2011, according to City data, more than 3,400 former Advantage families had returned to shelter—a staggering 28 percent of all Advantage families who lost housing assistance. Since that time hundreds more Advantage families have become homeless again. These shelter returns have cost the City at least \$90 million in avoidable shelter expenses.
- Following the past trends of shelter returns, it is expected that 3,000 additional Advantage families will return to shelter this year, with 2,000 of these families coming back as a result of the abrupt end of Advantage payments for current tenants.

- Since the Bloomberg Administration cut off homeless families from receiving permanent housing resources in 2005, the number of families experiencing repeat episodes of homelessness has more than doubled. Prior to 2005, one in four families entering shelter had been homeless before. Now, in 2012, over half of all families entering shelter have been homeless before.
- The huge increase in “repeat families” – formerly-homeless families returning to shelter -- has contributed to record homelessness over the past few years. If the shelter return rate had remained constant at 25 percent, as it was prior to 2005, more than 16,000 fewer families would have entered shelter between 2005 and 2011.

Record Homelessness and Historical City Response

In 2012 New York City is grappling with a homeless population greater than any other time since the Great Depression. More than 43,000 homeless men, women, and children go to sleep in the shelter system each night, including a record 17,000 children. Almost four years out of the 2008 economic collapse, the lingering effects of the crisis are still contributing to record homelessness. But the precipitous rise in New York City homelessness began even before the economic crisis and continues to rise more severely now due to the policy decisions made by the Bloomberg Administration.

Up until 2005 and under Mayors Koch, Dinkins, and Giuliani, the City’s main resource for combating homelessness was to prioritize homeless individuals and families for Federal housing programs, such as public housing and Section 8 rental vouchers. For decades, these resources had been a proven effective way to move families out of shelter and keep them stably housed. Federal housing programs were also cheaper for New York taxpayers, who pay most of the bill for the \$36,000 annual cost to shelter a homeless family.

However, in 2005, the Bloomberg Administration, under the guidance of Deputy Mayor of Health and Human Services Linda Gibbs, broke from this longstanding and successful policy and cut off homeless families from receiving these valuable resources. Instead, homeless households were given City-funded short-term rental subsidies, the latest of which was called “Advantage.” These time-limited subsidies have proven wasteful and ineffective, with more than one of every four formerly-homeless families returning to shelter after their subsidies ended.

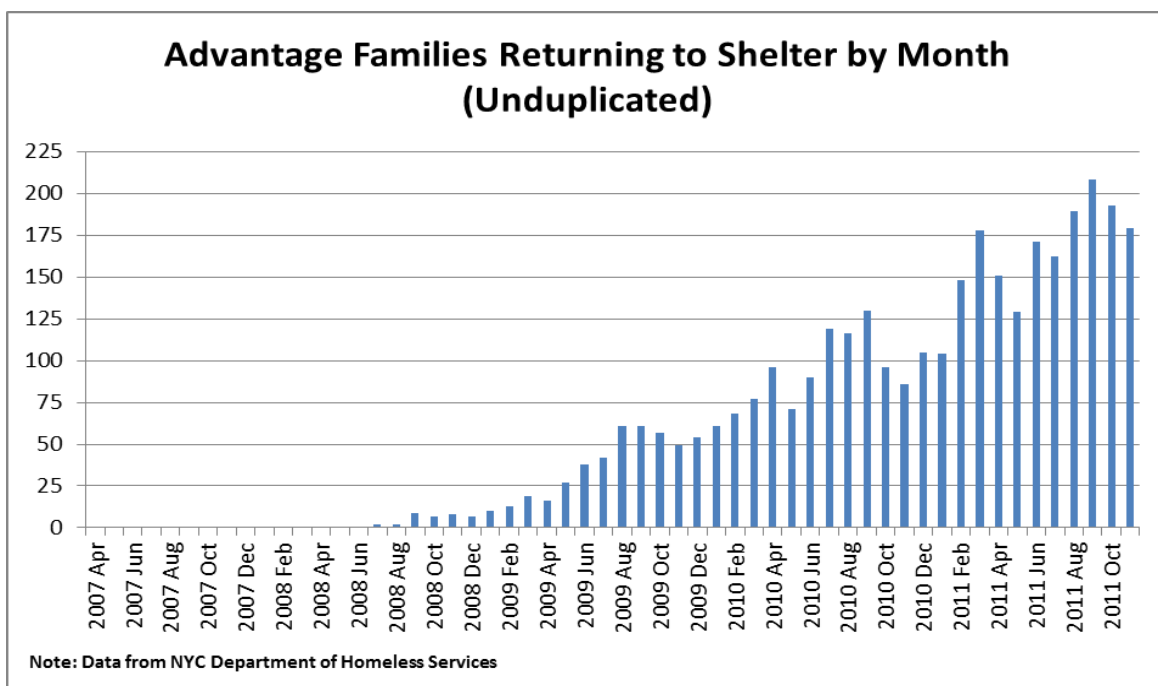
Following a budget and policy dispute with the State, the Bloomberg Administration decided to terminate the Advantage program in March 2011 and refused to replace it with the successful Federal programs. Now, for the first time since modern homelessness began, there is no housing assistance in place to help homeless families move from shelter to permanent housing.

Compounding the problem, the City also tried to cut off Advantage subsidies for thousands of families who had already left shelter for apartments. Fortunately, due to court orders resulting from a class-action lawsuit brought by the Legal Aid Society, the City was required to continue making rental payments for existing Advantage tenants until February 2012, when a protective court order was lifted. There are now some 7,000 formerly-homeless households struggling to stay in apartments they can no longer afford without a subsidy. In the coming months, these families, many of whom are already facing imminent eviction, will put even greater strain on the already bursting shelter system.

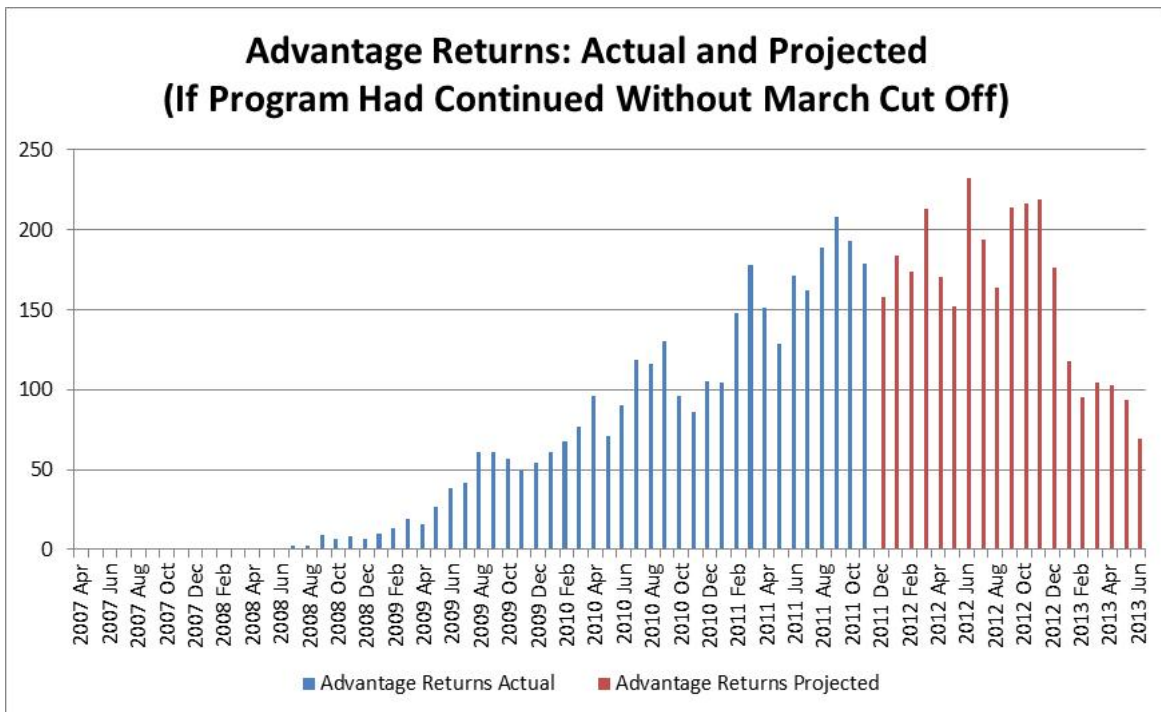
Advantage Returns and the Upcoming Flood

New data obtained pursuant to freedom of information requests starkly illustrates the worsening problem of Advantage families returning to shelter. As of November 2011, more than 3,400 Advantage families had returned to shelter, representing nearly a third of all Advantage families no longer receiving rental assistance at the time, and costing New York close to \$90 million in avoidable shelter expenses. Since the start of the program, the number of families re-entering shelter has steadily increased each month, following trends in enrollments and time-outs. At the end of 2011, around 200 families were re-entering shelter every month.

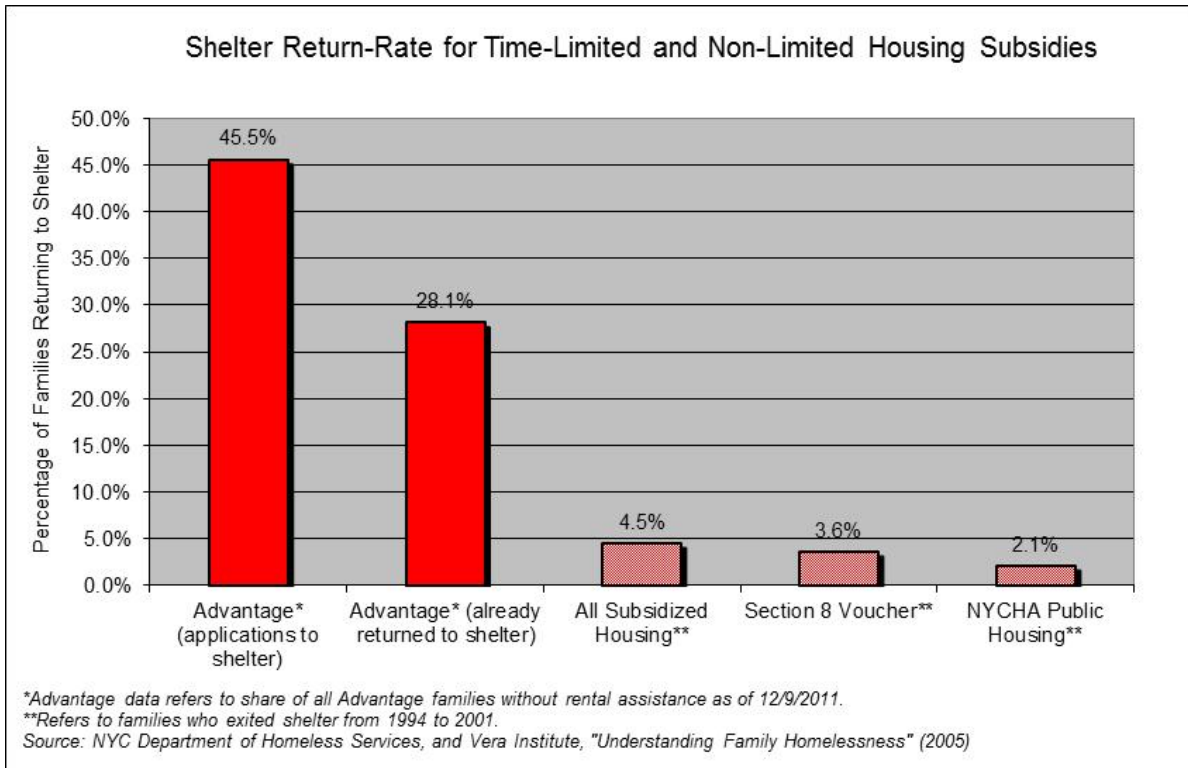
Advantage Families Reapplying and Returning to Shelter - April 2007 to November 2011	
Total Reapplications	5,521
Total Returns	3,409
Total Families Timed Out*	14,089
Transitioned to Section 8**	1,866
Transitioned to FEPS**	83
Total Families at Risk	12,140
Application Rate	45.5%
Return Rate	28.1%
<small>Source: Data obtained from the Department of Homeless Services *Based on DHS data, it was assumed that 96.2% of families were renewed for a second year. **Latest Data from January 2011</small>	



Without the cutoff of Advantage payments in February 2012, the number of families returning to shelter would have continued to steadily increase in the coming months. Based on past trends, the City could have expected nearly 3,000 families to return to shelter between January 2012 and June 2013, with 2,000 of these families returning between June 2012 and June 2013. However, with the abrupt end of payments in February, it can be anticipated that these 2,000 families will return much sooner and most likely before the end of 2012, leading to a greater wave of shelter entrants over a shorter period of time.



In comparison to the shelter-return rates associated with permanent housing resources, these numbers are astronomical. A 2005 Vera Institute study of homeless families in New York – a study actually commissioned by the Bloomberg Administration – found that only 3.6 percent of families who received a Section 8 voucher returned to shelter and only 2.1 percent of families who moved into public housing returned. All in all, the Advantage program’s shelter-return rate is more than six times that of Federal housing programs.



In creating the Advantage program, the Bloomberg Administration did little more than create a very expensive revolving door back to shelter for thousands of children and families. The reason behind this is simple math. The average rent for an Advantage apartment was \$1,065. Working families that received Advantage made an average of \$9.50 an hour and worked 32 hours per week.ⁱ This comes to roughly \$1,200 a month in income—nowhere near enough to cover the full rent after the subsidy ended.

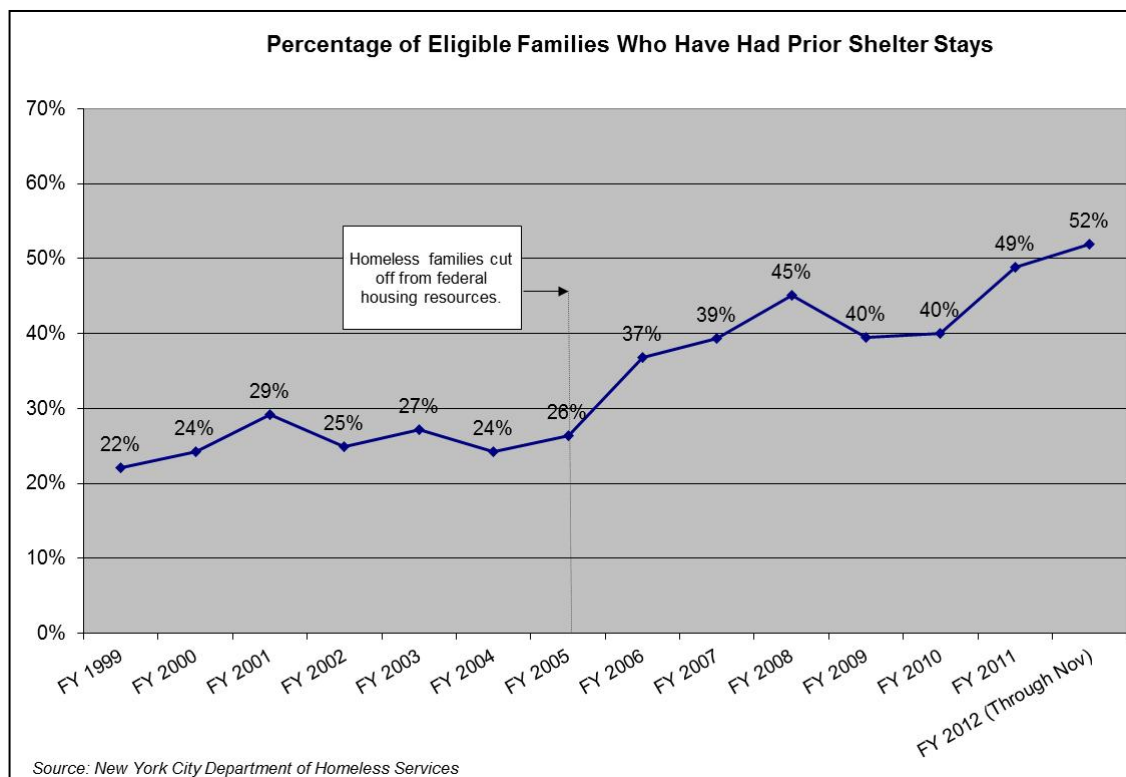
Furthermore, a significant share of Advantage households received disability benefits as their only source of income. Often, this amounts to less than \$1000 a month. While the City initially promised to transition these households to Section 8 rental vouchers after one or two years, the City only kept that promise for a small portion of these tenants. Of the 7,000 remaining Advantage tenants today, roughly 20 percent are on fixed incomes.ⁱⁱ

For families on Advantage facing eviction, there remains only one rental subsidy option – the Family Eviction Prevention Supplement, or FEPS. But access to this rental supplement is restricted to families that meet several requirements. They must be receiving public assistance, have a child under 18, and currently be in housing court for non-payment. Past data has indicated that only a small number of families have successfully transitioned from Advantage to FEPS.

High Shelter-Return Rates Driving Record Family Homelessness

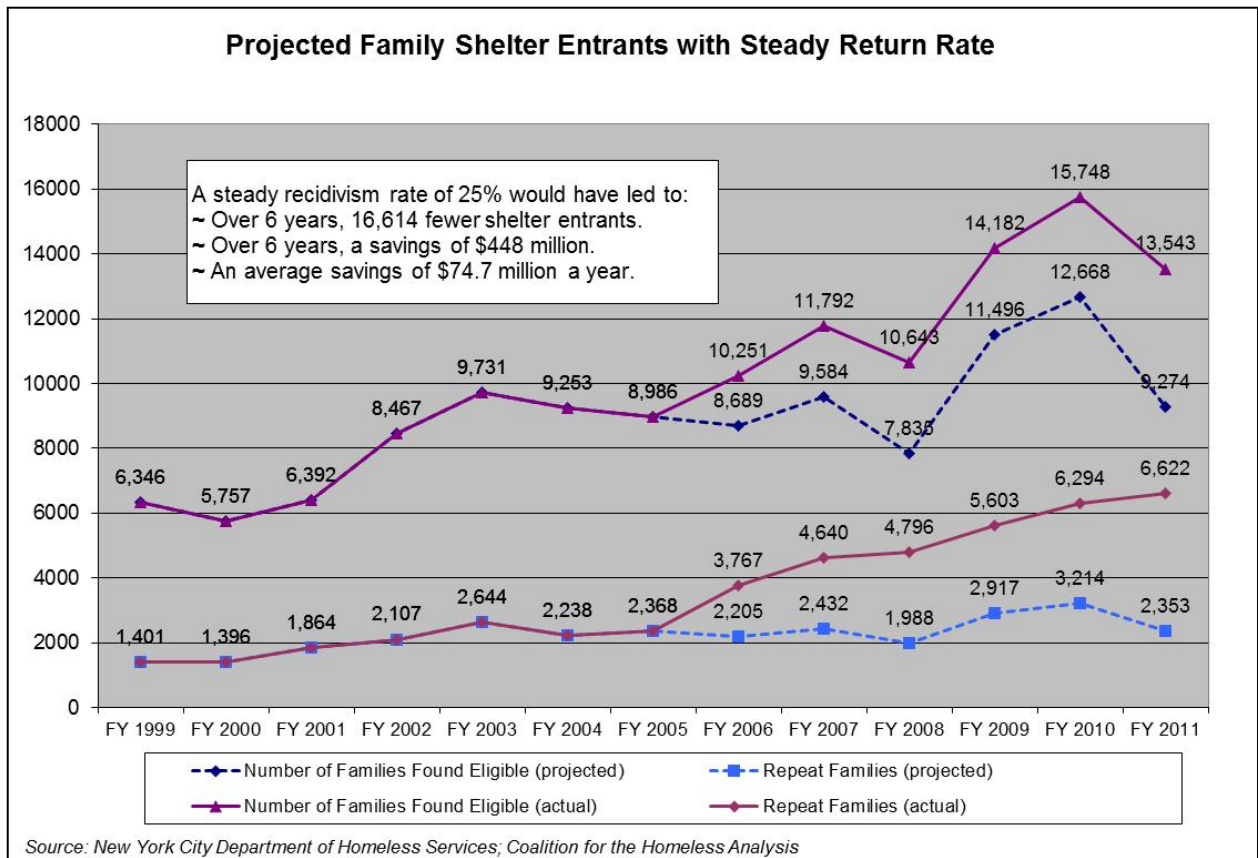
The sharp rise in Advantage families returning to shelter has been a major force behind current record homelessness. Before homeless households were cut off from federal housing assistance in 2005, about 25 percent of all families entering shelter had experienced homelessness at least once before. However, since 2005, the shelter-return rate has increased

steadily. As of late 2011, the rate had doubled to 52 percent. Today more than half of all families entering shelter have been homeless before.



The consequences of this are apparent in the sharp increase in the family shelter population since 2005, even during years when the economy was growing and unemployment was low. The number of families entering shelter reached new record levels almost every year since then. Had the shelter return rate remained constant at 25 percent, family shelter entrants would have increased only in 2009 and 2010, consistent with the prevailing economic climate.

Moreover, the 2005 shift to providing homeless families with short-term rental subsidies has cost New York taxpayers hundreds of millions in avoidable shelter costs. If from 2005 to 2012 the shelter return rate had remained at 25 percent of all families entering the shelter system, the City would have saved \$448 million dollars over the course of six years, or an average of \$74.7 million each year. And most important of all, thousands of children and families would have been spared the hardships of homelessness.

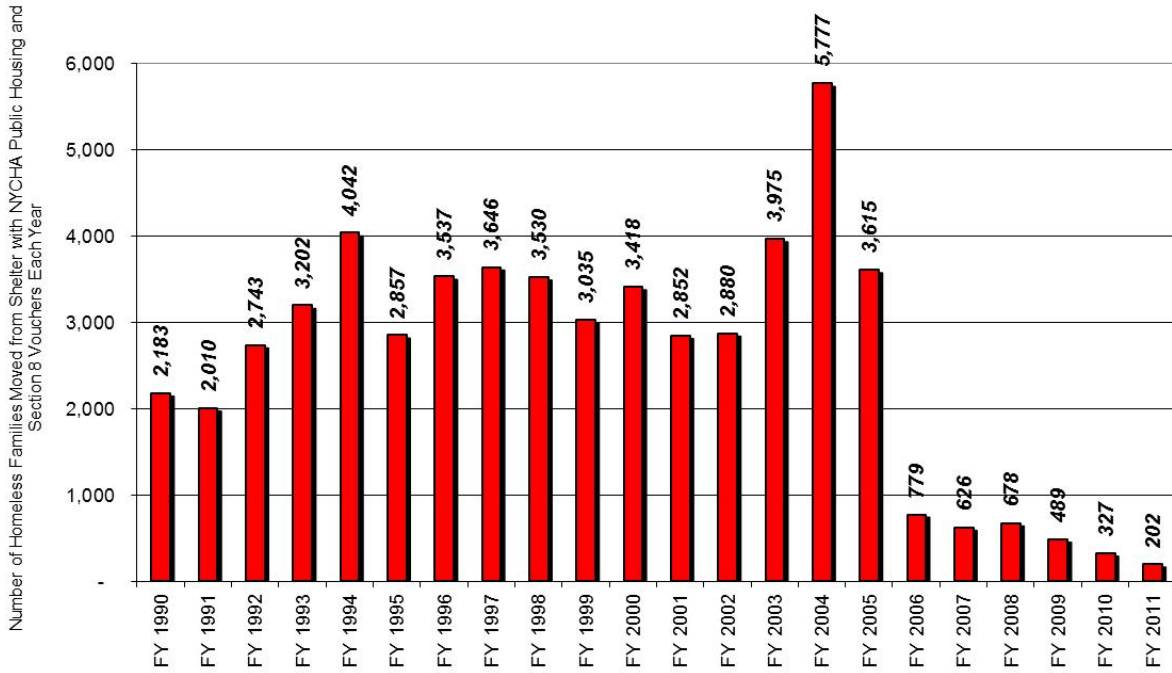


Returning to a Time-Tested Solution

Today, amidst all-time record New York City homelessness, the Bloomberg Administration continues to deny vital Federal housing assistance to homeless children and adults. With the expected rise in shelter entrants from the abrupt end of Advantage payments in February 2012, the current crisis can be expected to reach new heights.

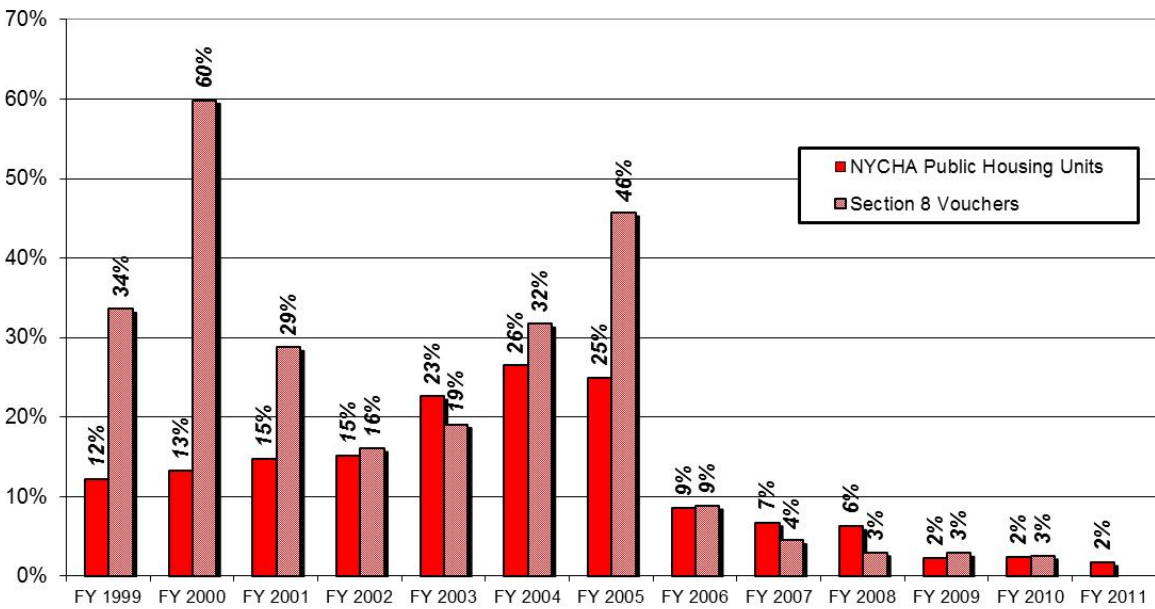
The sad result, if the administration doesn't change course immediately, will be ever more homeless families languishing in shelters for longer lengths of time with no way out. Even more tragically, thousands of families will continue to experience multiple episodes of homelessness, with thousands of children bearing the worst consequences of this instability.

NYC Homeless Families Assisted by Federal Housing Programs Each Year, FY 1990-FY 2011



Source: Mayor's Management Reports and NYC Department of Homeless Services

Share of NYC's Federal Housing Resources Targeted to Homeless Families, FY 1999-FY 2011



Source: Mayor's Management Reports; *Note: FY 2011 Total Section 8 Placements are unavailable

The City can and should begin to address this crisis by taking the following steps:

1.) Immediately begin to use one in three available NYCHA public housing apartments and Section 8 vouchers to help homeless families and individuals move from shelters to permanent housing.

- This can be swiftly accomplished by using the existing priority system for both the New York City Housing Authority (NYCHA) public housing and voucher waiting lists, which makes households referred by the NYC Department of Homeless Services the highest priority applicants.
- In addition, NYCHA should act to restore the separate "emergency priority" for all homeless households that was reduced in 2005.

2.) In coming years, the City should set aside a significant percentage of City-assisted apartments -- apartments created or preserved by the NYC Department of Housing Preservation and Development (HPD) -- for homeless families and individuals.

- This policy would build on the success of Mayor Koch's ten-year "Housing New York" program which allocated 15,000 affordable apartments -- 10 percent of all housing units created or preserved under the program -- for homeless New Yorkers.
- Currently Mayor Bloomberg's "New Housing Marketplace" plan allocates only around 4 percent of all City-assisted apartments to homeless people, even at a time of much worse homelessness.
- The City should also allocate a significant share of HPD-administered Federal housing vouchers to help homeless New Yorkers.

3.) Create a new and improved City rental subsidy that mimics proven-effective Section 8 vouchers.

- A modest City investment could create 1,000 to 4,000 rental subsidy vouchers based on the successful Section 8 program.

4.) The City and State should work together to make it easier for families to access FEPS.

- FEPS rules should be altered to allow families to access the subsidy without being sued. Currently, families can only access FEPS if they are being sued in housing court. This is expensive and labor intensive for the courts, landlords, and tenants. Working tenants may be forced to miss work and risk jeopardizing their employment.
- Additionally, FEPS should be extended to families without children and single adults, who are also at risk of eviction after receiving the Advantage program.
- Finally, more providers should be added to process FEPS applications. Currently, the demand for FEPS applications is exceeding the number of people who are able to submit them.

All of the above solutions would make a meaningful dent in the shelter population and dramatically reduce the number of families re-entering shelter.

For more information, please visit: www.coalitionforthehomeless.org

ⁱ From DHS data dated September 30, 2010.

ⁱⁱ Rodriguez, Cindy (2012) [online] <http://www.wnyc.org/blogs/wnyc-news-blog/2012/mar/09/evictions-begin-after-city-housing-voucher-ends/>.