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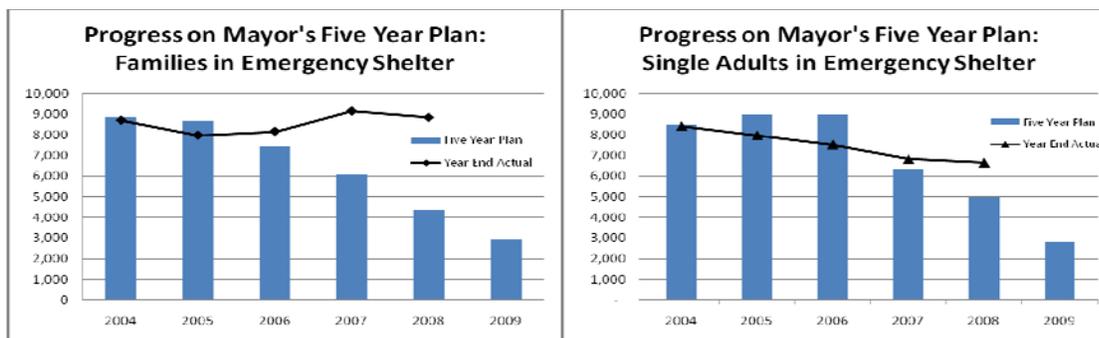
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Testimony
of Brendan Cheney, Budget and Policy Analyst
Before the City Council Committee on General Welfare
on the Uniting for Solutions Beyond Shelter: The Mayor's
Five Year Plan to Reduce Homelessness by Two-Thirds

September 23, 2008

Good morning Chairman de Blasio and members of the General Welfare Committee. I am Brendan Cheney, budget and policy analyst for the New York City Independent Budget Office. Seated with me is Kerry Spitzer, also a budget and policy analyst with IBO. Thank you for the opportunity to testify at today's hearing.

In 2004 the Mayor announced Uniting for Solutions Beyond Shelter, a five-year plan with the ambitious goal of decreasing homeless shelter populations and the street homeless population by two-thirds by 2009. In July of 2008, we produced a report at the request of Councilmember de Blasio focusing on the Mayor's homelessness prevention efforts (the [report](#) is attached to this testimony), an important part of the Mayor's five-year plan. Our report found that while prevention spending has been increasing, shelter populations were not declining as the plan anticipated. In fact, the family shelter population increased from 2005 through 2007 before declining in fiscal year 2008. The single adult shelter population declined from 2004 through 2008 but is not currently on target to reach the goals of the plan.



The Mayor's plan envisioned using savings from a decline in the shelter population to fund other efforts to alleviate homelessness. But rather than savings, spending has increased; family shelter costs have increased 13 percent, or \$47.9 million, and single adult shelter costs have increased 11 percent, or \$22.5 million, since 2004. Savings could materialize if single adult shelter rates continue to decline and family shelter rates also decline as they have been recently. The question will then be whether budget conditions allow them to reinvest or whether they will use the savings as a budget reduction.

City expenditures on homelessness prevention grew from \$160.6 million in 2004 to \$191.2 million, an increase of roughly \$30 million, or 19 percent. Part of the increase in prevention spending comes from the

implementation of HomeBase as a pilot program in six community districts in September 2004. The program funds community-based organizations that help families at risk of homelessness secure services and one-time cash assistance. The department states that the program has been successful and points to statistics showing the increase in shelter entrants was less in the six community districts than in comparable community districts. In fiscal year 2008 the city expanded the program citywide with seven nonprofit groups responsible for 12 catchment areas. As the program has expanded citywide, it has also expanded its mission to include aftercare and diversion services.

Regardless of how many fewer people are in the city's shelters, and whether or not the decline has met targets, it is essential that we better understand the factors that affect changes in the shelter population. Policymakers need to evaluate on a regular basis which of the homelessness prevention programs are most effective as well as the effectiveness of rental assistance programs in moving people quickly from shelter into permanent housing. They must also look at other matters that influence trends in the shelter population such as overall economic conditions and housing prices. It is only through comprehensive looks at the interplay of all of these factors that we can ensure that we are investing in the programs that can best reduce shelter stays that are costly in both fiscal and human terms.

Thank you again for the opportunity to testify and I would be happy to answer any questions that you have.