

## Homelessness Prevention Spending by Agency and Program

**Human Resources Administration (HRA).** Homelessness prevention spending by HRA was essentially flat in 2007 at \$160.2 million. Although overall there was little change in HRA prevention spending, there were changes among programs.

Spending on Family Eviction Prevention Services (FEPS) has increased as so-called Jiggetts payments have declined as the program phases out.<sup>1</sup> The FEPS program is similar to Jiggetts assistance; it is a rent supplement for families on cash assistance that are facing eviction for nonpayment of rent due to rental costs higher than the shelter allowance associated with public assistance. Spending on Jiggetts and FEPS combined in 2007 was \$39.0 million, roughly the same as spending on the two programs in 2006, but less than spending on Jiggetts in fiscal years 2003 through 2005. (A previous report on homelessness prevention spending by IBO did not include spending on FEPS. This report includes spending back to 2005 when the supplement began and updates all total spending numbers to include FEPS.)

Although the programs are similar, there are a few differences between FEPS and its predecessor, Jiggetts. Monthly supplements are higher under FEPS—\$900 with a cash assistance case size of four—than they were under Jiggetts. Conversely, assistance under FEPS is limited to five years. Finally, if the household is receiving a reduced grant due to being sanctioned for not meeting a public assistance rule, FEPS will not cover the back rent owed during the sanction period once the family’s sanction is lifted.

The number of Jiggetts cases has been decreasing each year since 1999, before Jiggetts began to phase out in 2003. In 1999, there was an average of 24,858 cases and in 2003 there was an average of 14,199 cases. The decrease continued as the program was phased out. As of April of 2008, there were only 2,189 Jiggetts cases. The FEPS initiative began in 2005, but the state Office of Temporary and Disability Assistance only began collecting data on active cases in fiscal year 2007. At the end of fiscal year 2008, there were 6,606 active FEPS cases. This is comparable to Jiggetts usage in 2006, but is far from the number of Jiggetts cases in previous years.

**Growth in HRA One-Time Assistance.** HRA provides one-time cash assistance to families and single adults facing eviction or other crises to cover back rent or security deposits and broker fees. One-time assistance grants target households not receiving on-going cash assistance and are partially funded through federal Temporary Assistance to Needy Families (TANF) funds. Spending on one-time assistance was \$114.3 million in fiscal year 2007, an increase of \$3.8 million, or 3.4 percent.

Payments for broker fees, security deposits, and rent in advance decreased by \$3.8 million, or 6.0 percent, to \$59.1 million. This is the most common type of assistance, with 56,231 cases in 2006, and 56,291 cases in 2007. The average payment decreased by 6.1 percent to \$1,050 in 2007. A percentage of this spending, however, goes to households who are leaving shelter to help them secure more permanent housing and therefore should not be considered homelessness prevention. HRA is unable to determine how

much of the funding helps families avoid entering shelter (prevention) and how much supports families leaving shelter.

HRA also provides cash assistance for back rent and eviction avoidance for households that are not in the FEPS program. Generally the agency requests a client contribution and requires a demonstrated ability to pay future rent. HRA also follows state limits of six months of

|  | 2004           | 2005           | 2006           | 2007           |
|--|----------------|----------------|----------------|----------------|
| Jiggetts Payments*                           | \$55.0         | \$46.4         | \$30.0         | \$15.7         |
| Family Eviction Prevention Supplement (FEPS) | -              | -              | 9.2            | 23.3           |
| One Time Grants                              | 76.6           | 90.1           | 110.5          | 114.3          |
| Diversion Teams & Other HRA Staff            | 12.5           | 13.4           | 10.7           | 7.0            |
| Anti-Eviction Legal Services**               | 1.0            | -              | -              | -              |
| <b>TOTAL</b>                                 | <b>\$145.2</b> | <b>\$150.1</b> | <b>\$160.4</b> | <b>\$160.2</b> |

SOURCES: IBO: Human Resources Administration.  
 NOTES: Fiscal year 2008 budget information is not available for HRA homeless prevention programs. Jiggetts and FEPS cases for 2008 represent data through April 2008. \*The Jiggetts total includes Temporary Supplemental Shelter (TSS) assistance, which is the comparable subsidy for families that have timed out of Family Assistance and are receiving Safety Net Assistance instead. \*\*Anti-eviction legal services contracts transferred to Department of Homeless Services as of September 20, 2004. Numbers may not add due to rounding.

total arrears over a five-year period. The agency has the flexibility to grant rent arrears of more than six months total, for example if there is a child under 6 months old in the household, if someone in the household has AIDS, is terminally ill, or is mentally or physically disabled, or if there are other exigent circumstances. Depending on the situation and public assistance eligibility status, grants may be recouped from subsequent cash assistance benefits or the applicant may be required to sign a repayment agreement.

| <b>HRA One-Time Assistance</b>  |               |               |                |                | <b>Pct. Change, 2006-2007</b> |
|---|---------------|---------------|----------------|----------------|-------------------------------|
|   | <b>2004</b>   | <b>2005</b>   | <b>2006</b>    | <b>2007</b>    |                               |
| <b>Spending</b> dollars in millions   |               |               |                |                |                               |
| Broker Fees/Security Deposit/Rent in Advance*   | \$38.3        | \$49.8        | \$62.9         | \$59.1         | -6.0%                         |
| "Excess Rent"   | 33.0          | 35.9          | 41.7           | 49.1           | 17.8%                         |
| Back Rent/Eviction Avoidance  | 5.3           | 4.4           | 5.9            | 6.1            | 2.8%                          |
| <b>TOTAL</b>  | <b>\$76.6</b> | <b>\$90.1</b> | <b>\$110.5</b> | <b>\$114.3</b> | <b>3.4%</b>                   |
| <b>Cases</b>  |               |               |                |                |                               |
| Broker Fees/Security Deposit/Rent in Advance  | n.a.          | n.a.          | 56,231         | 56,291         | 0.1%                          |
| "Excess Rent"   | n.a.          | n.a.          | 23,885         | 25,790         | 8.0%                          |
| Back Rent/Eviction Avoidance  | n.a.          | n.a.          | 4,760          | 4,788          | 0.6%                          |
| <b>TOTAL</b>  |               |               | <b>84,876</b>  | <b>86,869</b>  | <b>2.3%</b>                   |
| <b>Average Cost per Case</b>  |               |               |                |                |                               |
| Broker Fees/Security Deposit/Rent in Advance  |               |               | \$1,118        | \$1,050        | -6.1%                         |
| "Excess Rent"   |               |               | \$1,746        | \$1,905        | 9.1%                          |
| Back Rent/Eviction Avoidance  |               |               | \$1,241        | \$1,268        | 2.1%                          |
| <b>TOTAL</b>  |               |               | <b>\$1,302</b> | <b>\$1,315</b> | <b>1.1%</b>                   |
| SOURCES: IBO: Human Resources Administration.   |               |               |                |                |                               |
| *Not all of this is Prevention. Cash assistance for families leaving shelter included here. |               |               |                |                |                               |

HRA back rent and eviction avoidance covers two different programs. "Excess rent" covers rental arrears for clients in the approval process for FEPS. In 2007, spending on excess rent increased \$7.4 million (nearly 18 percent) to \$49.1 million. The caseload also grew in 2007, rising 8.0 percent to 25,790 cases. The average amount of excess rent assistance rose 9.1 percent, to \$1,905 dollars per case in 2007. Among clients not in the FEPS program, payments in 2007 for back rent and eviction avoidance increased \$163,000, to \$6.1 million, a 2.8 percent increase. The slower growth was a combination of a very modest increase in cases, from 4,760 cases in 2006 to 4,788 in 2007, and a 2.1 percent increase in the average amount, to \$1,268.

**Department of Homeless Services (DHS).** In 2007, spending on homelessness prevention at the Department of Homeless Services increased by \$3.6 million to \$18.5 million. Since the Mayor announced the five-year plan, spending has increased by 85 percent through 2007 due to the introduction of the HomeBase program. The budget for homelessness prevention for 2008 is \$19.2 million, which also includes spending on some other initiatives to prevent homelessness.

In 2005 through 2008, the city provided \$300,000 under the Innovative Projects program to different providers for various prevention services including intensive case management to families at high risk of homelessness, informational assistance at housing court, and financial assistance, relocation services, and workforce development. In 2007 and 2008, the City Council provided \$500,000 for the Homeless Prevention Fund, which allows three providers to give cash assistance to 500 households at risk of eviction and becoming homeless. The state-funded Homeless Intervention Program provides grants throughout the state to provide support services for those at risk of homelessness. State funding for the program was roughly \$650,000 annually from 2004 through 2007 and a total of 421 households in the city received support to avoid homelessness. Funding for this program was eliminated in fiscal year 2008.

In fiscal year 2005, the Department of Homeless Services began HomeBase, a pilot program to fund community-based organizations that help families at risk of homelessness access services and one-time cash assistance. The program served six high-risk neighborhoods through 2007 and expanded citywide in fiscal year 2008 and now has seven providers operating in 12 catchment areas that cover the entire city.

Through November 2007, HomeBase had enrolled 8,294 families and single adults, an average of roughly 215 per month. The core services offered through HomeBase are help with finding and renting an apartment, job training and search, legal and benefits assistance, mediation of problems with landlords or within families, and accessing health care and child care. Many clients received more than one type of service.

### DHS Spending on Prevention Programs

*Dollars in millions*

|                               | 2004          | 2005          | 2006          | 2007          | 2008          |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|
| HomeBase Contracts            | -             | \$5.2         | \$8.3         | \$10.8        | \$12.4        |
| Anti-Eviction Legal Services  | 9.4           | 5.9           | 5.7           | 6.2           | 6.0           |
| Homeless Intervention Program | 0.6           | 0.6           | 0.6           | 0.6           | -             |
| Innovative Projects           | -             | 0.3           | 0.3           | 0.3           | 0.3           |
| Homeless Prevention Fund      | -             | -             | -             | 0.5           | 0.5           |
| <b>TOTAL</b>                  | <b>\$10.0</b> | <b>\$12.1</b> | <b>\$14.9</b> | <b>\$18.5</b> | <b>\$19.2</b> |

SOURCES: IBO; Department of Homeless Services.

NOTE: 2008 figures are budgeted. Numbers may not add due to rounding.

HomeBase providers also have approximately 20 percent of their budget available for direct cash assistance to clients. Since the program began, 2,148 clients received an average of \$1,150 in cash assistance through HomeBase. Providers have flexibility in using cash assistance through HomeBase and have generally used it alone or with HRA cash assistance and client contributions to house clients, pay for job training, or buy furniture and work clothes. Many clients received more than one type of service.

HomeBase contract budgets, starting in fiscal year 2008, are now structured with performance standards. Roughly half of the total award is now performance-based. Under these terms, providers are paid only for successful diversions from shelters. Providers receive \$1,000 for each month that a diversion client does not enter shelter, up to a maximum of \$12,000.

In fiscal years 2005 through 2007, DHS spent a total of \$24.3 million on HomeBase. Contract budgets for HomeBase total a maximum of \$17.5 million in 2008, \$21.0 million in 2009, and \$23.0 million in 2010. The budget for HomeBase was set at \$12.4 million for 2008 and \$14.2 million for 2009. Additional funding is added to the budget for HomeBase contracts if providers meet their diversion targets.

Through a program separate from HomeBase the Department of Homeless Services also provides free legal services assistance to households that are TANF-eligible as part of their homelessness prevention services. DHS spending on anti-eviction legal services in 2007 was \$6.2 million and was budgeted at \$6.0 million in 2008. According to the Commissioner's testimony at the Executive Budget hearings in May, DHS plans to shift \$1.5 million of anti-eviction legal services funding in 2009 to aftercare services in response to a state funding cut.

A large majority of the legal services provided, 4,472 cases in 2007, are considered full legal representation by DHS. Full legal representation includes appearances at judicial and administrative hearings as required to settle or try eviction cases, factual investigations, cash benefits advocacy, legal research and preparation of court papers, and ongoing client contact/follow-up

interviews. Since not all clients require full legal representation, the Mayor's five-year plan proposed providing brief legal services as well. Brief legal services includes helping clients who are serving as their own legal representatives with documents, drafting of letters, negotiating with landlords and/or other advocacy assistance, assisting with repair issues, cash benefits advocacy, and referrals to social service agencies. The department provided brief legal services for 717 cases in 2007.

| HomeBase Services   |              |
|---|--------------|
| <i>Number of Referrals by Type; November 2004 through November 2007</i> |              |
| Type of Referral  | Number       |
| <b>Total Clients Served</b>   | <b>8,294</b> |
| Housing Location & Supplies, Rent Assistance                            | 4,248        |
| Job Search, Training and Education                                      | 3,586        |
| Legal Action & Entitlements Advocacy                                    | 2,832        |
| Mediation & Independent Living  | 1,632        |
| Family Health & Child Care  | 941          |

SOURCES: IBO; Department of Homeless Services.  
NOTE: \*Total number of clients served does not equal sum of individual referral types because many clients received referrals for more than one service.

**Department of Housing Preservation and Development (HPD).** The Department of Housing Preservation and Development also supports legal

services through a City Council-funded initiative. The funding goes to contracts with service providers. Spending each year on this initiative has been \$2.5 million since 2005, and increased to \$3.0 million in 2008. According to HPD, the providers plan to serve roughly 50,000 people per year. It is not possible, however, to calculate the unit cost per legal service because the providers offer different services and do not have the same method for calculating the number of people they serve. The Citywide Task Force on Housing Court, for example, serves a little more than 40,000 people per year through the grant. Their services encompass anti-eviction information and referrals for legal services via their hotline or their information tables located at each borough housing court. Some other contractors provide legal representation but serve fewer people.

### ACS Homeless Prevention Services

*Dollars in thousands*

|                                      | 2005           | 2006           | 2007           | 2008           |
|--------------------------------------|----------------|----------------|----------------|----------------|
| Recurring Payments                   | \$1,940        | \$2,015        | \$2,330        | \$1,412        |
| Broker's Fee, Security Deposit, etc. | 911            | 1,081          | 1,264          | 807            |
| Furniture                            | 384            | 941            | 1,084          | 727            |
| Arrears                              | 508            | 585            | 751            | 548            |
| Other                                | 160            | 53             | 13             | 5              |
| <b>TOTAL</b>                         | <b>\$3,903</b> | <b>\$4,673</b> | <b>\$5,442</b> | <b>\$3,497</b> |
| Average Monthly Cases                | 601            | 659            | 726            | 756            |
| Annual Cost Per Case                 | \$6,490        | \$7,094        | \$7,494        | n/a            |

SOURCES: IBO; Administration for Children's Services.

Note: n/a - not available; 2008 Cases are for January, 2008; Annual cost per case in dollars.

**Administration for Children's Services (ACS).** The Administration for Children's Services provides rental assistance to prevent foster care placements that occur due to inadequate housing or homelessness. ACS spent \$4.7 million in 2006 and \$5.4 million in 2007. Clients receive a maximum of \$10,800 over a maximum of three years based on state regulations. The rental assistance includes cash for rent arrears, broker fees, security deposit, first month rent, ongoing monthly rental support, furniture, and other costs, including moving and storage.

Average annual cash assistance per case has increased from \$6,490 in 2005 to \$7,494 in 2007. Using these averages, clients would be able to receive assistance for approximately one and a half years before reaching their maximum. The average monthly amount of ongoing rental support, in addition to assistance for broker's fees or furniture, was roughly \$260 between 2005 and 2008.

The largest share of the funding, more than 43 percent, was recurring payments to rental support. Another 23 percent was for payments to secure a new apartment, including security deposits, down payment, broker's fees and first month's rent; 20 percent for furniture; and 14 percent covered rent arrears. The average number of cases has been increasing over the last three years from 601 cases in 2005 to more than 750 cases in 2008.

**Legal Assistance Contracts.** The city also provides legal assistance contracts for working poor, senior citizens, individuals with AIDS, individuals with disabilities, and battered women through the Mayor's Office of the Criminal Justice Coordinator. The contracts provide legal assistance for issues relating to immigration, consumer rights, and eviction prevention. Since only the anti-eviction legal assistance would count as a form of homelessness prevention spending, only a portion of these grants should be included. The Independent Budget Office could not identify exactly what share of the contracts were for anti-eviction assistance, but some providers we spoke with suggested it was close to 40 percent. The budget figures in this category have been reestimated since an earlier version of this report to include only those contracts that include some anti-eviction legal assistance.

### ENDNOTE

<sup>1</sup>In November 2003 the state revised the schedule for the shelter allowance portion of the cash assistance grant, and began the phase out of Jiggetts assistance, which was created in 1987 following a court determination that the shelter allowance was inadequate. The program phased-out in November 2005, after which there were no new enrollments. Clients from before the phase out will continue to receive Jiggetts payments for two years, after which they will be reevaluated for eligibility for FEPS. Litigation, since concluded, delayed the phase out which is now continuing.