



Breaking the Cycle of Homelessness
for Women and their Children

Testimony of Christine C. Quinn in Support of Int. No. 146

Good afternoon Chairs Levin and Eugene and members of the General Welfare and Civil and Human Rights Committees. I am Christine Quinn, the President and CEO of Win, the largest provider of shelter and services to families with children in New York City. I am here today to urge you to pass Intro. No. 146, which would peg the city's rental voucher values to the Fair Market Rent. We cannot address the homelessness crisis we are facing in New York City if we don't have the right resources and tools at our disposal.

The CityFHEPS voucher is intended to offer a clear, straightforward exit path out of shelter for eligible families. But, because the voucher amount is so low, that exit path is closed. Now, more than ever, the city must be doing everything it can to help vulnerable families achieve and maintain economic stability. Passing this bill, and making this voucher actually work for families, is an important step towards that goal.

At Win, we serve about 2,500 families a year—providing wrap-around services to ensure that families have the resources they need to remain housed once they leave a Win shelter. We have a dedicated staff of housing coordinators who work tirelessly to help clients access benefits and find appropriate and affordable housing. One of our housing coordinators' primary jobs is to help families access housing subsidies, because we know that families who leave shelter without a permanent subsidy are 16 times more likely to return to shelter than those who leave with one. And, given the scarcity of federal subsidies, the city's rental voucher program – CityFHEPS – is one of the most frequently used tool we have to help our clients achieve permanent housing stability.

But, as I mentioned, CityFHEPS is not the solution our families need it to be. Last year, of all Win families who had access to a CityFHEPS voucher, only 28% left shelter using one. Another 32% of families left for placements that are less stable because they have a much higher return-to-shelter rate, including family reunification and housing using the Special One Time Assistance voucher (SOTA). Moreover, once families had access to a voucher, it took them an average of three months to finding housing with it.

And, these struggles have not abated since COVID-19 struck. Since March, compared to the same period last year, fewer families have left Win shelters and more have left for unstable placements. From March through August 2020, exits from Win shelters to permanent homes were down 33% compared to the same period last year. Family reunification exits were 22% higher; and subsidized housing exits were 48% lower.

A major contributing factor to the underuse of CityFHEPS is the amount of rent its vouchers pay is far below market value, even in the most affordable parts of the city. On top of the difficulties of finding a landlord willing to accept a voucher and competing against other households vying



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for that unit—our families also have to try to find housing that rents for well below the market rate. The CityFHEPS maximum rent allowed for a 3 or 4 person household is \$1,580 per month. According to Streeteasy data, there is no neighborhood in the city where the median asking rent for a 2-bedroom is this low. Let that sink in.

The solution to this problem is clear. In order to make CityFHEPS an effective tool, its rents must reflect the actual cost of housing in New York City. CityFHEPS maximum rent amounts should be tied to New York City's Fair Market Rents (FMR).

The U.S. Department of Housing and Urban Development (HUD) determines the FMR each year based on rent levels in the metro area. The FMR is used to set rents for HUD subsidy programs, including Section 8 vouchers. The FY21 FMR for a 2-bedroom apartment in NYC is \$2,053/month. Compared to the maximum rent allowed under CityFHEPS for a 3- or 4-person household (\$1,580/month), this would increase the maximum rent allowed by \$473/month (Table 1). This would significantly broaden access to many neighborhoods for voucher holders. In the last 5 months, there have been 15 neighborhoods in the city (out of over 95) where at some point the median asking rent for a 2-bedroom was affordable with the FMR rate. There was no point during this period where ANY neighborhood had a median asking rent affordable with the maximum CityFHEPS rent.

By raising the maximum voucher amounts to the FMR, the city will be making it possible for many more families to use the voucher to leave shelter and stay in their new homes. Moreover, by getting voucher holders out of shelter faster and reducing their likelihood of returning to shelter, this reform will result in substantial savings for the shelter system (Table 2). Subsidized housing costs are much lower than the **\$201/day** on average that NYC spends to shelter a family with children, and **\$272/day** when they are placed in hotels. The New York Daily News agrees on the importance of shifting money from shelter and hotel costs to vouchers, and editorialized in support of this bill: "Far smarter than sending all that money out the door is upping the value of [...] CityFHEPS, which is extremely effective at helping people get out of temporary, taxpayer-provided shelter and into permanent housing."

If a family leaves shelter one month earlier because of this increase, that saves **\$6,114** in shelter spending. If families can use CityFHEPS vouchers to avoid riskier housing placements and the accompanying higher risk of returning to shelter, the city saves **\$91,710** per family (based on the average family stay of 15 months in shelter at \$201/night).

Win has also conducted a much more complicated exercise to estimate the cost of the program and the savings for the city over time (see Appendix). We estimate that across the family shelter system between 2,600 and 2,700 households will be helped to move out of shelter and



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move out quicker, in each of the first 5 years after this change goes into effect. And, the savings realized from this reform far exceed the cost of this increase. In total, over five years, we estimate that making this change will save the city approximately \$187 million.

Not only is this the right thing to do to help reduce family homelessness in New York City, it is also the fiscally responsible thing to do. Instead of spending exorbitant amounts of money to house families in shelters and hotels, we should instead be using our resources to help families achieve and maintain permanent housing, providing families the foundation they need to thrive. While the city is facing unprecedented fiscal challenges right now, the shelter system risks being burdened way over capacity with families experiencing COVID-related job and home loss if the city doesn't make changes.

We must do all that we can to widen the door out of shelter. This is the right step, and the best use of our tax dollars, to help families who need to find a home. Thank you for your time and consideration.

Table 1: Current and Proposed CityFHEPS Rent Limits by Household Size/Bedroom Count

CityFHEPS Household Size	Current CityFHEPS Maximum Rent	Equivalent FY21 FMR NYC	Monthly Increase
1	\$1,265	\$1,760	\$495
		(0 bedroom)	
2	\$1,323	\$1,801	\$478
		(1 bedroom)	
3 or 4	\$1,580	\$2,053	\$473
		(2 bedroom)	
5 or 6	\$2,040	\$2,598	\$558
		(3 bedroom)	
7 or 8	\$2,291	\$2,784	\$493
		(4 bedroom)	

Table 2: Estimated Shelter Savings from Decreased Time in Shelter for 3- or 4-Person Household

Time Avoided in Shelter	Shelter Cost Saved	Months of \$473 Increase Funded
1 month	\$6,114	About 13 months
2 months	\$12,228	Over 25 months
15 months	\$91,710	About 194 months (16 years)



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Appendix

Summary of Win Budget Analysis for Int. No. 146 (Family Shelter System Only)

I. Number of Families in Shelter Helped by Int. No. 146, Years 1 through 5

There are two categories of families in shelter helped by the increase in the maximum voucher rent:

Faster Exits: These are families who would have used the voucher anyway but are helped because now they can move out faster.

New Users: These are families who would have been eligible for the voucher but wouldn't have been able to use it and now will be able to use it. They will also move out faster.

Families in Shelter Helped by Intro No. 146 by Year

	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Total Helped
New Users	1,200	1,176	1,164	1,159	1,156	
Faster Exits	1,530	1,499	1,485	1,478	1,474	
Total	2,730	2,675	2,649	2,637	2,631	13,322

II. Cost Implications of Int. No. 146

Given our assumptions, our analysis shows that the cost of the increase in the voucher for families in shelter is much less than the savings achieved by the increase.

Financial Impact of Intro No. 146 on Family Shelter System by Year

	Year 1	Year 2	Year 3	Year 4	Year 5	5-Year Net Savings
Savings	\$ 45,150,000	\$ 77,310,000	\$ 94,860,000	\$ 105,230,000	\$ 112,110,000	
Costs	\$ 15,500,000	\$ 31,600,000	\$ 48,500,000	\$ 66,310,000	\$ 85,100,000	
Net Savings	\$ 29,650,000	\$ 45,710,000	\$ 46,360,000	\$ 38,920,000	\$ 27,010,000	\$ 187,650,000

- a. Cost = incremental increase in voucher amount.
- b. Only accounts for cost within the family shelter system.
- c. Assumes DHS will prioritize closing hotel units and that there are no major fixed costs associated with that.
- d. Analysis is based on average cost of \$272/night for a family with children in a hotel (FY19 average).
- e. Assumes Win families' experience with CityFHEPS is representative of the experience in the family shelter system generally.
- f. There are many more assumptions that go into the model. We are happy to share them.