



Breaking the Cycle of Homelessness  
for Women and their Children

## More Than a Moral Choice: How CityFHEPS Could Save NYC \$635 Million

By Chris Mann

As the nation's largest provider of shelter and supportive housing to families with children, Win operates 16 shelters and over 450 units of permanent supportive housing across the five boroughs, serving nearly 7,000 people, including 3,600 children, every night. Our daily experience on the front lines gives us a distinct perspective on the crisis: homelessness is rarely a one-time, episodic event, but rather a traumatic cycle that traps families for years.

The best tool New York City has to fight homelessness is the City Fighting Homelessness and Eviction Prevention Supplement (CityFHEPS). This housing voucher works similarly to Section 8 in that households in shelter or at risk of eviction that qualify by **making less than 200 percent of the federal poverty line**, having an active public assistance case, and working at least 10 hours per week pay just 30 percent of their income towards rent and the voucher covers the rest.<sup>i</sup> The vast majority of families that move out of shelter into permanent housing, do so with CityFHEPS.

A recent report from the Citizen's Budget Commission (CBC) attempts to argue that even though CityFHEPS vouchers are significantly less expensive on a per day basis (\$54 for CityFHEPS vs \$270 for family shelter) they are more expensive over time.<sup>ii</sup> However, this conclusion is built on a fundamental misunderstanding of the cycle of homelessness. By treating homelessness as a singular event, the report grossly miscalculates the true cost of shelter. The reality is that homelessness is an unending cycle if the proper resources are not provided. Families return to shelter *repeatedly* without stable housing. In fact, internal Win data reveals that 84% of families in Win shelters have a previous shelter history. **When accounting for the extremely high rates of shelter return, we find that shelter actually costs 35% more and moving families into permanent housing with CityFHEPS could save the City as much as \$635 million in shelter costs over 5 years.**

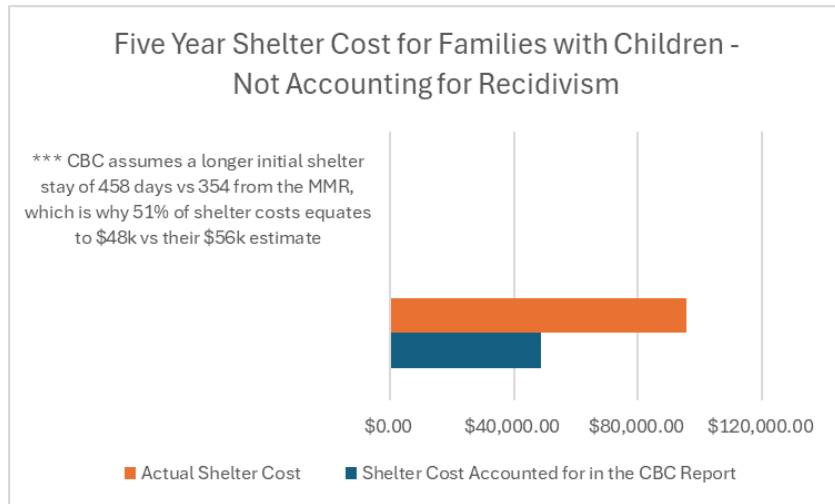
The model used in the CBC's report asserts that CityFHEPS vouchers cost 64% more than shelter over a five-year period. This figure relies on a false premise: it assumes a return-to-shelter rate of only 12% for families who leave shelter without a voucher. This 12% figure, drawn from the Mayor's Management Report,<sup>iii</sup> reflects only a *one-year* return rate. **Applying a single-year statistic to a five-year cost model is inaccurate and significantly minimizes the chronic nature of housing instability.**<sup>iv</sup>

The CBC report also only accounts for shelter costs paid for directly by the City (51%), which seriously misrepresents the actual cost of shelter. When accounting for the full cost of shelter paid for by a mix of city, state, and federal dollars, without accounting for recidivism, family shelter costs \$95,658 over 5 years (average cost of family shelter x average length of stay). When accounting for the full shelter cost even if the actual return to shelter rate was only 12% over 5 years, the cost of shelter is still higher than it is for CityFHEPS at \$104,280 for CityFHEPS vs



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shelter at \$107,137. The fact that state and federal dollars are being used to pay for a part of the families with children's shelter costs does not mean that those costs are irrelevant. In fact, some of the federal TANF dollars being used to pay for shelter are also being used to pay for CityFHEPS. Although TANF dollars currently make up less than one percent of CityFHEPS funding<sup>v</sup>, those dollars could potentially be shifted to cover more CityFHEPS vouchers if the City decided to do so.



Win’s internal data shows clearly that homelessness is cyclical without proper support. Our FY24 data reveals that **84% of families in Win shelters have a previous shelter history**, a figure that rose from 82% in FY20.<sup>vi</sup> Without the permanent stability of a voucher, the vast majority of families are forced to return to the system at some point. Win data is slightly limited, in that we know the first shelter stay and the current shelter stay, but we lack data on all the subsequent times that a family has returned to shelter in between.

When we apply our model that accurately reflects the data, the financial argument in favor of shelter over CityFHEPS is reversed. If we build off the 12% rate of return to shelter within one year in the Mayors Management Report, then there is an 88% chance of not returning within a year. To get the five-year probability, we apply that to the fifth power. To reverse the statistic and make it the probability of returning to shelter, we subtract that number from one ( $1 - 0.88^5 = .4722$ ), which equates to a **47% chance of returning to shelter within 5 years**. This assumes that the rate of return stays constant over the years, although it could potentially increase or decrease in the out years.

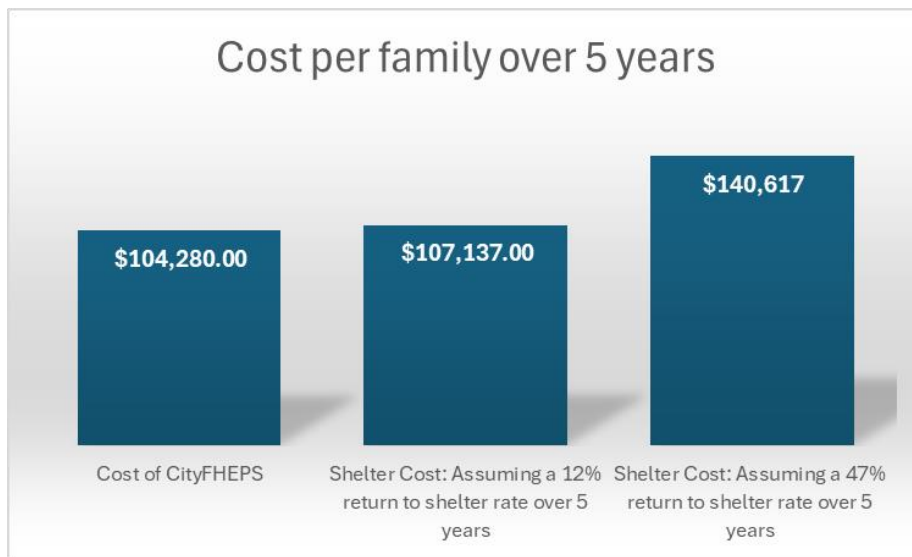
Although we are unable to view more precise yearly data in the aggregate, when we examined a random sample of 10 Win clients who left shelter without a voucher, we found that 5 out of the 10 returned to shelter within 5 years, which tracks closely with the 47% estimate. Additionally, when we look at the 84% of families that have been in shelter previously, the average time between their first ever shelter stay and their current shelter stay is 8.5 years, equating to a 10%



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rate of return per year, or 50% over 5 years, further indicating that the return to shelter rate over five years is approximately 50%.

To get the cost of a typical shelter stay, we multiplied the average length of stay for families with children (354 days)<sup>vii</sup> by the average daily cost of shelter for a family with children (\$270.22)<sup>viii</sup>, which equates to \$95,657.88. When you accurately account for the significant shelter recidivism, that cost increases dramatically. If we apply Win’s estimated 47 percent rate of return, the cost of the shelter cycle rises to \$140,617 per family over 5 years. Therefore, the additional per household cost for shelter is \$36,337 over 5 years. If you were able to move every family with children currently in shelter (17,479 as of 2/5/26)<sup>ix</sup> into a permanent home with CityFHEPS, the City could save up to **\$635,134,423** in shelter costs over 5 years. This analysis is simply the direct cost comparison between shelter costs and CityFHEPS and does not account for all the negative externalities of homelessness, which when prevented would result in even more savings.



Critics argue that the shelter census has not dropped despite voucher use, but historical data proves that vouchers are the primary lever for controlling the census. When the Advantage subsidy was suspended in 2012, homelessness surged from roughly 46,000 people to over 58,000 in just two years. Conversely, when CityFHEPS was unified in 2018, the census dropped from over 60,000 people to roughly 45,000 by 2022.<sup>x</sup> Although other factors certainly impacted these numbers, increased voucher access correlates directly with a drop in homelessness.

While the census has risen recently for long-term New Yorkers, this must be viewed in the context of the worst housing market since the 1960s, with a vacancy rate of just 1.4%. Without CityFHEPS acting as a dam against this tide, the shelter census would be catastrophic. The voucher is working exactly as intended: but to truly reduce the shelter census, the expansion of CityFHEPS passed by the City Council in 2023<sup>xi</sup> must be implemented.



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The choice before the City is clear. We can spend \$36,000 more per family to perpetuate a cycle of trauma that disrupts the lives of children and families, or we can save over \$635 million to end that cycle forever. The answer is obvious: CityFHEPS is not just a moral imperative; it is the *only* fiscally responsible path forward.

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<sup>i</sup> New York City Department of Social Services, "CityFHEPS Frequently Asked Questions For Clients in the Community," last modified September 18, 2019, <https://www.nyc.gov/assets/hra/downloads/pdf/cityfheps-documents/dss-7r-e.pdf>.

<sup>ii</sup> Citizens Budget Commission. *CityFHEPS Hits \$1 Billion: NYC Cannot Voucher Its Way Out of the Housing Crisis*. By Sean Campion. New York: Citizens Budget Commission, February 24, 2025. <https://cbcny.org/research/cityfheps-hits-1-billion>.

<sup>iii</sup> City of New York. (2025). Preliminary Mayor's Management Report 2025. NYC.gov. from [https://donbuqm3ub5fw.cloudfront.net/files/PMMR\\_2025\\_Cover\\_817ffc435e.pdf](https://donbuqm3ub5fw.cloudfront.net/files/PMMR_2025_Cover_817ffc435e.pdf)

<sup>iv</sup> Citizens Budget Commission. *CityFHEPS Hits \$1 Billion: NYC Cannot Voucher Its Way Out of the Housing Crisis*. By Sean Campion. New York: Citizens Budget Commission, February 24, 2025. <https://cbcny.org/research/cityfheps-hits-1-billion>.

<sup>v</sup> IBO analysis of budget data from the Financial Management System.

<sup>vi</sup> Win administrative data, Dashboard for all HOC, FY20 and FY24

<sup>vii</sup> City of New York. (2025). Preliminary Mayor's Management Report 2025. NYC.gov. from [https://donbuqm3ub5fw.cloudfront.net/files/PMMR\\_2025\\_Cover\\_817ffc435e.pdf](https://donbuqm3ub5fw.cloudfront.net/files/PMMR_2025_Cover_817ffc435e.pdf)

<sup>viii</sup> Ibid

<sup>ix</sup> New York City Department of Homeless Services. "Daily Report." Accessed 2/6/26. <https://www.nyc.gov/assets/dhs/downloads/pdf/dailyreport.pdf>.

<sup>x</sup> DHS Shelter Census, Contextualized, by Catherine Trapani, Homeless Services United March 2023, updated by Hannah Tager, Win, August 2023. <https://www.nyc.gov/site/dhs/about/stats-and-reports.page>

<sup>xi</sup> Whitford, Emma. "NYC Council Overrides Veto in Order to Expand Rental Vouchers." *City Limits*, July 13, 2023. <https://citylimits.org/nyc-council-overrides-veto-to-expand-rental-vouchers/>.