

THE COUNCIL OF THE CITY OF NEW YORK



Hon. Melissa Mark-Viverito  
Speaker of the Council

Hon. Stephen Levin  
Chair, Committee on General Welfare

Hearing on the Fiscal 2016 Preliminary Budget & the  
Fiscal 2015 Preliminary Mayor's Management Report

Department of Homeless Services

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## Department of Homeless Services Overview

The Department of Homeless Services (DHS) is governed by a unique right to shelter mandate that requires New York City to provide temporary emergency shelter to every man, woman, and child who is eligible for services every night. Recently, DHS introduced a new mission statement that reads,

*“With our partners, our goal is to prevent homelessness when possible; to provide temporary, emergency shelter when needed; and to help individuals and families transition rapidly into permanent housing. We do this through providing coordinated, compassionate, high-quality services and supports.”*

DHS’ revised mission is beyond just providing shelter, but also reflects a commitment to transition those in shelter into stable housing and providing the tools needed to remain in stable housing.

DHS, in partnership with public agencies and the business and nonprofit communities, prevents homelessness and provides temporary emergency shelter for eligible homeless people in a safe, supportive environment. DHS manages 255 shelter facilities, consisting of 69 adult facilities, 21 adult family facilities, and 152 facilities for families with children. DHS also provides homeless prevention services through community-based programs known as Homebase, as well as street outreach services that are available 24 hours a day, seven days a week, with options for placement into safe havens and stabilization. The current homeless population residing in shelter is at an all-time high. In total there are about 58,000 individuals currently in DHS’ shelter system, of which approximately 11,850 are single adults, 17,170 are adults in families, and 24,361 are children.

This report provides a review of DHS’ Preliminary Budget for Fiscal 2016. The first section presents highlights from the Fiscal 2016 expense budget for the City. Following expense budget highlights, the report outlines the Department’s budget by program area and provides analysis of significant program areas. Lastly, it provides information on actions included in the November and Preliminary Financial Plans and reviews relevant sections of the Preliminary Mayor’s Management Report (PMMR) for Fiscal 2015.

### Fiscal 2016 Preliminary Budget Highlights

<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Preliminary Plan		*Difference
	2013	2014	2015	2015	2016	2015 - 2016
<b>Spending</b>						
Personal Services	\$116,904	\$118,784	\$122,494	\$136,753	\$141,360	\$18,866
Other Than Personal Services	867,360	924,498	832,339	975,663	892,537	60,198
<b>DHS Total</b>	<b>\$984,267</b>	<b>\$1,043,282</b>	<b>\$954,833</b>	<b>\$1,112,416</b>	<b>\$1,033,897</b>	<b>\$79,064</b>

The Department of Homeless Services Fiscal 2016 Preliminary Budget totals \$1.03 billion, which represents an increase of \$79.06 million or 8.3 percent when compared to the agency’s Fiscal 2015 Adopted Budget. This increase in funding can be largely attributed to additional new needs related to the newly implemented rental assistance program, Living in Communities (LINC), as well as preventative services. Since adoption of the Fiscal 2015 Budget, DHS’ Fiscal 2016 Budget has grown by \$242.1 million due to \$111.7 million in new needs and \$130.4 in other adjustments as seen in Appendix A on page 36 of this report.

In September 2014, DHS in partnership with the Human Resources Administration (HRA) began to implement the City's new rental assistance program, LINC. LINC helps single adults and families move out of shelter into stable housing. For most LINC programs, families and individuals participating in the program must contribute 30 percent of their income towards rent. LINC subsidizes participants' rent and incorporates aftercare and employment services. The amount of rental assistance depends on family size and maximum rent amounts align with Section 8 rental assistance guidelines. The LINC program targets five specific subsets of the homeless population:

- LINC I – LINC I targets homeless families with children that are working but are unable to afford rent. To qualify, the family must be working at least a combined 35 hours a week, have income that does not exceed 200 percent of the federal poverty line (FPL), and have an active or single issue public assistance case. LINC I aims to transition 1,101 families with children out of shelter and into housing. Families participating in LINC I have the option to participate in the program for up to three years.
- LINC II – LINC II targets families in shelter that are identified as vulnerable, which is defined as families who have had two or more prior stays in DHS or HRA shelters for 30 days or more, with at least one stay within the last five years of the beginning of the current shelter stay. To qualify, families must have some source of income, which can include Social Security benefits, and have an active or single issue public assistance case, or be eligible for public assistance. LINC II aims to transition 950 families out of shelter. Families participating in LINC II are eligible to participate in the program for up to five years and those families that have been in shelter the longest will be prioritized for this program.
- LINC III – LINC III targets families affected by domestic violence. To qualify, a member of the family must be certified as a survivor of domestic violence and be eligible or have an active or single issue public assistance case. The amount a household contributes towards rent under LINC III is the difference between the household's actual rent minus the standard public assistance shelter allowance and a contribution from any household members with earned income, with this income contribution either being a pro rata share or 30 percent of the individual's gross income, whichever is less. In the first year, LINC III aims to provide rental assistance to approximately 1,900 families in the shelter system, with approximately 900 from HRA domestic violence shelters and 1,000 families in the DHS shelters system who have been certified as survivors of domestic violence. After the first year, families may receive up to four one-year renewals of this subsidy.
- LINC IV – LINC IV targets single adults and adult families in DHS shelters, safe haven beds, or drop in centers that are, or include, an adult over the age of 60 and are unable to afford housing. LINC IV requires the individual or family to pay 30 percent of their income towards rent and this subsidy will continue indefinitely as long as there is funding. LINC IV will be given to those individuals and families who have had the longest length of stay in shelter and to the older or medically frail adults. Over the next year, LINC IV aims to transition approximately 1,100 seniors out of shelter and into stable housing.
- LINC V – LINC V targets single adults and adult families in DHS shelters, safe havens, and drop in centers who are working but unable to afford housing. LINC V requires individuals or families to contribute 30 percent of their income towards rent. LINC V is available for up to five years, and additional years may be granted on a case by case basis if the individual continues to be employed. LINC V requires the individual or household to have a public assistance case

and income that does not exceed 200 percent of the federal poverty line (FPL). Priority will be given to individuals and families based on their length in shelter and additionally, adults who are working the most hours. Over the next year, LINC V aims to transition approximately 1,000 adults and families out of shelter and into stable housing.

More than \$15 million of DHS' new need funding in Fiscal 2015 and Fiscal 2016 supports the LINC program and preventions services. The following are major financial plan actions for Fiscal 2015 and Fiscal 2016 in both the November and Preliminary Plans.

- **Safe Haven and Stabilization Bed Capacity.** The November Plan included \$3.4 million in Fiscal 2015 and \$6.7 million in Fiscal 2016 and in the outyears to expand the number of beds for the Safe Haven and Stabilization Beds programs for homeless individuals living on the streets.
- **Collective Bargaining.** In the November Plan, just over \$2 million was transferred from the miscellaneous budget to DHS's budget to fund collective bargaining costs in Fiscal 2015.
- **PATH Community-Based Demonstration Project.** The Fiscal 2016 Preliminary Plan includes \$1.6 million in Fiscal 2015 and \$4.3 million in Fiscal 2016 and in the outyears for funding to improve homeless prevention efforts at family shelter intake and includes funding for 25 new staff. Efforts will be improved by focusing on communities that have been the most affected by homelessness.
- **Aftercare for LINC Programs.** The Fiscal 2016 Preliminary Plan includes over \$3 million in Fiscal 2015 and \$5.6 million for Fiscal 2016 for the LINC programs, specifically aftercare for LINC II families, aftercare for LINC IV individuals and LINC support. This is an addition to the funding for LINC II case management and aftercare services included in the November Plan which totaled \$900,000 in Fiscal 2015 and \$6.3 million in Fiscal 2016.
- **Prevention Team.** The Fiscal 2016 Preliminary Plan includes \$114,000 in Fiscal 2015 and \$342,000 for Fiscal 2016 and in the outyears for five staff to provide oversight of prevention and aftercare programming. The calculation for five additional staff was based on 250 LINC moves per month and the average time that it takes to process each packet.
- **Rental Assistance Programs.** The Fiscal 2016 Preliminary Plan includes \$2 million in Fiscal 2015 and \$2.7 million in Fiscal 2016 and \$212,000 in Fiscal 2017 for a conditional rental assistance program for homeless adults in shelter. In addition, The Plan includes \$200,000 in Fiscal 2015 for funding to assist singles at risk of homelessness in maintaining housing stability.
- **Drop-In Center Capacity.** The Fiscal 2016 Preliminary Plan includes \$354,000 in City funds for Fiscal 2015 and \$850,000 in City funds baselined for Fiscal 2016 and in the outyears for the expansion of drop-in center capacity to serve street homeless individuals.

DHS' budget consists of ten program areas and this report analyzes DHS' budget as reflected in these program areas. Please see Appendix C for a chart reconciling the funding for each program area by unit of appropriation. The following table, "DHS Financial Summary," provides an overview of the agency's total budget from Fiscal 2013 to the Preliminary Plan for Fiscal 2016.

## Financial Summary

<b>DHS Financial Summary</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2015 - 2016</b>
<b>Budget by Program Area</b>						
Adult Shelter Administration & Support	\$10,237	\$9,590	\$8,201	\$10,637	\$9,241	\$1,040
Adult Shelter Intake and Placement	7,805	7,837	8,907	9,011	8,907	0
Adult Shelter Operations	309,977	326,414	318,290	336,309	318,899	609
Family Shelter Administration & Support	7,539	7,341	8,559	9,580	11,701	3,142
Family Shelter Intake and Placement	21,662	21,667	24,309	25,757	26,628	2,319
Family Shelter Operations	461,444	504,530	436,113	541,803	477,817	41,704
General Administration	77,894	69,677	61,065	75,017	76,832	15,767
Outreach, Drop-in and Reception Services	34,352	35,305	31,818	37,263	39,367	7,549
Prevention and Aftercare	31,273	35,597	32,697	41,894	39,631	6,934
Rental Assistance and Housing Placement	22,084	25,324	24,874	25,146	24,874	0
<b>TOTAL</b>	<b>\$984,267</b>	<b>\$1,043,282</b>	<b>\$954,833</b>	<b>\$1,112,416</b>	<b>\$1,033,897</b>	<b>\$79,064</b>
<b>Funding</b>						
City Funds	\$472,031	\$497,070	\$468,244	\$540,473	\$518,534	\$50,290
Other Categorical	204	14	0	0	0	0
State	121,357	140,617	127,917	140,659	132,212	4,295
Federal - Community Development	6,180	4,612	4,098	4,098	4,098	0
Federal - Other	383,248	398,506	353,723	425,495	378,202	24,479
Intra City	1,246	2,463	851	1,691	851	0
<b>TOTAL</b>	<b>\$984,267</b>	<b>\$1,043,282</b>	<b>\$954,833</b>	<b>\$1,112,416</b>	<b>\$1,033,897</b>	<b>\$79,064</b>
<b>Budgeted Headcount</b>						
Full-Time Positions	1,827	1,856	1,948	2,238	2,148	200
Full-Time Equivalent Positions	21	1	1	1	1	0
<b>TOTAL</b>	<b>1,848</b>	<b>1,857</b>	<b>1,949</b>	<b>2,239</b>	<b>2,149</b>	<b>200</b>

\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.

DHS' \$1.03 billion budget represents 1.3 percent of the City's proposed Fiscal 2016 budget which totals \$77.7 billion. City funding or City tax-levy (CTL) for Fiscal 2016 is approximately \$518.5 million, an increase of approximately \$50.3 million or 11 percent when compared to the Fiscal 2015 Adopted Budget. A majority of this growth can be attributed to the agency's new rental assistance program, LINC, as well as increased spending on adult shelter and family shelter operations to accommodate the growing homeless shelter population. Additionally, federal funding increased by \$24.5 million, or seven percent when compared to the Fiscal 2015 Adopted Budget, and this can largely be attributed to an increase in funding for family shelter operations.

As indicated by the table on the previous page, general administration increased by \$15.7 million when comparing the Fiscal 2016 Preliminary Budget to the Fiscal 2015 Adopted Budget. This increase in funding is due to DHS placing all funding related to the LINC program in this program area as a place holder. It is yet to be determined as to which program area or areas LINC funding will be reflected. Additionally, the Fiscal 2016 Preliminary Budget reflects a \$41.7 million increase



in family shelter operations, which can be attributed to the family shelter re-estimate. For more information please refer to page 18 of this report.

The Council has routinely provided funding for homeless prevention programs, and provided \$250,000 for DHS' homeless prevention fund, which provides emergency grants for families at risk of eviction. The grants help to keep families in their homes and avoid the shelter system.

## Federal and State Funding by Program Area

Almost half of DHS' proposed Fiscal 2016 budget is funded through State and federal grants. Federal funding from the Temporary Assistance for Needy Families (TANF) block grant and the federal emergency shelter grants program totals approximately 37 percent of DHS' Fiscal 2016 Preliminary Budget, while State funding from Safety Net Assistance (SNA) constitutes approximately 12.7 percent of DHS' Fiscal 2016 Preliminary Budget. The majority of federal and State funding for Fiscal 2016 is applied towards family shelter operations, general administration, prevention and aftercare services, and adult shelter operations. When compared to the Fiscal 2015 Adopted Budget, federal funding in the Fiscal 2016 Preliminary Budget increased by \$24.5 million and State funding increase by \$4.3 million. The majority of the increase in federal funding can be attributed to an increase in funding for family shelter operations while slight State funding increases are reflected in family shelter operations, family shelter intake and placement, and prevention and aftercare services.

<b>DHS Fiscal 2016 Preliminary Budget – State and Federal Funding by Program Area</b>				
<b>Program Area</b>	<b>2015 Adopted</b>		<b>2016 Preliminary</b>	
	<b>Federal</b>	<b>State</b>	<b>Federal</b>	<b>State</b>
Adult Shelter Administration & Support	\$1,683,806	\$3,980	\$1,683,800	\$3,980
Adult Shelter Intake and Placement	666,110		666,110	
Adult Shelter Operations	5,807,450	73,632,640	5,807,450	73,632,640
Family Shelter Administration & Support	2,001,060	13,385	2,001,060	13,385
Family Shelter Intake and Placement	17,348,035	110,825	16,716,340	
Family Shelter Operations	289,161,340	45,375,070	266,083,325	41,486,950
General Administration	35,205,260	469,980	34,436,110	459,139
Outreach, Drop-in and Reception Services	553,000		553,000	
Outreach, Drop-in and Reception Services	526,930		526,930	
Prevention and Aftercare	28,061,625	1,292,280	28,061,625	1,007,180
Rental Assistance and Housing Placement	1,285,310	11,313,690	1,285,310	11,313,690
<b>TOTAL</b>	<b>\$382,299,930</b>	<b>\$132,211,855</b>	<b>\$357,821,060</b>	<b>\$127,916,960</b>

## Contract Budget

The City's Contract Budget, as proposed, totals \$12.4 billion in Fiscal 2016, an increase of \$438 million or 3.7 percent when compared to the Fiscal 2015 Adopted Budget of \$12 billion. DHS' total number of contracts for Fiscal 2016 is 539, which represents an increase of one contract when compared to the Fiscal 2015 Adopted Budget. This one contract is new and is for educational and recreation expenditures for youth programs. The value of the 539 contracts for Fiscal 2016 totals \$833 million, an increase of \$28.4 million when compared to the Fiscal 2015 Adopted contract value. The largest contracts in DHS' budget are for homeless family and individual services. These two contract areas account for \$789.4 million, or 95 percent of DHS' total contract budget and 76.4 percent of DHS' total budget.

<b>DHS Fiscal 2016 Preliminary Contract Budget</b>				
<b>Category</b>	<b>Fiscal 2015 Adopted</b>	<b>Number of Contracts</b>	<b>Fiscal 2016 Preliminary</b>	<b>Number of Contracts</b>
Cleaning Services	\$3,999,584	3	\$3,989,583	3
Contractual Services - General	187,707	33	207,707	33
Educ. and Rec. Expenditures for Youth Programs	0	0	50,000	1
Homeless Family Services	448,139,987	282	464,049,522	282
Homeless Individual Services	317,650,770	138	325,356,170	138
Maintenance and Repairs - General	7,023,255	31	6,533,255	31
Maintenance and Repairs - Motor Vehicle Equip	4,000	1	9,000	1
Office Equipment Maintenance	24,582	6	25,678	6
Printing Services	159,477	5	166,477	5
Prof. Services - Accounting Services	386,414	2	386,414	2
Prof. Services - Computer Services	1,410,026	2	141,026	2
Prof. Services - Engineering and Architectural Services	466,949	2	910,449	2
Prof. Services - Other	127,162	1	151,162	1
Security Services	21,410,999	7	27,459,728	7
Telecommunications Maintenance	125,000	2	125,000	2
Temporary Services	565,449	16	565,450	16
Training Program for City Employees	391,317	6	391,317	6
Transportation Services	2,494,558	1	2,494,558	1
<b>TOTAL</b>	<b>\$804,567,236</b>	<b>538</b>	<b>\$833,012,496</b>	<b>539</b>

## Fiscal 2015-2016 State Executive Budget Highlights

The Fiscal 2015-2016 State Executive Budget was released on January 21, 2015. The following are major proposals which would impact social services in New York City. DHS' Fiscal 2016 Preliminary Budget does not yet reflect these proposals in the Governor's budget because the State's budget process is still underway.

- **Settlement Fund Investment.** The 2015-2016 State Executive Budget commits \$440 million in settlement proceeds, of which, \$40 million will go towards homeless assistance efforts.
- **Establish a New York City Share for Emergency Assistance to Needy Families (EAF) Expenditures.** The State Executive Budget proposes to establish a ten percent local share for New York City to support the Emergency Assistance to Needy Families (EAF) program, which provides short-term assistance in crisis situations to eligible families earning less than 200 percent of the Federal Poverty Line (FPL). In its current form, EAF is fully supported with federal resources, but from 2011 to 2012 all local social service districts, including New York City, were required to pay a 25 percent share in the EAF program. The State contends that this policy will encourage fiscal responsibility and will save the State approximately \$15 million in 2015-2016. It is estimated that this proposal would cost the City \$22.5 million in Fiscal 2016. DHS receives grant funding through EAF for prevention services and family shelters. The Office of Management and Budget (OMB) is still assessing how this policy will impact DHS' EAF funding and what portion of the \$22.5 million will come from the agency's budget.
- **Investment in Homeless Services.** The State Executive Budget caps the Office of Children and Family Services (OCFS) youth facility billings to local social service districts at a cumulative \$275 million through 2018 – 2019, saving local social service districts approximately \$425 million. New York City is required to invest its share of savings, estimated to be \$220 million, in rental assistance programs such as the LINC program or other homeless services to address the homeless population. OMB will submit a plan to the State for approval of how the City plans to use the \$220 million in savings.
- **Cost of Living Adjustment.** The State Executive Budget supports a two percent salary increase for human services programs.

## Program Areas

### Adult Shelter Administration & Support

This program area consists of the administrative and support functions of the adult shelter system.

<b>Adult Shelter Administration &amp; Support</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2015 - 2016</b>
<b>Spending</b>						
Personal Services	\$8,693	\$8,407	\$8,201	\$9,079	\$8,241	\$1,040
Other Than Personal Services	1,544	1,182	0	1,557	0	0
<b>TOTAL</b>	<b>\$10,237</b>	<b>\$9,590</b>	<b>\$8,201</b>	<b>\$10,637</b>	<b>\$9,241</b>	<b>\$1,040</b>
<b>Funding</b>						
City Funds			\$6,514	\$7,392	\$7,553	\$1,040
State			4	4	4	0
Federal			1,684	3,241	1,684	0
<b>TOTAL</b>	<b>\$10,237</b>	<b>\$9,590</b>	<b>\$8,201</b>	<b>\$10,637</b>	<b>\$9,241</b>	<b>\$1,040</b>
<b>Positions</b>						
Full-time Positions	124	133	144	174	158	14
<b>TOTAL</b>	<b>124</b>	<b>133</b>	<b>144</b>	<b>174</b>	<b>158</b>	<b>14</b>

*\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The proposed budget for adult shelter administration and support in Fiscal 2016 totals \$9.2 million, an increase of approximately \$1 million when compared to the Fiscal 2015 Adopted Budget. This increase in funding is due to an increase in personal services costs associated with full-time salary costs and additional gross pay for 14 additional positions.

### Adult Shelter Intake and Placement

The Adult Shelter system has four intake centers, three for women and one for men. The intake center for men is located in Manhattan, while the centers for women are in the Bronx, Brooklyn, and Queens. As a result of legal decisions in the early 1980s, single adults are guaranteed a right to shelter and do not have to apply for shelter as in the family system.

<b>Adult Shelter Intake and Placement</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2015 - 2016</b>
<b>Spending</b>						
Personal Services	\$7,805	\$6,655	\$8,907	\$9,011	\$8,907	\$0
<b>TOTAL</b>	<b>\$7,805</b>	<b>\$6,655</b>	<b>\$8,907</b>	<b>\$9,011</b>	<b>\$8,907</b>	<b>\$0</b>
<b>Funding</b>						
City Funds			\$8,241	\$8,241	\$8,241	\$0
Federal			666	770	666	0
<b>TOTAL</b>	<b>\$7,805</b>	<b>\$6,655</b>	<b>\$8,907</b>	<b>\$9,011</b>	<b>\$8,907</b>	<b>\$0</b>
<b>Positions</b>						
Full-time Positions	148	143	113	115	113	0
<b>TOTAL</b>	<b>148</b>	<b>143</b>	<b>113</b>	<b>115</b>	<b>113</b>	<b>0</b>

*\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The proposed budget for adult intake and placement in Fiscal 2016 remains unchanged from the Fiscal 2015 Adopted Budget.

### Adult Shelter Operations

The Adult Shelter system is currently comprised of 69 facilities that operate approximately 10,700 shelter beds. As in the family system, single adults living in shelters have access to a wide range of social services, including mental health treatment, substance abuse treatment, and employment training.

<b>Adult Shelter Operations</b>						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	2013	2014	2015	2015	2016	2015 - 2016
<b>Spending</b>						
Personal Services	\$18,655	\$19,350	\$20,694	\$22,757	\$21,802	\$1,108
Other Than Personal Services	291,322	307,063	297,597	313,552	297,097	(500)
<b>TOTAL</b>	<b>\$309,977</b>	<b>\$326,414</b>	<b>\$318,290</b>	<b>\$336,309</b>	<b>\$318,899</b>	<b>\$609</b>
<b>Funding</b>						
City Funds			\$237,999	\$248,142	\$238,608	\$609
State			73,633	73,633	73,633	0
Federal			5,807	12,949	5,807	0
Intra City			851	1,586	851	0
<b>TOTAL</b>	<b>\$309,977</b>	<b>\$326,414</b>	<b>\$318,290</b>	<b>\$336,309</b>	<b>\$318,899</b>	<b>\$609</b>
<b>Positions</b>						
Full-time Positions	354	364	379	440	407	28
<b>TOTAL</b>	<b>354</b>	<b>364</b>	<b>379</b>	<b>440</b>	<b>407</b>	<b>28</b>

*\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The proposed budget for adult shelter operations in Fiscal 2016 totals \$318.9 million, which represents a \$609,000 increase when compared to the Fiscal 2015 Adopted Budget. This can be attributed to an increase in funding for personal services.

### Financial Plan Actions

- **Adult Shelter Re-estimate.** The November Plan included an additional \$11.8 million for the remainder of Fiscal 2015 in City funds for adult shelters. The re-estimation was calculated based on the number of new shelter units and annex beds. A total of 413 units were added, of which, 235 were new shelter capacity and 178 were annex beds.
- **Auburn and Catherine Street Shelter Staff.** The Fiscal 2016 Preliminary Budget includes \$833,000 baselined funding for Fiscal 2016 and in the outyears for the conversion of the Auburn and Catherine Street shelters in Brooklyn into adult only facilities from family shelters and to hire 15 staff. The Auburn shelter was converted into an Adult shelter in May 2014 and the Catherine Street shelter was expected to be converted by February 2015. The additional staff will provide services at these two shelters.
- **Bowery Residents Committee Shelter Security.** The November Plan included \$1.1 million to fund additional security guards for Bowery Residents Committee’s Chelsea adult homeless shelter, as well as other security needs that arise. The funds will support contracts for 28 peace officers in Fiscal 2015 and 34 peace officers in the outyears.

**Performance Measures**

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Cost per day for shelter facilities – single adults (\$)	\$77.58	\$74.80	\$78.38	*	*	N/A	N/A
Average length of stay for single adults in shelter (days)	275	293	305	↓	↓	299	318
Average number of single adults in shelters per day	8,622	9,536	10,116	10,475	10,475	9,891	10,685
Single Adults Entering the DHS shelter services system	17,872	16,448	17,547	↓	↓	5,975	6,337

Source: Preliminary Mayor's Management Report

As indicated by the table above, the average length of stay of single adults increased by four percent while the average number of single adults in shelter increased by eight percent when comparing the first four months of Fiscal 2015 to the same period of time in Fiscal 2014. This is the third year in a row that the average length of stay and average number of single adults in shelter has increased. In addition, the single adult population entering DHS' shelter service system increased when comparing the first four month of Fiscal 2015 to the first four months of Fiscal 2014. As the adult shelter population continues to increase, DHS temporary shelter operations and capacity continues to be strained.



### Family Shelter Administration and Support

This program area contains funding for the administrative and support functions of the family shelter system.

Family Shelter Administration and Support						
<i>Dollars in Thousands</i>	Actual	Actual	Adopted	Preliminary Plan		*Difference
	2013	2014	2015	2015	2016	2015 - 2016
<b>Spending</b>						
Personal Services	\$7,539	\$7,341	\$5,814	\$6,874	\$8,995	\$3,181
Other Than Personal Services	0	0	2,745	2,706	2,706	(39)
<b>TOTAL</b>	<b>\$7,539</b>	<b>\$7,341</b>	<b>\$8,559</b>	<b>\$9,580</b>	<b>\$11,701</b>	<b>\$3,142</b>
<b>Funding</b>						
City Funds			\$6,544	\$47,566	\$9,687	\$3,142
State			13	13	13	0
Federal			2,001	2,001	2,001	0
<b>TOTAL</b>	<b>\$7,539</b>	<b>\$7,341</b>	<b>\$8,559</b>	<b>\$9,580</b>	<b>\$11,701</b>	<b>\$3,142</b>
<b>Positions</b>						
Full-time Positions	109	99	99	155	155	56
<b>TOTAL</b>	<b>109</b>	<b>99</b>	<b>99</b>	<b>155</b>	<b>155</b>	<b>56</b>

*\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The proposed budget for family shelter administration and support for Fiscal 2016 totals \$11.7 million, which represents a \$3.1 million increase when compared to the Fiscal 2015 Adopted Budget. This increase in funding is due to an increase in personal services costs associated with full-time salary costs and additional gross pay for 56 additional positions.

#### Financial Plan Actions

- Routine Site Review Inspections.** The Fiscal 2016 Preliminary Plan includes \$1.21 million in Fiscal 2016 and in the outyears for 19 staff to conduct routine site review inspections to prevent premature failure of building systems. These inspections will cover all contracted and DHS directly operated shelters.
- Child Safety Campaign.** The Fiscal 2016 Preliminary Plan includes \$300,000 in Fiscal 2015 for a child safety campaign. In light of the recent child deaths that took place in DHS shelters, the DHS will work with the Administration of Children Services to identify “high-risk” families in the child welfare system. The \$300,000 will fund 19 to 30 social workers who are currently per diem, but will eventually be converted to full-time staff. These social workers, who will be referred to as the Safety First Team will coordinate with DHS’ family services and shelter providers through team conferencing, effective case management, coaching and intervention to support the ‘high-risk’ family with the goal of providing a safe, healthy, and supportive environment for the family and their children. The Safety First Team will identify service planning, interventions, and strategies to assist the family towards desired outcomes and expectations for the parent and child. Specific responsibilities of the social workers includes:

- Interview children and parents to discuss behavioral problems and to determine an appropriate plan of action;
- Prepare children and parents to accept services;
- Make referrals, when appropriate, to governmental or not-for-profit agencies;
- Report suspected cases of child abuse or neglect to the New York State Central Registry;
- Provide direct counseling services and/or outreach services; make referrals to other public agencies or community resources as needed;
- Confer and consult with professional and technical personnel in implementing a multidisciplinary approach to client care and well-being;
- Serve as agency/program liaison to community agencies and/or groups;
- Provide clear written reports to DHS Family Services that capture key findings to include provider areas of strength, and recommendations for improvement;
- Provide clear written reports to DHS Family Services that captures family screening and assessment findings and recommendations;
- Complete all documentation in a timely way;
- Review all shelter cases involving single parents with 3 or more children in shelter with them; there are 2,510 families in shelter with DHS who fit this description;
- Review and visit the highest risk cases of child welfare involved families who are in shelter to coordinate safety planning efforts for children in these households; and,
- Conduct immediate shelter visits to meet with clients at locations where DHS has assessed the highest need.

The Fiscal 2016 Preliminary Budget has yet to reflect funding for the Child Safety Campaign in Fiscal 2016 and in the outyears despite the fact DHS plans on continuing it beyond Fiscal 2015.

## Family Shelter Intake and Placement

DHS operates two intake centers for families: the Prevention Assistance and Temporary Housing (PATH) Office for families with children, located in the Bronx and the Adult Family Intake Center (AFIC) for adult families without children, located in Manhattan. Unlike single adults who have a legal right to shelter, homeless families must apply for shelter. DHS conducts investigations of each homeless family to determine if it is eligible for shelter. Families with a viable housing option will not be determined eligible for shelter services. In order for a family to be found eligible, DHS must verify that the family is in immediate need of temporary emergency shelter. DHS will conduct an investigation to determine whether there is any other safe and appropriate place for a family to stay, even temporarily. These eligibility investigations are completed within 10 days of a family's arrival at family intake. During the investigation, families are provided with a temporary shelter placement. Upon completion of the eligibility investigations, eligible families are provided with permanent shelter placements while ineligible families are required to leave the shelter system; although, they have the option to re-apply.

<b>Family Shelter Intake and Placement</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2015 - 2016</b>
<b>Spending</b>						
Personal Services Subtotal	\$21,662	\$21,667	\$24,309	\$25,757	\$26,628	\$2,319
<b>TOTAL</b>	<b>\$21,662</b>	<b>\$21,667</b>	<b>\$24,309</b>	<b>\$25,757</b>	<b>\$26,628</b>	<b>\$2,319</b>
<b>Funding</b>						
City Funds			\$6,906	\$8,295	\$9,169	\$2,263
State			0	\$111	\$111	111
Federal			17,403	17,351	17,348	(55)
<b>TOTAL</b>	<b>\$21,662</b>	<b>\$21,667</b>	<b>\$24,309</b>	<b>\$25,757</b>	<b>\$26,628</b>	<b>\$2,319</b>
<b>Positions</b>						
Full-time Positions	366	352	411	466	442	31
<b>TOTAL</b>	<b>366</b>	<b>352</b>	<b>411</b>	<b>466</b>	<b>442</b>	<b>31</b>

*\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The proposed budget for family shelter intake and placement for Fiscal 2016 is approximately \$26.6 million, which is an increase of \$2.3 million when compared to the Fiscal 2015 Adopted Budget.

## Financial Plan Actions

- PATH Community-Based Demonstration Project.** The Fiscal 2016 Preliminary Plan includes \$4.3 million in City funds for Fiscal 2016 and in the outyears to improve homeless prevention efforts at family shelter intake and includes funding for 25 new staff. Efforts will be improved by focusing on communities that have been the most affected by homelessness. In particular, the demonstration project seeks to establish a strong network of neighborhood based resources for families experiencing housing instability and provide a system-wide coordinated assessment for families that are at risk of homelessness, including minimizing the disruption and burden that they may experience traveling to the PATH center located in the Bronx.

This initiative also aims to reduce the number of families entering shelter by implementing a strengths-based approach matching families' needs to available resources in their communities to maintain them in their homes and utilizing community resources to create innovative strategies that prevent homelessness in the City.

## Family Shelter Operations

The Family Shelter system is comprised of 167 facilities that operate 10,868 units of shelter. Contracted providers operate the vast majority of these facilities. The Family Shelter system is split into two parts: families with children and adult families without children.

Family Shelter Operations						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	2013	2014	2015	2015	2016	2015 - 2016
<b>Spending</b>						
Personal Services Subtotal	\$8,006	\$6,580	\$8,306	\$10,448	\$10,933	\$2,627
Other Than Personal Services	453,439	497,950	427,807	531,355	466,884	39,077
<b>TOTAL</b>	<b>\$461,444</b>	<b>\$504,530</b>	<b>\$436,113</b>	<b>\$541,803</b>	<b>\$477,817</b>	<b>\$41,704</b>
<b>Funding</b>						
City Funds			\$129,230	\$170,881	\$143,281	\$14,051
State			41,487	51,094	45,375	3,888
Federal			265,397	319,765	289,161	23,764
Intra City			0	63	0	0
<b>TOTAL</b>	<b>\$461,444</b>	<b>\$504,530</b>	<b>\$436,113</b>	<b>\$541,803</b>	<b>\$477,817</b>	<b>\$41,704</b>
<b>Positions</b>						
Full-time Positions	178	180	166	181	181	15
<b>TOTAL</b>	<b>178</b>	<b>180</b>	<b>166</b>	<b>181</b>	<b>181</b>	<b>15</b>

*\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The proposed budget for family shelter operations in Fiscal 2016 totals \$477.8 million, which represents an increase of \$41.7 million or 9.35 percent when compared to the Fiscal 2015 Adopted Budget. Family shelter operations make up the largest portion of DHS' Fiscal 2016 budget due to families with children and adult families comprising the majority of the shelter population.

## Financial Plan Actions

- **Family Shelter Re-estimate.** The November Plan included an additional \$48.5 million for the remainder of Fiscal 2015 (\$23.6 million CTL, \$4.8 million State, \$20.1 million federal) for family shelter. Of this \$48.5 million, approximately \$32 million funded families with children shelters and \$16 million funded shelter for adult families. The re-estimation was calculated by a recent census of the shelter population, which then a per day shelter rate of \$108 for adult families and a per day shelter rate of \$98.20 for families with children was applied.
- **Preventive Maintenance Team.** The November Plan included \$1.4 million in Fiscal 2016 and in the outyears for preventative maintenance at shelters. Recently, DHS has replaced 14 boilers at five shelters and has plan in place for maintenance needs at three more shelters to take place within the next two years.

## Issues and Concerns

- **Family Shelter and Cluster Site Conditions.** A recent Department of Investigations (DOI) report cited poor conditions at family shelters including hundreds of health and safety

violations. Violations include vermin infestations and fire-safety issues. The report found that these violations were not new, but in fact due to decades of neglect at family shelters.

In addition, the report found that the worst conditions are at cluster sites, which are private residential buildings with units operated by a non-profit that DHS contracts with, and where lease holding tenants also reside. Cluster sites were found to have lax security, vermin infestations, mold, locked exits, and broken fire and carbon monoxide detectors.

**Performance Measures**

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Cost per day for shelter facilities- Family facilities (\$)	\$100.82	\$102.74	\$101.50	*	*	N/A	N/A
Average length of stay for adult families in shelter (days)	416	469	515	↓	↓	502	522
Average length of stay for families with children in shelter (days)	337	375	427	↓	↓	409	425
Adult Families entering the shelter system	1,109	1,156	1,283	↓	↓	466	521
Families with children entering the DHS services shelter system	10,878	12,306	11,848	↓	↓	4,281	5,225
Families placed in shelter system according to their youngest school-aged child’s school address (%)	76.5%	70.5%	65.4%	85%	85%	69.4%	48.5%

Source: Preliminary Mayor’s Management Report

As indicated by the table above, the average length of stay for adult families and families with children in shelter increased four percent for both categories when comparing the first four months of Fiscal 2015 to the same time period in Fiscal 2014. In addition, the number of adult families and families with children entering the shelter system increase when comparing the first four months of Fiscal 2015 to the first four months of Fiscal 2014, with a significant increase for families with children entering shelter during this time period.

### General Administration

General Administration consists of several administrative functions of the Department, and includes the Commissioner’s Office, the Budget Office, and the Policy and Planning Unit. It also includes the Bureau of Repair and Maintenance, which is responsible for reviewing and evaluating the physical condition of shelters and handles upgrades of DHS-operated facilities.

<b>General Administration</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2015 - 2016</b>
<b>Spending</b>						
Personal Services Subtotal	\$42,188	\$43,133	\$42,887	\$48,659	\$50,550	\$7,663
Other Than Personal Services	35,707	26,544	18,177	26,357	26,282	8,105
<b>TOTAL</b>	<b>\$77,894</b>	<b>\$69,677</b>	<b>\$61,065</b>	<b>\$75,017</b>	<b>\$76,832</b>	<b>\$15,767</b>
<b>Funding</b>						
City Funds			\$26,169	\$38,287	\$41,157	\$14,988
State			459	466	470	11
Federal			34,436	36,221	35,205	769
Intra City			0	43	0	0
<b>TOTAL</b>	<b>\$77,894</b>	<b>\$69,677</b>	<b>\$61,065</b>	<b>\$75,017</b>	<b>\$76,832</b>	<b>\$15,767</b>
<b>Positions</b>						
Full-time Positions	476	519	580	625	624	44
<b>TOTAL</b>	<b>476</b>	<b>519</b>	<b>580</b>	<b>625</b>	<b>624</b>	<b>44</b>

*\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The proposed budget for general administration in Fiscal 2016 is \$76.8 million, an increase of approximately \$15.7 million when compared to the Fiscal 2015 Adopted Budget. It is important to note that for the Preliminary Budget, DHS’ General Administration budget reflects the funding for the LINC programs, although it does not align with the purpose of this program area. DHS will realign these funds and place them in the proper program areas for the Fiscal 2016 Executive Budget.

### Financial Plan Actions

- LINC II Aftercare.** The Fiscal 2016 Preliminary Plan includes \$1.2 million in City funds for LINC II aftercare for the remainder of Fiscal 2015. LINC II case management and aftercare services will adhere to a program model that relies on the evidence-based practice of Critical Time Intervention (CTI) to engage families through intensive case management. Services will include activities such as housing search and placement, financial counseling, and connecting clients’ specific needs to relevant supports within the community.
- Aftercare for LINC IV Individuals.** The Fiscal 2016 Preliminary Plan includes \$770,000 in City funds for Fiscal 2015 and \$2.5 million for Fiscal 2016 for the support of elderly adults receiving LINC IV rental assistance. LINC IV offers lifetime subsidies for low-income elderly clients and DHS projects that 250 units will be utilized by adult families and 850 for singles who are over 60 years of age. This subsidy will be coupled with light aftercare services and

ongoing services and supports delivered by Department for the Aging (DFTA) to ensure seniors maintain their housing, have necessary supports to carry out activities of daily living, and are linked to appropriate supports for health and medical issues. This funding also includes 4 new personnel to help DHS process necessary forms, though eventually DFTA will be responsible for aftercare services for seniors.

- **LINC Support.** The Fiscal 2016 Preliminary Budget includes \$1.02 million in Fiscal 2015 and \$3.07 million in Fiscal 2016 and in the outyears for 44 additional staff to provide operational and administrative support for the LINC programs. DHS calculated the number of staff needed for LINC support based on the processing time of one LINC packet taking approximately 120 minutes and the target of 250 LINC moves per month. Training will be provided to staff, which will be geared towards specific duties and responsibilities for each staff.
- **Prevention Team.** The Fiscal 2016 Preliminary Budget includes \$342,000 for Fiscal 2016 and in the outyears for five staff to provide oversight of prevention and aftercare programming. The calculation for five additional staff was based on 250 LINC moves per month and the average time that it takes to process each packet.
- **Office of Public-Private Partnerships.** The Fiscal 2016 Preliminary Budget includes \$369,000 for Fiscal 2016 and in the outyears for four staff to build community resources for shelter clients and coordinate services with other City agencies. The staff include:
  - Two Employment Managers who will work closely with DHS Senior Staff and other government agencies in seeking and coordinating access to employment-related services including education and job training. They will connect clients to untapped employment and training resources offered by HRA, DYCD, SBS, Parks Department, SYEP and other workforce related city and state agencies
  - One Special Populations Manager (including; Domestic Violence (DV) survivors, elderly and disabled) who will serve as the primary liaison with the Mayor's Office, Human Resources Administration (HRA), Department for the Aging (DFTA) and other agencies, in connecting clients to the resources needed to prepare them for independence. In addition, building on a newly established collaboration with DFTA, the special populations manager will coordinate and design an aftercare component for elderly clients moving out of shelter.
  - One Substance Abuse and Mental Health Manager who will be the primary liaison with the Mayor's Office, the Department of Health and Mental Health (DOHMH), Health and Hospitals Corporation (HHC) and other mental health agencies that are responsible for connecting clients to quality, community integrated, recovery focused resources to assure they remain healthy and safe while in shelter and out of shelter.
- **Permanency Specialists.** The Fiscal 2016 Preliminary Budget includes \$1.87 million in Fiscal 2016 and in the outyears for 37 staff to provide advocacy support, assistance, oversight, and training to shelter providers related to housing permanency. The Permanency Specialist Team will provide support to providers by:
  - Responding individually to the client's specific needs and issues,
  - Providing services to clients in an holistic way,



- Building a client's knowledge and skills to enhance self-care, self-determination and independence,
  - Providing continuity of care,
  - Giving access to a wide range of support services,
  - Coordinating existing resources and introduces new resources,
  - Building on the client's support network and linking them to the wider community and its resources, and
  - Assisting clients to navigate complex service systems.
- **Conditional Rental Assistance for Singles.** The Fiscal 2016 Preliminary Plan includes \$2.7 million in Fiscal 2016 and \$212,000 in Fiscal 2017 for a conditional rental assistance program for homeless adults in shelter. This program aims to allow homeless adults who are in 'doubled up' living situations but can no longer afford it due to rental increases to remain in this living arrangement. This will be a one year subsidy which will be administered through HomeBase. DHS is engaging in continued discussion on how much rental assistance will be provided per month, how this may impact active public assistance cases and eligibility for public assistance, and additional funding that may be added prior to budget adoption.
  - **Flexible Funding for At-Risk Singles.** The Fiscal 2016 Preliminary Plan includes \$200,000 in Fiscal 2015 for funding to assist singles at risk of homelessness in maintaining housing stability. The objective of this initiative is to provide a modest level of support as to incentivize family reunification, and reduce the financial burden that one may experience when hosting a relative or friend with minimal income. For those who can rent rooms, DHS will provide a short-term financial boost. DHS anticipates using six of the funding to support double up arrangements at a cost of \$400 per month, for a maximum of six months, and using the remaining 40 percent to support room rentals at a cost of \$250 per month, for a maximum of 6 months. Applicants who meet select criteria will be eligible to receive short-term financial assistance ranging from \$250 to \$600 monthly, for a maximum of six months.

## Issues and Concerns

- **Lack of State Funding for LINC III, IV, and V.** Beginning in Fiscal 2015 as part of an agreement with the State, the City and State each contribute 50 percent towards a rental assistance program for the working poor, or LINC I. In addition, the City leverages federal funding through Temporary Assistance Funding for Needy Families (TANF) and State funding through Safety Net (SA) towards a rental assistance program for the vulnerable homeless population or LINC II. With State and federal funding secured, the City is able to budget funds for LINC I and LINC II in the outyears, but there is no State funding for LINC III, LINC IV, and LINC V programs. The City is responsible for funding these three programs, though the Administration believes that the State should also contribute a share towards these three LINC programs as well, which would lessen the financial burden of administering these three rental assistance programs.
- **Fiscal 2015 Funding for LINC.** The LINC program began its rollout in Fall 2014, and while both HRA and DHS have been placing single adults and families into stable housing, placements are not on track and there is a possibility of funding for LINC budgeted for Fiscal 2015 may not be fully spent. This raises the concern of what will happen to unspent funds at

the end of Fiscal 2015 and how this will impact funding for LINC in Fiscal 2016 and in the outyears. The following table highlights how many certification letters have been distributed and the number of move outs as of January 30<sup>th</sup>, 2015.

Program	Certification Letters Distributed	Move Outs	Move Out Goal from Shelter	Difference
LINC I	635	155	1,101	946
LINC II	300	66	950	884
LINC III	413	171	1,900	1,729
LINC IV	725	66	1,100	1,034
LINC V	377	121	1,000	879
<b>TOTAL</b>	<b>2,450</b>	<b>579</b>	<b>6,051</b>	<b>5,472</b>

Of the five LINC programs, LINC II is the least utilized and furthest behind its move out target. There has been some evidence that landlords are reluctant to lease apartments to the homeless population that fall under LINC II, as they are the most vulnerable and have had multiple stays in shelter. Both HRA and DHS hope to be on track for placements by the end of the fiscal year and are closely monitoring placements for all five LINC programs.

**After LINC Subsidy Ends.** Although the LINC program has just been implemented, there are already concerns as to what happens to single and families in the program after the rental subsidy expires. In particular, what will happen to those families receiving a subsidy under LINC II? LINC II is for the most vulnerable homeless populations that have had multiple stays in shelter. This population often has circumstances and issues that make it hard to secure stable housing and support themselves. Once the LINC II subsidy ends after five years, there are fears that this population may return to shelter, even though aftercare and employment services were offered during the length of the LINC subsidy.

**Performance Measures**

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Safety, maintenance, and cleanliness deficiencies noted on independent inspections of adult shelters	0.3	0.2	0.0	↓	↓	N/A	N/A
Critical incidents in the Adult Shelter system per 1,000 residents	0.3	0.5	0.7	↓	↓	0.5	0.8
Critical incidents in the Adult Family Shelter system, per 1,000 residents	0.8	2.5	3.3	↓	↓	2.8	2.3
Critical incidents in the Families with Children Shelter system, per 1,000 residents	1.1	1.2	1.4	↓	↓	1.6	1.3

As indicated by the table above, when comparing the first four months of Fiscal 2015 to the first four months of Fiscal 2014 the rate of critical incidents per 1,000 residents increased for single adults, while the rate of critical incidents for adult families and families with children declined. The rate of critical incidents declining for families can be attributed to DHS’ efforts to conduct more targeted performance reviews, train all providers on mandated reporting, and implement child safety meetings and cluster reviews.

## Outreach, Drop-In and Reception Services

The Department's outreach programs target individuals who appear to be living in public spaces. Since these homeless individuals often resist participating in service programs, the key objective of outreach is to persuade them to leave spaces where they are at risk, and access services. To help DHS target its outreach efforts, the agency conducts an annual estimate of the street homeless population known as the Homeless Opportunity Population Estimate (HOPE). The City-operated outreach programs work with a network of shelters, drop-in centers, reception centers, faith-based shelters, soup kitchens and pantries. DHS operates a citywide outreach team and contracts for services in all five boroughs. The outreach programs currently operate 24 hours a day and include clinical and social work staff. With regards to drop-in centers, DHS is in the process of reforming the structure of its drop-in centers by reducing the number of centers from eleven to five, including one in Staten Island and Brooklyn, two in Manhattan, and one federally-funded center in the Bronx.

Outreach, Drop-In and Reception Services						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	2013	2014	2015	2015	2016	2015 - 2016
<b>Spending</b>						
Personal Services Subtotal	\$650	\$694	\$888	\$888	\$888	\$0
Other Than Personal Services	33,702	34,612	30,929	36,375	38,479	7,550
<b>TOTAL</b>	<b>\$34,352</b>	<b>\$35,305</b>	<b>\$31,818</b>	<b>\$37,263</b>	<b>\$39,367</b>	<b>\$7,550</b>
<b>Funding</b>						
City Funds			\$30,738	\$35,167	\$38,287	\$7,549
Federal-CD			553	553	553	0
Federal			527	1,544	527	0
<b>TOTAL</b>	<b>\$34,352</b>	<b>\$35,305</b>	<b>\$31,818</b>	<b>\$37,263</b>	<b>\$39,367</b>	<b>\$7,549</b>
<b>Positions</b>						
Full-time Positions	10	10	11	11	11	0
<b>TOTAL</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>0</b>

\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.

The proposed budget for outreach, drop-in and reception services for Fiscal 2016 totals \$39.3 million, an increase of \$7.5 million when compared to the Fiscal 2015 Adopted Budget.

### Financial Plan Actions

- **Drop-In Center Capacity.** The Fiscal 2016 Preliminary Plan includes \$850,000 in baselined funding for Fiscal 2016 and in the outyears for the expansion of drop-in center capacity to serve street homeless individuals. These centers will be open 24/7 and expansion began February 2015. DHS also plans to open an additional two new drop-in centers contingent upon OMB funding, which has yet to be included in the Fiscal 2016 Budget.
- **Safe Haven and Stabilization Bed Capacity.** The November Plan included \$3.4 million in funding for Fiscal 2015 and \$6.7 million in Fiscal 2016 and in the outyears to expand the number of beds for the Safe Haven and Stabilization Beds programs for homeless individuals living on the streets. This funding reflected anticipated increase need tied to outreach in the

transportation system that will be done in partnership with the Metropolitan Transportation Authority, as well as the new Administration prioritizing having a sufficient number of beds.

- HomeBase Media Campaign.** The Fiscal 2016 Preliminary Plan includes \$708,000 in Fiscal 2015 for a HomeBase Media Campaign. The public education campaign will be done in conjunction with the Department of Health and will feature 30-second television public service announcements (PSAs) as well as posters advertising HomeBase.

**Performance Measures**

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Number of people estimated to be living on the streets , in parks, under highways, on subways, and in the public transportation stations in NYC	3,262	3,180	3,357	3,350	3,350	N/A	N/A
Number of Chronically Homeless Individuals Placed into Permanent and Temporary Housing by Outreach Teams	545	720	562	*	*	178	316

Source: Preliminary Mayor’s Management Report

During the first four months of Fiscal 2015, DHS providers placed 316 chronically homeless individuals into permanent and temporary housing, an increase of 78 percent when compared to the same time period in Fiscal 2014.

## Prevention and Aftercare

DHS' prevention and aftercare services supports homelessness prevention and aftercare services for formerly homeless families and adults. Services include housing mediation, care management, short-term financial assistance and anti-eviction programs. This program area also supports DHS' HomeBase Program which started in September 2004. HomeBase is the Department's major homelessness prevention program. HomeBase offers a range of services to its clients, including job training, assistance with legal action, housing relocation, and financial assistance for the payment of rent arrears. Additionally, it provides aftercare services to clients who have left the shelter system for permanent housing.

<b>Prevention and Aftercare</b>						
	<b>Actual</b>	<b>Actual</b>	<b>Adopted</b>	<b>Preliminary Plan</b>		<b>*Difference</b>
<i>Dollars in Thousands</i>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2015 - 2016</b>
<b>Spending</b>						
Personal Services Subtotal	\$450	\$1,472	\$0	\$521	\$929	\$929
Other Than Personal Services	30,823	34,125	32,697	41,373	38,701	6,004
<b>TOTAL</b>	<b>\$31,273</b>	<b>\$35,597</b>	<b>\$32,697</b>	<b>\$41,894</b>	<b>\$39,361</b>	<b>\$6,934</b>
<b>Funding</b>						
City Funds			\$3,628	\$4,228	\$10,277	\$6,649
State			\$1,007	4,024	1,292	285
Federal			28,062	33,642	28,062	0
<b>TOTAL</b>	<b>\$31,273</b>	<b>\$35,597</b>	<b>\$32,697</b>	<b>\$41,894</b>	<b>\$39,361</b>	<b>\$6,934</b>
<b>Positions</b>						
Full-time Positions	7	10	0	12	12	12
<b>TOTAL</b>	<b>7</b>	<b>10</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>12</b>

*\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.*

The proposed budget for prevention and aftercare in Fiscal 2016 is \$39.3 million, an increase of approximately \$6.9 million when compared to the Fiscal 2015 Adopted Budget.

### Council Initiative

- **Citywide Homeless Prevention Fund.** The Council provided \$250,000 for the Citywide Homeless Prevention Fund Initiative in Fiscal 2015, which provides emergency grants to families at risk of eviction. The Fund helps to keep them in their homes and avoid the shelter system. Approximately 250 low-income families are assisted with this funding.

### Issues and Concerns

- **Measuring the Effectiveness of HomeBase.** Currently, there is no indicator in the Preliminary Mayor's Management Report (PMMR) that tracks the effectiveness of the HomeBase program. Given that HomeBase is the cornerstone of DHS' homeless prevention program, it would be beneficial for the agency to report on how many families are using HomeBase, how many families are being turned away, and the criteria that is used to be accepted into the HomeBase program.

## Rental Assistance and Housing Placement

The Department's Rental Assistance and Placement budget was largely made up of funding for the Advantage program until that program was eliminated. However, the funding that remains in this program area consists of Supportive Single Room Occupancy (SRO) for shelter residents who are working or receiving low or fixed income.

Rental Assistance and Housing Placement						
	Actual	Actual	Adopted	Preliminary Plan		*Difference
<i>Dollars in Thousands</i>	2013	2014	2015	2015	2016	2015 - 2016
<b>Spending</b>						
Personal Services Subtotal	\$1,259	\$2,303	\$2,487	\$2,758	\$2,487	\$0
Other Than Personal Services	20,825	23,021	22,387	22,387	22,387	0
<b>TOTAL</b>	<b>\$22,084</b>	<b>\$25,324</b>	<b>\$24,874</b>	<b>\$25,146</b>	<b>\$24,874</b>	<b>\$0</b>
<b>Funding</b>						
City Funds			\$12,275	\$12,275	\$12,275	\$0
State			11,314	11,314	11,314	0
Federal			1,285	1,557	1,285	0
<b>TOTAL</b>	<b>\$22,084</b>	<b>\$25,324</b>	<b>\$24,874</b>	<b>\$25,146</b>	<b>\$24,874</b>	<b>\$0</b>
<b>Positions</b>						
Full-time Positions	20	46	45	50	45	0
<b>TOTAL</b>	<b>20</b>	<b>46</b>	<b>45</b>	<b>50</b>	<b>45</b>	<b>0</b>

\*The difference of Fiscal 2015 Adopted Budget compared to Fiscal 2016 Preliminary Budget.

The proposed budget for rental assistance and housing placement in remains unchanged in Fiscal 2016 when compared to the Fiscal 2015 Adopted Budget.

## Performance Measures

Performance Indicators	Actual			Target		4-Month Actual	
	FY12	FY13	FY14	FY15	FY16	FY14	FY15
Adult families exiting into permanent housing, as compared to the monthly goal (%)	70	104	78	*	*	120	66
Families with children placed into permanent housing, as compared to the monthly goal (%)	99	103	90	*	*	110	99
Single Adults exiting into permanent housing	7,541	8,526	10,012	9,000	9,000	3,422	3,092
Single adults placed into permanent housing who returns to DHS shelter service system within one year (%)	3.9%	4.5%	4.4%	4.4%	4.4%	4.3%	3.8%
Adult families placed into permanent housing who returns to the DHS shelter services system within one year (%)	5.6%	15.0%	12.5%	12.5%	12.5%	15.1%	17.2%
Families with children placed into permanent housing who return to the DHS shelter services system within one year (%)	4.4%	9.5%	12.5%	12.5%	12.5%	11.2%	15.5%

Source: Preliminary Mayor's Management Report

As indicated by the table above, the percentage of adult families and families with children exiting shelter and placed in permanent housing during the first four months of Fiscal 2015 did not exceed the monthly goal as it did during the same time period in Fiscal 2014. While the percentage of single adults placed into permanent housing and returned to the shelter system when

comparing the first four months of Fiscal 2015 to the first four month of Fiscal 2014, the percentage of adult families and families with children placed into permanent housing and returning to the shelter system increased during this time period.

## Capital Program

### Capital Budget Summary

The Fiscal 2016 Preliminary Capital Commitment Plan includes \$92.8 million in Fiscal 2015-2018 for the Department of Homeless Services (including City and Non-City funds). This represents approximately less than one percent of the City’s total \$44.7 billion January Plan for Fiscal 2015-2018. DHS’ Preliminary Commitment Plan for Fiscal 2015-2018 remains unchanged when compared to the Adopted Capital Commitment Plan.

The majority of the capital projects span multiple fiscal years and it is therefore common practice for an agency to roll unspent capital funds into future fiscal years. In Fiscal 2014, the Department of Homeless Services committed \$21.8 million or 59.3 percent of its annual capital plan. Therefore, it is assumed that a significant portion of the department’s Fiscal 2015 Capital Plan will be rolled into Fiscal 2016, thus increasing the size of the Fiscal 2016-2019 Capital Plan. Since adoption last June, the citywide total Capital Commitment Plan for Fiscal 2015 has increased from \$17.9 billion in the September Capital Commitment Plan to \$19 billion in the Preliminary Capital Commitment Plan, an increase of \$1.1 billion or 6.1 percent.

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#### DHS 2015-2018 Capital Commitment Plan

*Dollars in Thousands*

	FY15	FY16	FY17	FY18	Total
<b>Adopted Plan</b>	\$57,789	\$13,586	\$5,707	\$15,729	<b>\$92,811</b>
<b>Preliminary Plan</b>	\$52,994	\$15,662	\$8,426	\$15,729	<b>\$92,811</b>
<b>Change</b>	(\$4,795)	\$2,076	\$2,719	\$0	<b>\$0</b>
<b>Percentage Change</b>	(8%)	15%	48%	0	<b>0</b>

### Preliminary Capital Budget Highlights

The Capital Variance Report indicates minimal variance between the Adopted Commitment Plan and the Preliminary Commitment Plan. Large capital projects included in DHS’ Preliminary Budget include:

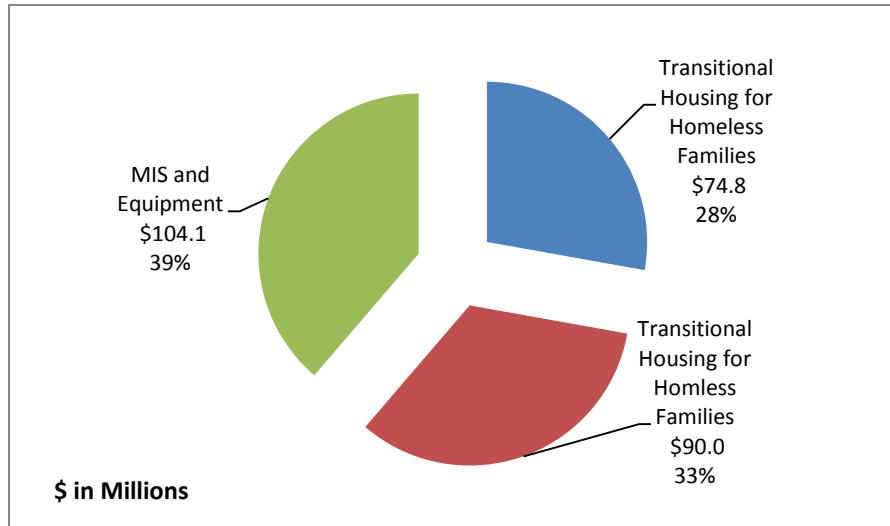
- \$32 million for congregate facilities for homeless single adults for major repairs and upgrades
- \$6.2 million for reconstruction and improvements to shelters Citywide
- \$4.3 million to purchase equipment for use by DHS

Although DHS’ Capital Plan allocates a majority of its spending towards major repairs and upgrades, many shelters are in poor conditions after decades of neglect; for more information please refer to page 19 of this report. A major issue that DHS faces is where to house families and single adults in order to repair shelters and bring them up to code.



## 2016-2025 Preliminary Ten-Year Capital Strategy

Dollars in Thousands 000's



### Capital Program Goals

- ✓ **MIS and Equipment.** DHS' Management Information System (MIS) and equipment strategy involves a continuation of funding to meet ongoing technology needs, including periodic upgrades of computers and network infrastructure, and replacement of Department vehicles.
- ✓ **Transitional Housing for Homeless Individuals and Families.** The major focus of the Preliminary Ten-Year Capital Strategy is the maintenance of transitional housing for the homeless families and single adults. The Plan allocates 90 percent of funding to the rehabilitation of these facilities. Major priorities for the agency continue to be code compliance, fire safety, and exterior building stabilization. Major Adult projects include the conversion of the Powers shelter into an adult family shelter, the construction of the Bedford-Atlantic shelter community space, and elevator replacements at the 30<sup>th</sup> Street intake center.

## Appendix A: Budget Actions in the November and the Preliminary Plans

<i>Dollars in Thousands</i>	FY 2015			FY 2016		
	City	Non-City	Total	City	Non-City	Total
<b>DHS Budget as of Adopted 2015 Plan</b>	<b>\$468,244</b>	<b>\$486,589</b>	<b>\$954,833</b>	<b>\$465,734</b>	<b>\$483,503</b>	<b>\$949,237</b>
<b>New Needs</b>						
Adult Shelter Reestimate	\$11,855		\$11,855			
Apartment Inspections	427		427	270		270
Family Shelter Reestimate	23,617	24,969	48,586			
Family Shelter Security	124	252	376			
LINC II Case Management and Aftercare	900		900	6,300		6,300
Preventive Maintenance Team				1,483		1,483
Safe Haven and Stabilization Bed Capacity	3,385		3,385	6,759		6,759
Shelter Security	1,108		1,108	1,490		1,490
Adult Shelter Housing Specialists	500		500			0
Aftercare for LINC II Families	1,250		1,250			0
Aftercare for LINC IV Individuals	770		770	2,563		2,563
Auburn and Catherine Street Shelter Staff	347		347	833		833
Child Safety Campaign	300		300			
Conditional Rental Assistance for Singles	1,992		1,992	2,713		2,713
Drop-In Center Capacity	354		354	850		850
Family Shelter Intake Staffing	456		456			
Flexible Funding for At-Risk Singles	200		200			
Homebase Media Campaign	708		708			
LINC Support	1,026		1,026	3,079		3,079
Office of Public-Private Partnerships	123		123	369		369
PATH Community-Based Demonstration Project	1,615		1,615	4,306		4,306
Permanency Specialist	624		624	1,873		1,873
Prevention Team	114		114	342		342
Routine Site Review Inspections	303		303	1,212		1,212
<b>TOTAL, New Needs</b>	<b>\$52,098</b>	<b>\$25,221</b>	<b>\$77,319</b>	<b>\$34,442</b>		<b>\$34,442</b>
<b>Other Adjustments</b>						
Collective Bargaining, DC37	\$1,992	\$139	\$2,131	\$3,115	\$217	\$3,331
Collective Bargaining, L237	30		30	27		27
Collective Bargaining, L300	22		22	21		21
EAF/FEPS for Homebase		3,007	3,007			
LINC II Rental Assistance Program	2,916	8,206	11,121			
Member Item Reallocation	(84)		(84)			

<i>Dollars in Thousands</i>	FY 2015			FY 2016		
	City	Non-City	Total	City	Non-City	Total
plANYC Energy Manager		\$43	\$43			
plANYC ExCEL Program - DHS		248	248			
PS Adjustments	783		783	1,002		1,002
Put Up FY15 Sandy Budget		24	24			
Put Up Revenue		234	234			
Shelter Savings Adjustments	14,192	30,350	44,543	14,192	30,350	44,543
FY15 MRT/EPVA Increase		1,709	1,709			
FY15/16 MRT/EPVA Increase		1,308	1,308		1,292	1,292
Lease Adjustment	270		270			
Member Item Reallocation	10		10			
Miscellaneous Revenue		14,866	14,866			
<b>TOTAL, Other Adjustments</b>	<b>\$20,130</b>	<b>\$60,133</b>	<b>\$80,264</b>	<b>\$18,358</b>	<b>\$31,860</b>	<b>\$50,217</b>
<b>TOTAL, All Changes</b>	<b>\$72,229</b>	<b>\$85,354</b>	<b>\$157,583</b>	<b>\$52,800</b>	<b>\$31,860</b>	<b>\$84,660</b>
<b>DHS Budget as of Preliminary 2015 Plan</b>	<b>\$540,473</b>	<b>\$571,943</b>	<b>\$1,112,416</b>	<b>\$518,534</b>	<b>\$515,363</b>	<b>\$1,033,897</b>

*\*Continuation from previous page*

### Appendix B: Reconciliation of Program Areas to Units of Appropriation

<i>Dollars in Thousands</i>	Personal Services	Other Than Personal Services	
	001	002	Grand Total
Adult Shelter Administration & Support	\$9,240,628		\$9,240,628
Adult Shelter Intake and Placement	8,907,038		8,907,038
Adult Shelter Operations	21,801,937	297,096,995	318,898,932
Family Shelter Administration & Support	8,995,416	2,705,911	11,701,327
Family Shelter Intake and Placement	26,627,578		26,627,578
Family Shelter Operations	10,933,386	466,883,858	477,817,244
General Administration	50,549,931	26,282,131	76,832,062
Outreach, Drop-in and Reception Services	888,325	38,478,806	39,367,131
Prevention and Aftercare	928,838	38,702,280	39,631,118
Rental Assistance and Housing Placement	2,486,614	22,387,382	24,873,996
<b>Grand Total</b>	<b>\$141,359,691</b>	<b>\$892,537,363</b>	<b>\$1,033,897,054</b>