

# Mayor Bloomberg's Silver Bullet Misses the Target

by Colin Asher

The first term of Michael Bloomberg's mayoralty was a heady time. After switching political parties, and spending \$73 million of his own money, the richest man in New York City had managed to win his first campaign for public office with a couple of percentage points to spare. With victory still clear in the rearview, he plunged into the most treacherous waters he could find. He took on the teachers union, instituted a \$3 billion dollar tax increase and, with no threatening challengers in sight, decided to tackle one of the city's most entrenched problems.

On June 23, 2004, Bloomberg appeared at a breakfast hosted by the Association for a Better New York, and announced that he had a plan that would dramatically reduce homelessness. With President Bush's homeless czar looking on, the mayor described the strategy embodied within his plan, "Uniting for Solutions Beyond Shelter."

"This new plan aims to replace the City's over-reliance on shelter with innovative, cost-effective interventions that solve homelessness," the mayor told an audience of philanthropists, nonprofit leaders, and city movers and shakers. "And to make visible headway in reducing homelessness on the streets and in shelters during the next five years."

Bloomberg's strategy relied on two tactics: rapidly rehousing homeless families and deemphasizing shelters. If the City did those two things, while simultaneously improving homelessness prevention services and agency coordination, and expanding the capacity of drop-in centers, homelessness could be reduced by two-thirds in five years, he proclaimed.

Bloomberg's plan contained all the hallmarks his early years have become known for. It broke with tradition, while claiming to be the most efficient option. It was bold, nearing hubristic—while cities across the country were planning to end homelessness in ten years, Bloomberg said he could do it in five—and, like many of the Mayor's grand schemes, it has not aged well.

The most ambitious part of the City's new strategy was a subsidy called Housing Stability Plus (HSP), which was designed to move homeless families out of shelter and into market-rate apartments as quickly as possible (see sidebar, page 20). There were obvious problems with HSP from its inception, and it ended after only two years. The City replaced it with a new program, Advantage NY, in 2007. When problems arose with that plan, a third, Advantage, was introduced in 2010. And now that too has ended, and the mayor will not be trying again. While housing subsidies were being created and discarded, homelessness grew. Instead of the decrease promised on that June morning in 2004, the last seven years have seen the homeless population increase to a level unseen since the Great Depression. When "Uniting for Solutions" was released, there were 36,642 people living in New York's shelters, including 8,712 families. And in March 2011, when the last of the City's rapid-rehousing programs went quietly into the night, the shelter census had recently reached an all-time high of 39,542 individuals, including 9,864 families.

There is irony to be found in the demise of Advantage, the last of the mayor's housing subsidies, because the result of his efforts has been so contrary to his intentions, and because the scene of its death—room 232 of the New York Supreme Court building—was so contrary to that at its fêted birth.

## Advantage Has Its Day in Court

On Thursday, April 21, 2011, ten lawyers, five representing the city and five representing Advantage recipients, sat before Judge Judith Gische's bench waiting for her to address them. The question before her Honor that afternoon was whether New York City would be allowed to stop paying rent on 15,000 apartments occupied by formerly homeless families participating in the defunct Advantage program.

Six weeks before the hearing, Governor Andrew Cuomo cut the state's portion of funding for Advantage from the budget. Through a spokesperson, the governor said, "regardless of this

year's anticipated cuts, New York City has the funds to support the continuation of this program if it so chooses."

The City disagreed, loudly and publicly, and in response to Cuomo's decision sent notices to every Advantage recipient telling them their housing subsidies would end in 12 days. Among formerly homeless families, there was panic.

The Legal Aid Society took up their cause, and sued, claiming that the City had signed contracts with the families in question, and could not stop paying their rents. The court could not force the City to hand out new vouchers, but at the very least, Legal Aid argued, they could insist they make good on existing obligations.

The case landed on Judge Gische's docket, and when it did she issued a temporary restraining order requiring the City to pay April's rent, and scheduled the April 21 hearing.



Attorneys for the City were forced into an uncomfortable position. The administration maintains that Advantage was a success, and claims that ending it would bring on a nightmare scenario. In late March, Seth Diamond, the commissioner of the Department of Homeless Services (DHS), told the City Council's General Welfare Committee that ending Advantage was likely to "create a need for 70 new shelters."

"By this time next year, we project the families with children population will grow by over 4,000 to a total of over 13,000 families in the DHS shelter system," Diamond told the Council.

Both sides arguing before Judge Gische quoted Diamond's assessment of the effect ending Advantage would have, but the City's attorneys had to add the caveat that the judge should allow the predicted worst-case scenario to happen. The City could not afford to operate the program on its own, they argued.

Steve Banks, the balding and bespectacled attorney-in-chief of the Legal Aid Society, had an easier case to make. The City's own estimation of the value of Advantage supported his arguments. He told the court that the City's filing read like his own, and said that ending Advantage would mean disaster.

"I wonder what their Plan B is in June or July or August when these families start coming into the shelter system?"

He warned against "abandoning" formerly homeless families who are trying to make good, and asked the court, "Is this really what the social contract is all about?"

At the end of the hearing, Gische promised a decision by May 2, and extended her restraining order until that morning, meaning that the City had to pay Advantage rents for the month of May. Siding with the plaintiffs would mean that the 15,000 families currently receiving subsidies would get a few more months of rental assistance. Siding with the City would mean those families would lose their rental subsidies, and most likely their housing, if not immediately then soon. But no matter her decision, the short life of the Advantage program would effectively end in Gische's courtroom. Even if she ruled for the plaintiffs, no new homeless families would receive vouchers.

### A New York City Tale but a National Story

With no new subsidy on the horizon, homeless families have nothing to rely on now but the shelter system. There is irony to be found in that fact as well, because the idea guiding all three

*Natalie Rizzo had been on Advantage for almost a year when she received a notice from DHS about the end of the subsidy. She runs errands on her way home noting, "Everything I need is right in this neighborhood."*

of the City's housing subsidies was that shelters should be deemphasized, and that homeless families should be moved through them as quickly as possible.

That rapid-rehousing strategy is called Housing First, and it has been *en vogue* nationwide for several years. Studies have shown it to be very effective when focused on chronically homeless single adults, but results for the homeless families targeted by New York City's recent housing programs have been decidedly mixed.

In the decades before Housing First gained traction in New York, the City pursued a fairly consistent policy of improving services in homeless shelters, and prioritizing homeless families for placement into subsidized housing. During that time, shelters transformed from intimidating spaces such as converted auditoriums, armories, or welfare hotels to safe private spaces.

In 1990, a consent decree outlawed the City's practice of housing homeless families in congregate shelters. After the decision, homeless families were placed in shelters called Tier II facilities that, by law, provide private rooms, child care, housing services, and, if necessary, three meals a day. During this time, many shelters also provided job training, educational programming, and life-skills classes. While in shelter, homeless families were prioritized for subsidized permanent housing in buildings operated by the New York City Housing Authority (NYCHA), and for Section 8 federal housing subsidies.

By improving services, and offering homeless families housing options that were not subject to the exigencies of the free mar-

ket, the City was able to lower the rate of families who returned to shelter after leaving from 50% in 1991 to 22% in 1999. But both of those tactics were set aside as part of the Housing First strategy. Shelter services have been deemphasized, and shelter stays have been shortened as much as possible. In 2010, the city began financially penalizing shelters for every client who remained in shelter for longer than six months; that time period was eventually reduced to five months. When Advantage ended, DHS ended the length-of-stay-based payment system. As of press time, they were in the process of creating a new "performance-based" shelter payment system, the details of which have not been revealed.

The City's fourth shelter-to-housing policy—after HSP, Advantage NY, and Advantage—has not yet been announced two months after Cuomo cut Advantage funding, but all indications are that the next plan is no plan. The 2012 Executive Budget, released at the beginning of May, did not include funding for a new housing program. And on May 11, DHS sent a letter to shelter providers stating, "the City has no plans to begin its own rental subsidy program."

City Councilmember Annabel Palma, chair of the Council's General Welfare Committee, confirms that no new housing program is being discussed. In meetings with Seth Diamond, Palma says, it was made clear that the City was not going to create a new housing voucher, or bolster shelter services before Advantage clients start returning to shelter. "There's no plan," she says.

Palma was a critic of Advantage before it ended, but, she says, "I would have never advocated for a complete elimination of the

## *Housing Stability Plus (HSP)*

HSP was the City's first housing voucher; it was launched in December 2004 and ended in April 2007.

In order to be eligible for HSP, homeless families had to be receiving Public Assistance (PA), and had to continue receiving it. If a family's PA case was closed for any reason—including finding full-time work—their HSP benefits ended as well. The maximum term for HSP was five years, and every year benefits were reduced by 20% until they zeroed out. From its inception, advocates argued that receiving HSP was tantamount to becoming poorer every year because of benefit reductions. Predictably, families receiving HSP found it next to impossible to balance the HSP requirement to earn more every year, and the PA requirement that they not earn too much (lest their case be closed).

HSP was also criticized for the quality of housing offered to recipients. In 2007, an investigation by the Coalition for the Homeless revealed that homeless families had been housed in buildings owned by landlords categorized as major problem owners, and more than 1,000 families had been placed in buildings with two or three hazardous violations, including lead paint hazards, vermin, lack of heat or hot water, and broken ceilings or floors.

program.” She questions why the City was so quick to give up on the program after Cuomo cut it from the state budget. If it was as successful as the City claimed, she asks, why didn’t the City continue to fund it? “It’s only \$210 million in a budget that’s \$65 billion; it’s nothing,” she says.

In interviews, shelter providers expressed frustration that shelter-to-housing programs have changed so much and so often in recent years, that there is no program any longer, and that there is so much uncertainty about what might be coming next. The belief that they are being asked to do the impossible—transition homeless families with little education and few or no marketable skills into the mainstream of the city—and a sense of resignation crept into those conversations.

### A Shift to Rapid Housing

Two weeks after DHS announced Advantage would end, Sheryl Williams and Frank Martarella, managers at the Saratoga Family Inn, one of the city’s largest family shelters, field questions about what the loss of Advantage would mean for the 255 families living in the Saratoga.

Williams is the shelter’s director of family services, and Martarella, an ex-NYPD officer, is shelter administrator. They sit across the room from each other, and lob anecdotes back and forth, one beginning a story about a client or a program that has fallen by the wayside, the other finishing it.

“Our numbers are creeping up, we have to move [clients] out any way we can,” Martarella says. “Family reunification, AWOL, ...”

he trails off. Those phrases are euphemisms for sending homeless families to double up with relatives, and discharging families who have been absent from the shelter. Conspicuously absent from Martarella’s list of outcomes is any mention of employment, market-rate apartments, or public housing. Family reunification has been the top discharge from the shelter recently.

“We’re encouraging them to make amends [with their families],” Williams says.

And what about the families who have been saving, searching for apartments, and expecting to receive an Advantage voucher?

“They’re asking, ‘What’s next?’” Williams says.

This cycle—clients entering shelters and then exiting back to the same, or similarly unstable, living situations—has become the defining characteristic of homeless services in New York City. When the five-year plan was announced seven years ago, 24% of the families entering shelter had been homeless in the past; by 2011 that figure had almost doubled, to 47%.

And now, with Advantage gone, most stakeholders expect it to climb higher.

When DHS focused resources on securing housing as quickly as possible, services that had been available in the city’s shelters fell by the wayside. It was possible before the policy change for shelter residents to take GED or pre-GED classes in the Saratoga, or participate in job-training classes. Williams mentions back-to-

## Advantage NY

When the City ended HSP they replaced it with Advantage NY, a short-term housing subsidy that eliminated the Public Assistance requirement. Advantage NY initially included five subprograms, each of which catered to a discreet portion of the homeless population: families receiving disability benefits, families that had active child welfare cases, families entering the work force, families who needed only a few months of assistance, and families in domestic violence shelters. Work Advantage, the program designed for working families, was the most direct replacement for HSP.

The City paid landlords directly for apartments leased by Work Advantage families; the families in turn paid a symbolic \$50 per month. Work Advantage was a one-year program that could be extended for a second year if families met work and savings eligibility requirements, at the end of the second year families were expected to be self-sufficient.

## Advantage

In August 2010, the Advantage program was altered. All of the programs save one were eliminated, the rental contributions of recipients went from \$50 per month to 30% of their gross monthly income, and it became more tenuous for families to sustain their subsidy for a second year. In order to receive a second year of benefits a family had to have one member working 35 hours per week, and if renewed, rental contributions rose to 40% of gross monthly income. By the City’s own estimation, the changes made to Advantage would lower the percentage of families eligible for a second year of subsidies from 80% to 60%. ■

work programs that trained residents in skills such as day care and building operations, but says they haven't operated in the shelter since rapid housing became the top priority. Now, shelter staff creates an exit plan for every client during their very first meeting with a case manager.

"The focus changed to, 'They just need an apartment,'" Williams says. "Then we're hearing from the landlord two days later—they can't maintain."

Without additional services and training opportunities, she says, many homeless families are destined to return to shelter. "Formerly stable clients are few and far between."

When asked what the policy change and shift away from service provision has done to staff morale, Martarella shakes his head.

"For me, it's different. I come from law enforcement. But Sheryl went to school to help people, and basically we're telling them to move out.

"So, morale ..." he unfolds his arms, and throws them wide, miming exasperation.

To illustrate the tension that exists between client need and programmatic demands, Martarella mentions a case manager who recently invested time in helping a family with complex issues. "He wanted to be a social worker," Martarella says. "That was

a problem. You can't be just a social worker—you gotta move people out."

Williams says that the time available to spend with clients is so constrained that everything in the case manager-client relationship has been reduced to discussions about short-term goals, savings plans, and exit plans. "It's like, OK, when am I going to listen to this person?" she says.

"It ain't what it was," Martarella concludes.

## Returning to Shelter

Even divorced from other social service demands, the mandate to move clients out of shelter quickly is difficult and about to get harder. Confusion over the status of Advantage has already sent some families back to shelter, giving providers a preview of what might be coming.

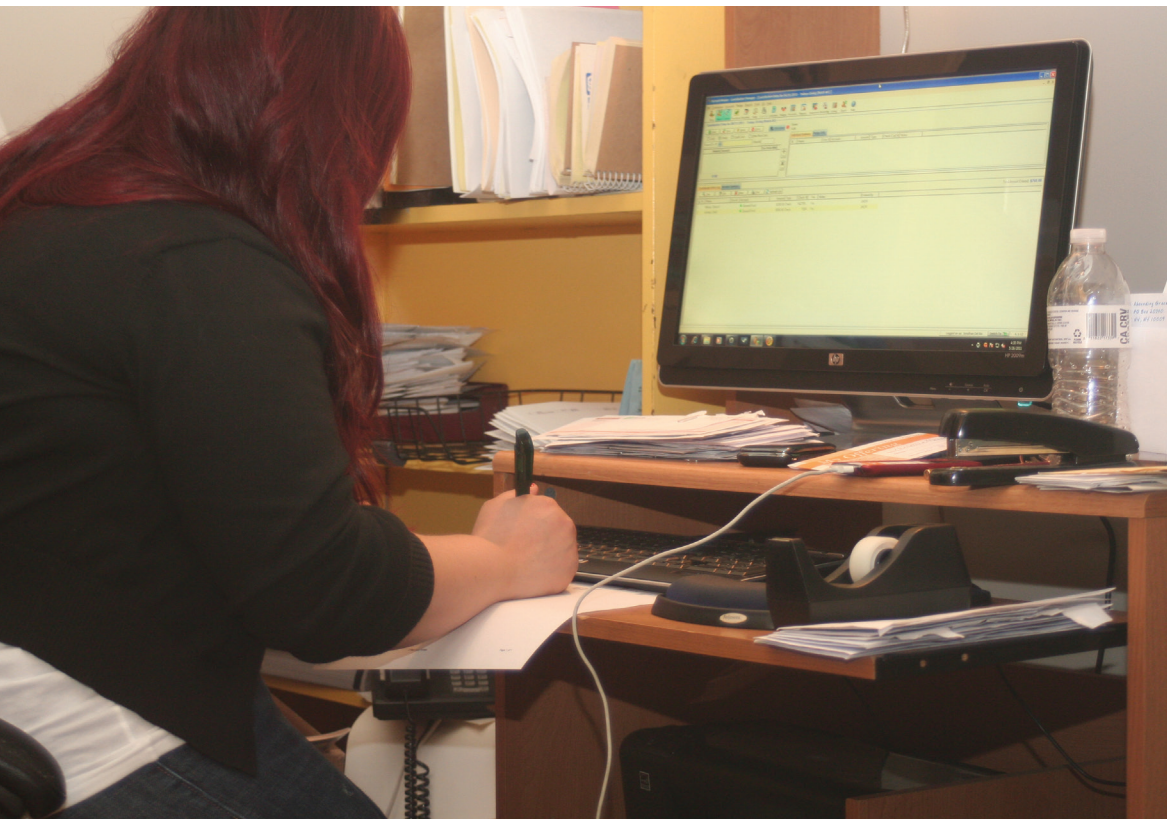
Patricia Boyar (a pseudonym to protect her identity while she remains in shelter), 38, is the head of one of those families. When Boyar received notice that her Advantage subsidy was going to end, she and her two-year-old daughter were living on Staten Island, in an apartment she could not afford without assistance from Advantage.

"They sent me a letter saying they're not going to pay anymore," she says weeks later, now back inside a family shelter.

Boyar had never signed a lease before, didn't understand eviction law, and thought the letter she received from DHS meant she had to leave her apartment immediately.

Asked how she feels about the future, Boyar says, "Not good, because I don't know where I am going to go." She survives off a little more than a thousand dollars a month that she receives from the federal government because she has a permanent disability. Without a housing subsidy,

*Advantage client Natalie Rizzo works part time at a neighborhood church while pursuing a degree in teaching.*



or priority for subsidized housing, it is unlikely she will be able to move out of her shelter anytime soon. Even if she could find an apartment with rent within her means, there would be nothing left of her check to cover bills and basic necessities. “How I’m going to pay the light?” she asks.

Asked where she thinks she will be in a few months, Boyar shrugs, looks at the floor, and offers a non-answer. “There’s no program. That’s it.”

Her prognosis for the future is not far from that of some shelter providers.

“We’re going to go backwards,” Michael Callaghan says, and prophesies that clients will stay in shelter longer. “The shelter system is going to become the new permanent housing for many families with significant barriers, low educational levels, or absence of sustainable employment with a living wage.”

Callaghan is the executive director of Nazareth Housing, a non-profit that operates shelter, and permanent housing facilities. He is less than optimistic about the future when asked, but doesn’t care to be characterized that way.

“I’m not cynical, I’m a realist,” he says.

Citing the amount the City was thought to have at its disposal for a new housing program, he asks, “What are they going to do with 60 [million]?” Since he proposed this question the City has stipulated that there will be no new housing program, and the amount Callaghan cited was reduced to \$30 million and still has not been finalized.

## A Complex Problem

Unlike some of the administration’s critics, Callaghan does not place all of the blame for the city’s rising homeless census on the administration’s policies. He sees the problem as a product of larger social forces.

“If you want to be about honest numbers, the families coming into the system because of HSP, because of Advantage, they’re coming in because there is no living wage, because of climbing rents,” he says. “I don’t think you can say definitively that those programs caused an increase in homelessness, maybe recidivism.”

No simple housing voucher will solve the problems of homeless families, he says. Almost 70% of the clients Nazareth houses have no high school diploma or GED, 73% are unemployed when they arrive, and almost 80% of the families that the organization shelters are headed by a single woman. For that group of people, something bolder than a time-limited housing voucher is

needed. Callaghan suggests a multifaceted, regional approach. “The solution in Brooklyn might not be the solution in Queens or the Bronx,” he says. And, he argues, a comprehensive strategy should be developed as part of a “Housing Summit” where all of the city’s stakeholders would craft a long-term affordable housing plan, an idea he mentions often and with obvious enthusiasm.

In contrast to Callaghan’s bold proposals, the constant programmatic churn of the past seven years has prepared some shelter providers to accept whatever comes.

Iris Lebron Colon operates a small family shelter called Theresa’s Haven, housed inside a converted apartment building in the Bronx. The shelter’s administrative offices, cluttered with stacked papers, ledgers, children’s art, and curling photographs, began their life as a two-bedroom apartment, and Lebron Colon holds court in the backmost room.

“I’ve been doing this since ’85, ’84?” she says. Counting a few of those years on her fingers, she sighs. “My God.”

Since she began in homeless services, Lebron Colon says, things have not improved. When she started, there were only two thousand homeless families in the city; now there are ten thousand. The families she sees these days stay in shelter longer. They have more problems, and fewer resources.

“It’s tough right now because without Advantage,” she shakes her head, “they don’t have any options, they don’t have any work experience, they don’t have any skills.”

Of the 39 families staying in her shelter on any given day, Lebron Colon estimates that two will be headed by adults who cannot read or write, three will have no English skills, and more than half will have neither a high school diploma nor a GED. Having no work experience is a malady so normal she doesn’t bother to mention it. When asked, she says, “That’s common, very common.”

Since Advantage ended, she has been encouraging residents to move back in with their families if possible, and she has resigned herself to housing some families for the foreseeable future. By her estimation, no more than 5% of the families that stay in Theresa’s Haven will be able to afford market-rate apartments without the assistance of a housing subsidy.

Pointing a thumb over her shoulder at a building across the street, she says that studio units inside of it rent for about \$1,050 a month. (Theresa’s Haven is located in the poorest congressional district in the United States, and is not filled with inordinately expensive apartments.) If a single mother were to work full time in a position that paid above minimum wage, her pre-tax income would cover only rent and bills in

that building—nothing would be left for clothing, food could only be bought with food stamps, there would be no money for entertainment, and saving would be an impossibility.

“A client who has an eight-dollar job, three kids—how are they going to move?”

Answering her own question, she says, “They can’t move.”

That observation—that the cost of living in the city has raced so far ahead of the wages paid to the people who keep it running that they will never catch up—is at the core of the criticisms most often lobbed at the City for its homeless policies.

The Coalition for the Homeless has been among the City’s most strident and vocal critics since HSP, the first time-limited housing subsidy, was introduced. In the wake of Cuomo’s budget cut, it was one of the few organizations publicly wishing Advantage good riddance, while pushing for a more multifaceted approach that incorporates a variety of long-term affordable housing options.

Patrick Markee, the coalition’s senior policy analyst, says the group’s core critique of the City’s homeless strategy is it does not acknowledge that homelessness is primarily a housing affordability issue. If you concede that the cost of housing is driving people into shelters, he says, it becomes clear that permanent housing is the solution.

Asked about the City’s record of utilizing short-term subsidies, Markee says, “I think the numbers speak for themselves. We’ve got all-time record homelessness. City data shows more New Yorkers than ever slept in city shelters last year. Record numbers of homeless families, homeless children, all of this points to policies that have failed to address homelessness.”

### The Revolving Door of New Programs

Some critics are less strident in their critique, though maybe no less frustrated. Chris Parque, the executive director of Homeless Services United, a coalition of homeless services providers, says that the constant programmatic churn of the last few years has been damaging to providers as well as clients.

“Every time we do that [end a housing program], it breaks trust,” she says, which is problematic both for the provider-client relationship and the City’s relationships with landlords who have agreed to house shelter residents. “It creates even further barriers to landlords wanting to rent to low-income people.”

And every time the administration introduces a new program, “the slate is wiped clean,” she says. Little has been learned about the reasons why clients succeeded or failed while receiving HSP,

Advantage NY, or Advantage subsidies. “We know that HSP and Advantage clients are returning [to shelter] in large numbers, but no one has evaluated these people to see why—specifically—they returned,” Parque says.

Parque argues that homelessness will only be dealt with if the city crafts a flexible plan, informed by the input of all major stakeholders. “We need as diverse a solution as we have people in the system,” Parque says.

Asked what will happen now that Advantage has ended, she says, “I think nobody knows.”

As frustrating as that uncertainty is for providers and advocates, it is doubly so for clients who had been counting on Advantage.

“I got a letter in the mail in March saying that Advantage was cut and they weren’t gonna pay our rent anymore ... yada, yada, yada,” Natalie Rizzo, 31, says. “Then I got a letter saying they were gonna cover April, and nothing since.”

The mother of an 11-year-old, Rizzo is a full-time student at Borough of Manhattan Community College and a part-time employee of her church. She had been on Advantage for almost a year when she received the notice from DHS. Of the families who receive Advantage, 37% reapply for shelter after losing their subsidies, but for Rizzo, a short-term subsidy might have been all the help she needed.

“I had a plan, you know, they were going to cover my rent for two years,” she says. She is two semesters away from a teaching credential, but says she will have to drop out of school if Judge Gische allows the City to end her subsidy. Even if the subsidy continues for current recipients, knowing that the administration went to court to avoid paying has soured Rizzo’s outlook.

The city, she says, has become inhospitable for anyone just trying to get by.

To cover rent on her \$962-per-month Lower East Side studio apartment, Rizzo estimates she would need to earn \$35,000 per year before taxes.

“You tell me what job is paying 35 right now?” she asks, and estimates that, given the economy and her work history, she would need to work two jobs in order to survive.

“My only other option would be to leave New York. And let’s just say it, that’s what Bloomberg wants. He wants a city for the rich,” she says.

“You can print that, put it in bold.” ■