



## **State of the Homeless 2010**

### **How Governor Paterson's Budget Will Make New York's Historic Homelessness Crisis Even Worse**

March 2, 2010

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# Coalition for the Homeless State of the Homeless 2010

## Part I:

### How Governor Paterson's Proposed Budget Cuts Will Worsen NYC's Homelessness Crisis

Last month – in the midst of record New York City homelessness and rising unemployment – Governor Paterson released a budget proposal that includes ***the largest cutbacks in homeless services in New York history.***

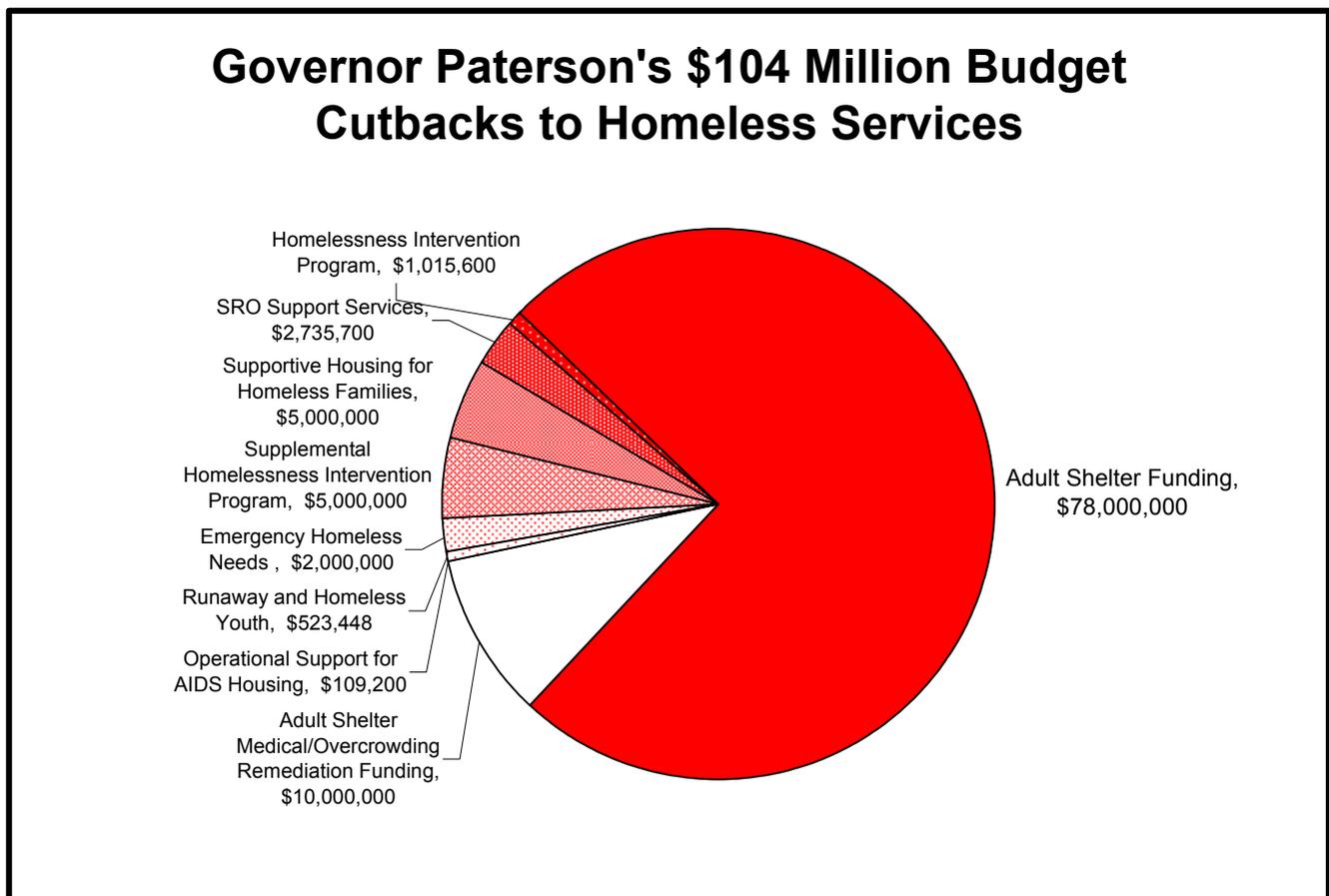
***The Governor's budget plan, if enacted, would increase New York's homeless population, force cutbacks to emergency shelter and services, and could force thousands of homeless New Yorkers from shelters into the streets.***

#### Overview of Governor Paterson's Proposed Cutbacks to Homeless Services

Governor Paterson's proposed 2010-2011 Executive Budget includes ***more than \$104 million in cutbacks to vital homeless services***, including:

- \$5 million cut to permanent supportive housing for homeless families
- \$6 million cut to aftercare services for formerly homeless families and individuals
- \$2 million cut to emergency and crisis homeless services
- \$2.7 million cut to permanent supportive housing services

Governor Paterson's proposed cutbacks in permanent housing and after-care will inevitably lead to increases in homelessness in New York City in two fundamental ways:

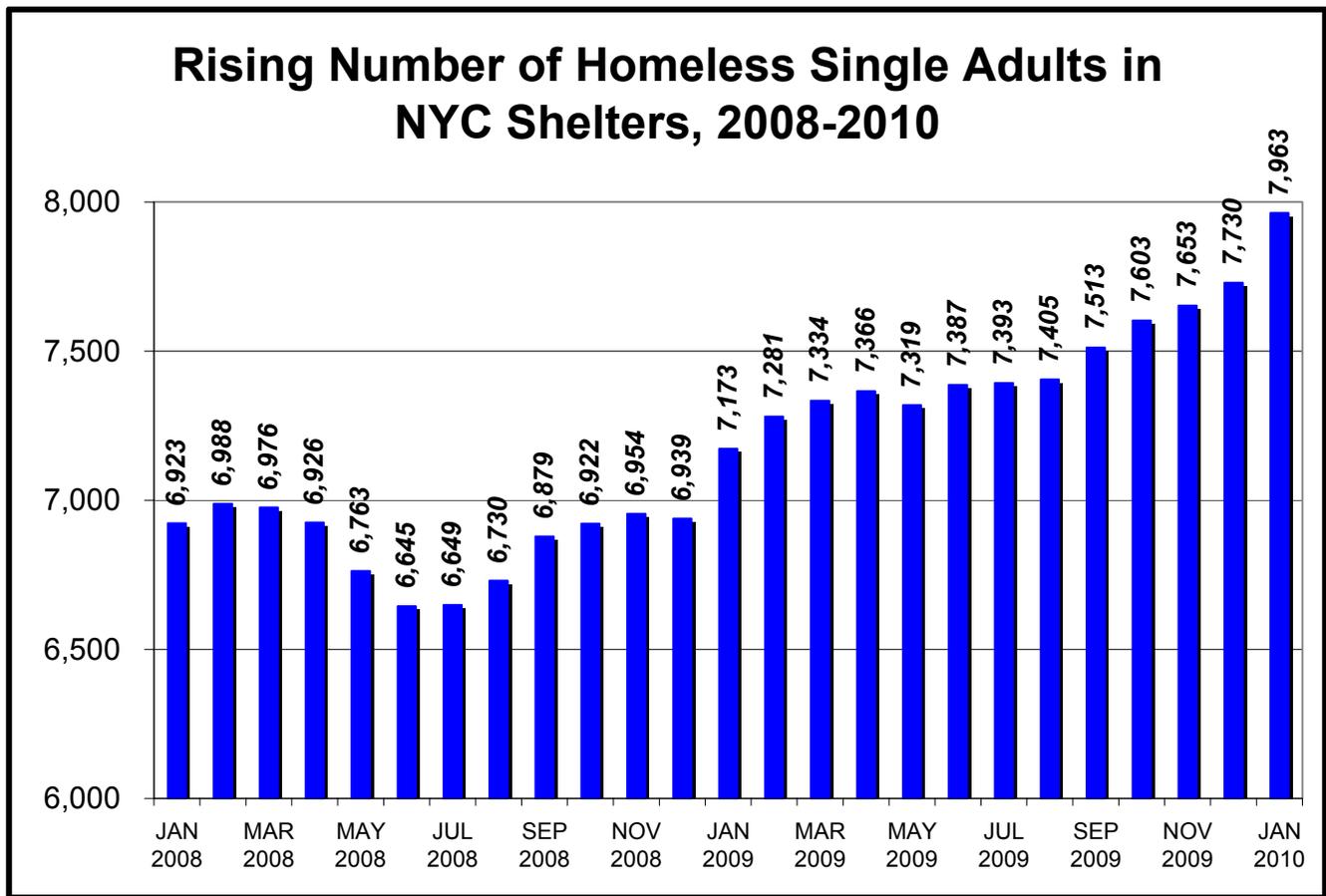


1. By **eliminating crisis services and vital support services that help low-income and formerly-homeless families** avoid homelessness; and
2. By **reducing permanent housing options**, and thus forcing homeless families and individuals to remain in shelters longer.

Governor Paterson’s Irresponsible Cutbacks to Shelters for Homeless Adults

The most devastating cutback Governor Paterson proposes would **eliminate more than \$88 million in State funding for NYC municipal shelters for homeless single adults**. This includes eliminating \$10 million in State funding for emergency shelter assistance for homeless people living with AIDS and other serious medical problems.

- In NYC there are **currently more than 7,900 homeless single adults** residing each night in municipal shelters, an **11 percent increase** from last year.
- During the last City fiscal year (FY 2009), **more than 29,000 different homeless single adults slept in municipal shelters** – and that number will only be higher for the current fiscal year.
- **The number of homeless single adults in NYC municipal shelters is rising.** Indeed, the number of different homeless single adults who slept in New York City shelters during FY 2009 is **12 percent higher** than in FY 2002.



Remarkably, the Paterson administration claims that the \$88 million cutback in funding for NYC adult shelters will be addressed in two ways:

1. First, Paterson administration officials say that many **homeless single adults themselves will be forced to pay for the cost of shelter – and will pay as much as \$36 million each year!**

Thus, the Paterson administration assumes that somehow **homeless single adults – among the poorest people in New York – will pay more than \$3 million each month out of meager disability benefits and minimum-wage jobs!**

2. Second, Governor Paterson’s budget claims that part of the cost of NYC adult shelters will be covered by welfare payments.

However, according the NYC Office of Management and Budget, **only 24 percent of homeless single adults – fewer than one in four – have active welfare cases.**

New York’s welfare system has numerous bureaucratic barriers that make it hard for poor individuals to obtain and keep welfare benefits. And **homeless single adults, who have high rates of mental and physical health problems, are frequently denied welfare benefits due to these bureaucratic obstacles.**

Nevertheless, Paterson administration officials claim that 100 percent of homeless single adults in NYC shelters will receive welfare benefits – without explaining how this will happen and without adequately accounting for the increase in welfare expenses if this were to miraculously happen.

#### How Governor Paterson’s Budget Plan Harms City Taxpayers and Homeless New Yorkers

Governor Paterson’s draconian budget proposal forces Mayor Bloomberg and City officials to make a terrible choice. As Mayor Bloomberg testified in Albany in late January, even under the best-case scenario – when State welfare funds cover part of the cost of shelter – **the City of New York would lose more than \$55 million in funding for municipal shelters for homeless adults.** As the Mayor said in his January 25th State budget testimony:

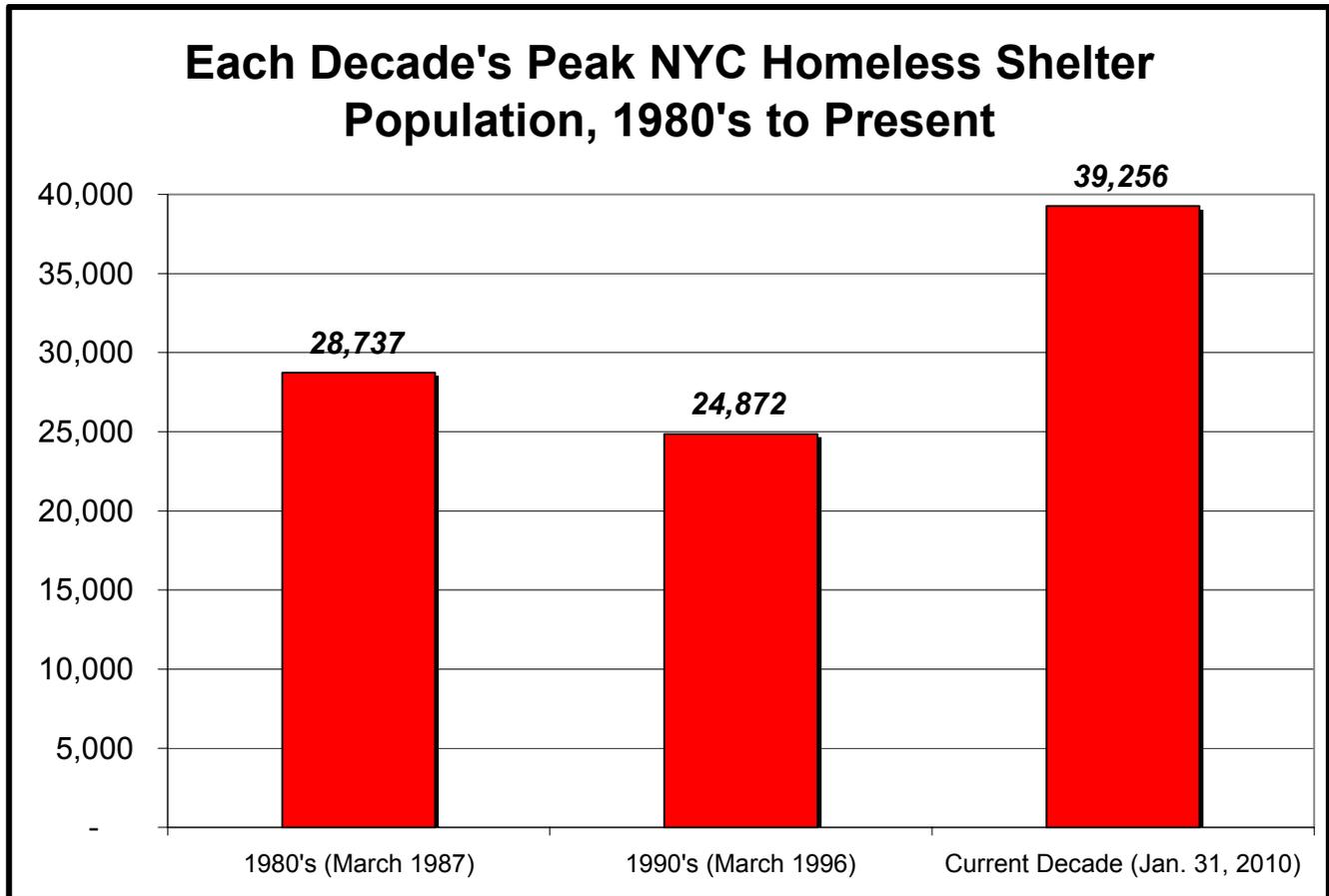
*“There’s a similar cost-shift in the area of homelessness. In the majority of cases, providing shelter to homeless individuals is mandated either by the courts or by the State. Yet the State proposes to eliminate its annual appropriation for homeless adults in shelters, many of whom have physical or mental illnesses. The bottom line for the City’s Department of Homeless Services will be a shortfall of \$55 million in the next fiscal year.” (Emphasis added.)*

Thus, Governor Paterson’s budget plan forces a terrible choice for the Bloomberg administration and for City taxpayers:

1. **Either the City of New York will be forced to cover the loss of \$88 million in State funding for municipal shelters – costing City taxpayers tens of millions of dollars at a time of rising City budget shortfalls;**
2. **Or the City will be forced to close as many as half of all municipal shelters for homeless single adults – pushing thousands of homeless individuals onto the streets and into the subway system.**

**Part II:  
All-Time Record NYC Homelessness**

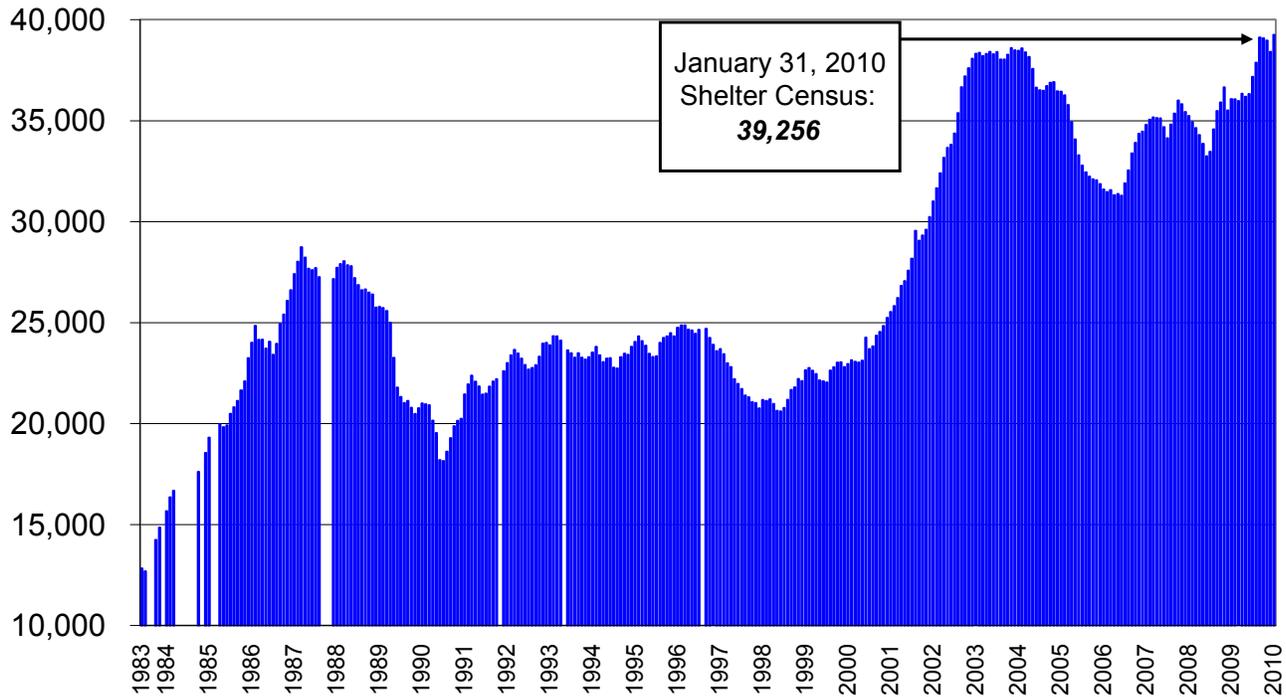
By any measure, **2009 was the worst year for homelessness in New York City since modern homelessness began three decades ago.** In fact, over the past year more New Yorkers experienced homelessness than at any time since the Great Depression of the 1930s.



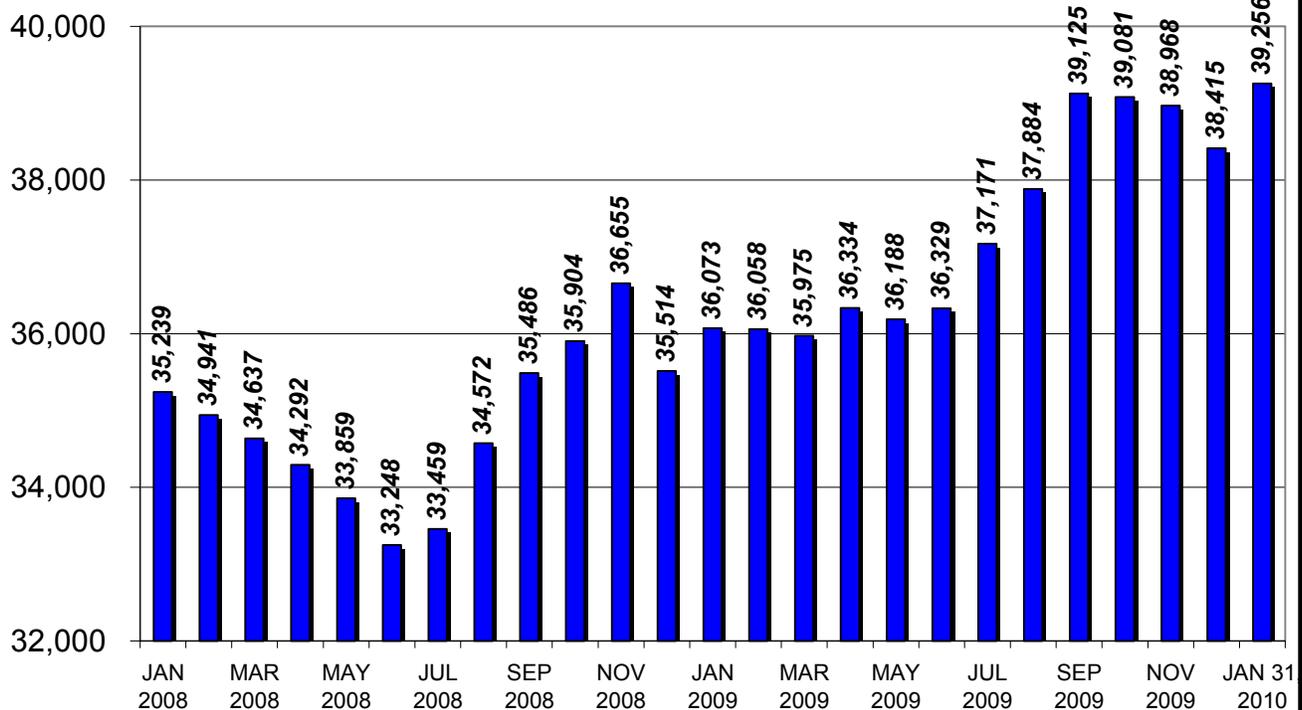
Overview of the Past Year

- At the end of January 2010 there were **39,256 homeless adults and children sleeping in New York City municipal shelters, a new all-time record.** Last year is the first time ever that the number of homeless people sleeping each night in the New York City shelter system has exceeded 39,000 people.
- Since last year, the **number of homeless adults and children in New York City shelters each night has increased by 7 percent.**
- At the end of January there were **10,375 homeless families sleeping in New York City municipal shelters.** Last year is the first time ever that the number of homeless families in municipal shelters each night has exceeded 10,000 families.
- Since last year, the **number of homeless families in New York City shelters each night has increased by 8 percent.**
- At the end of January there were **16,346 homeless children sleeping in municipal shelters.** Over the past year the **number of homeless children in shelters has increased by 5 percent.**

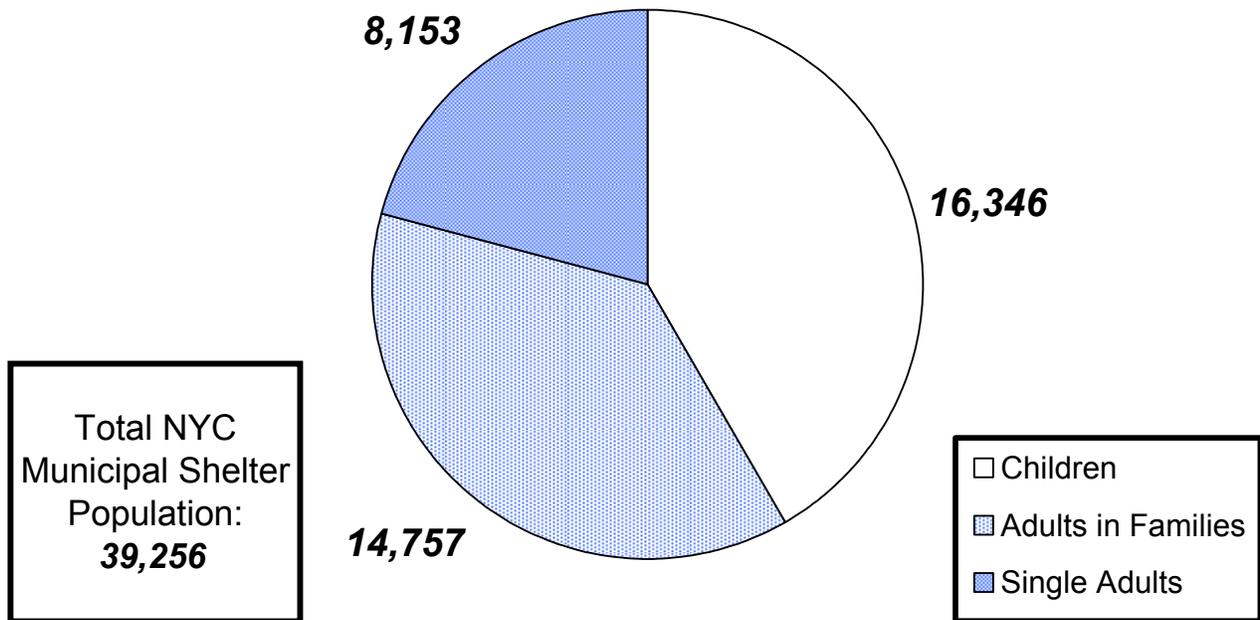
## Record Number of Homeless People in NYC Municipal Shelters, 1983-2010



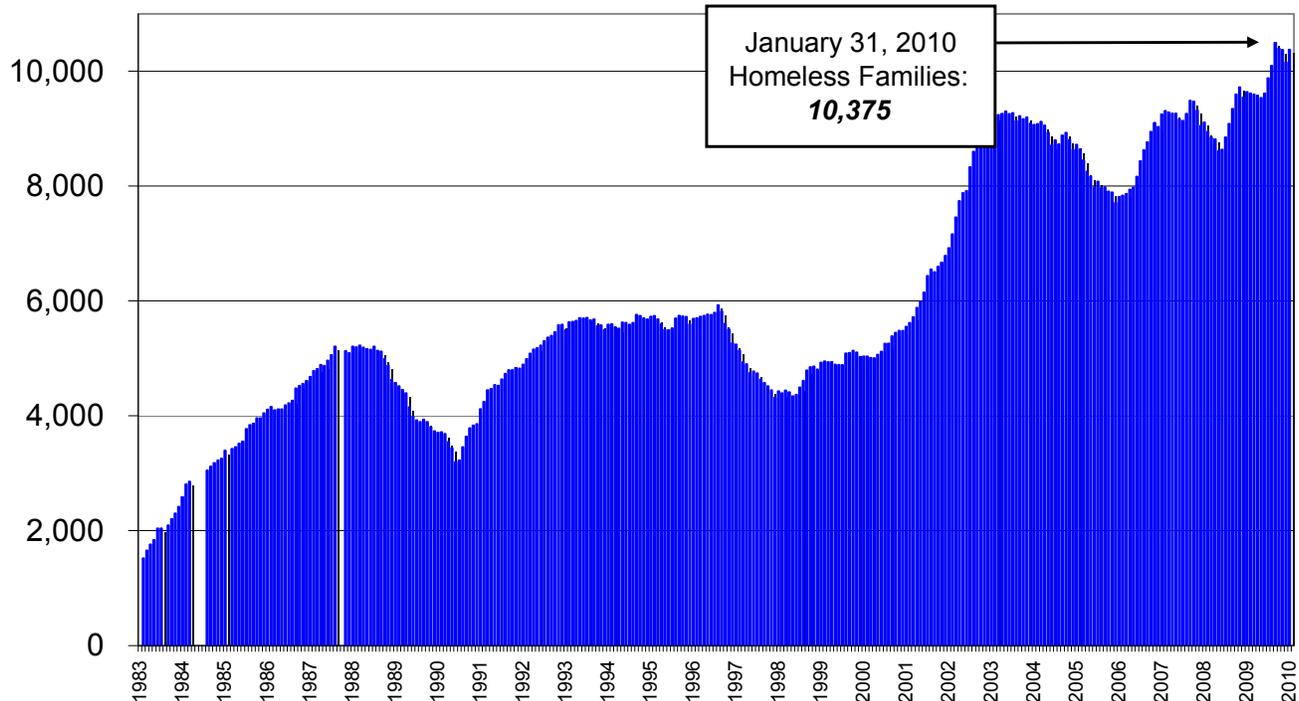
## Rising Number of Homeless People Sleeping in NYC Shelters, 2008-2010



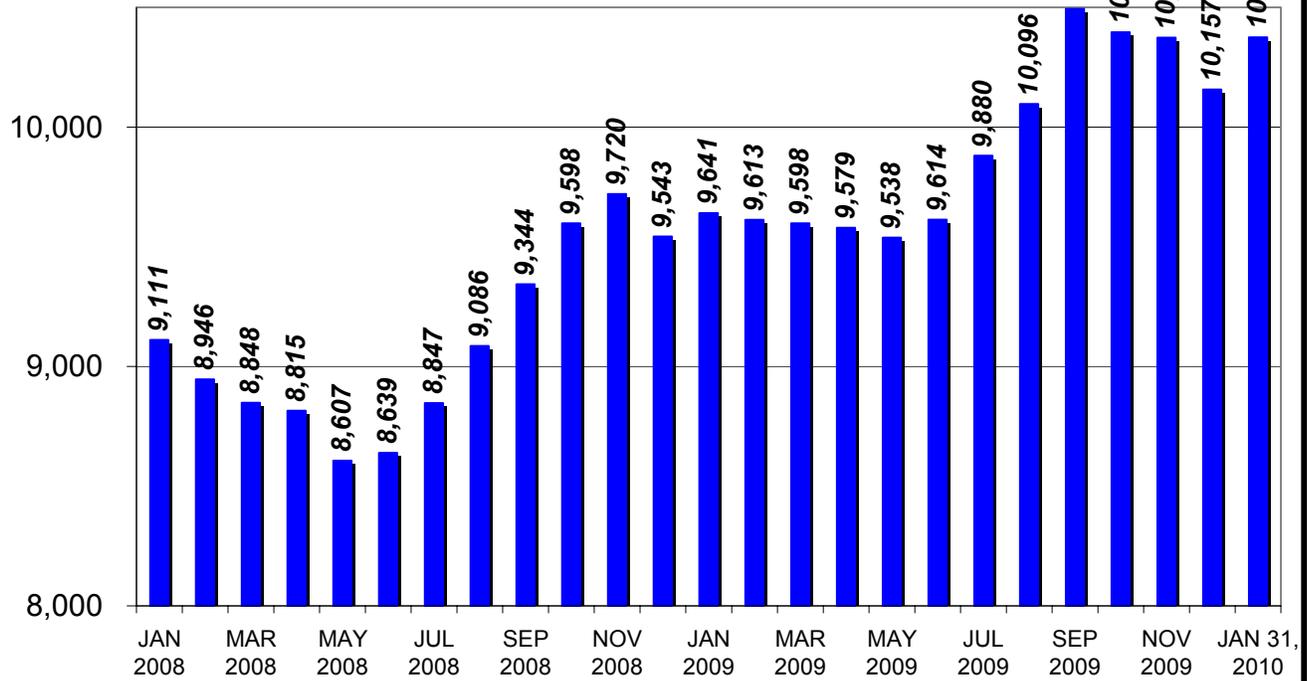
## 39,256 Homeless Children and Adults in the NYC Shelter System, January 31, 2010



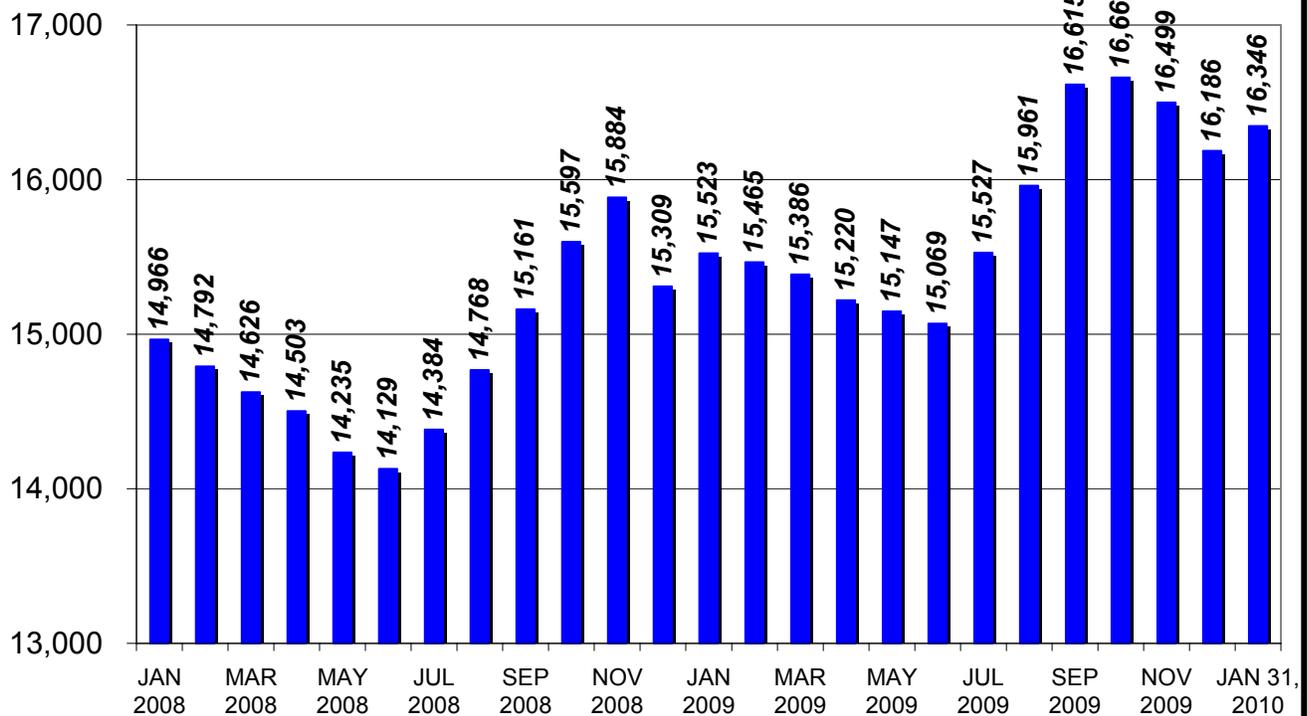
## Record Number of Homeless Families in the New York City Shelter System, 1983-2010



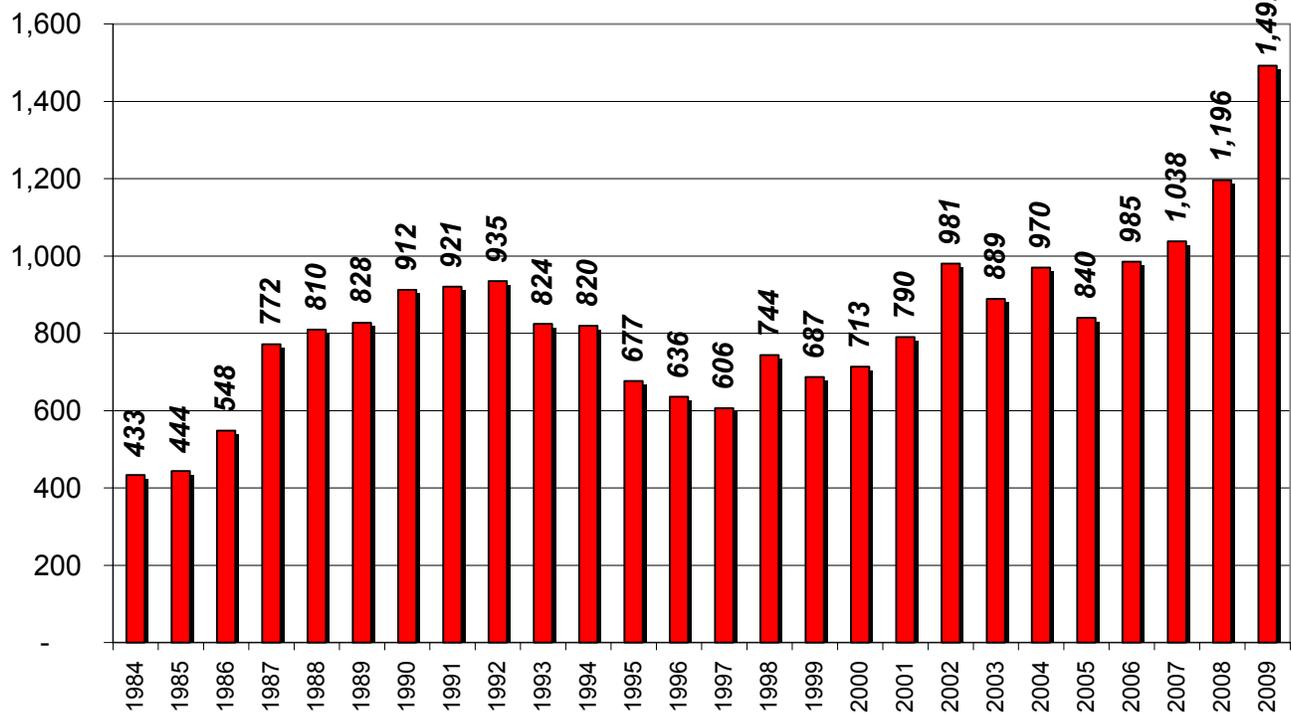
## Rising Number of Homeless Families in NYC Shelters, 2008-2010



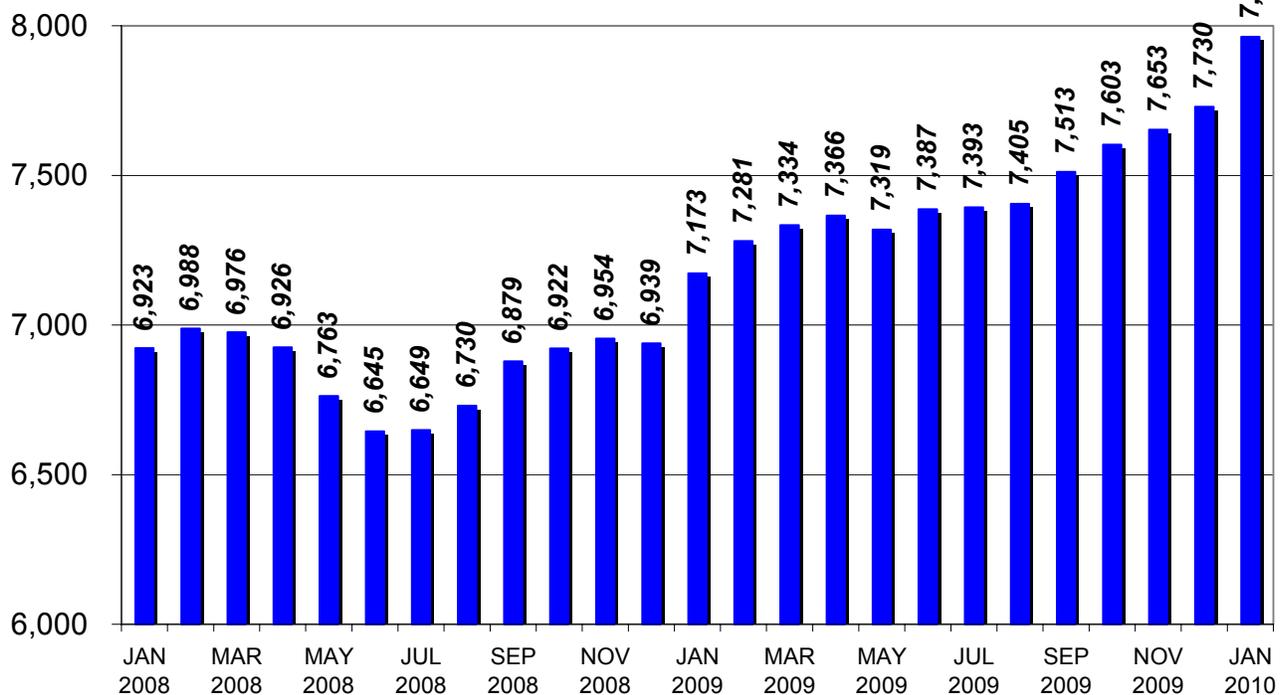
## Rising Number of Homeless Children Sleeping in NYC Shelters, 2008-2010



## Average Number of New Homeless Families Entering NYC Shelters Each Month, 1984-2009



## Rising Number of Homeless Single Adults in NYC Shelters, 2008-2010

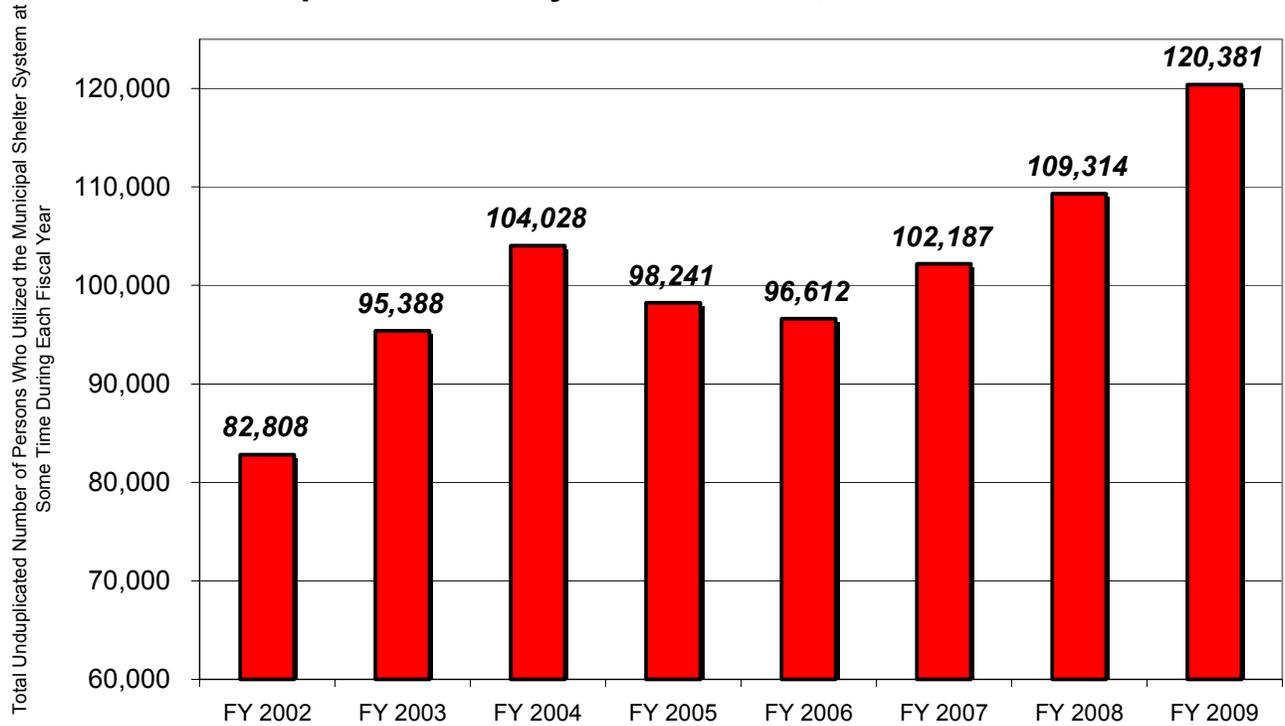


- The growing homeless family shelter population has been driven by ***all-time record numbers of newly homeless families*** entering the municipal shelter system.
- In 2009, an ***average of 1,492 new homeless families entered the shelter system each month, an increase of 25 percent over the previous year.***
- The past year has seen the ***largest number of new homeless families entering municipal shelters since modern homelessness began.***
- The number of homeless single adults has also increased significantly during the past year. As of January there were an average of ***7,963 homeless single adults in municipal shelters each month***, representing an ***increase of 11 percent from the previous year.***

#### More New Yorkers Than Ever Experience Homelessness

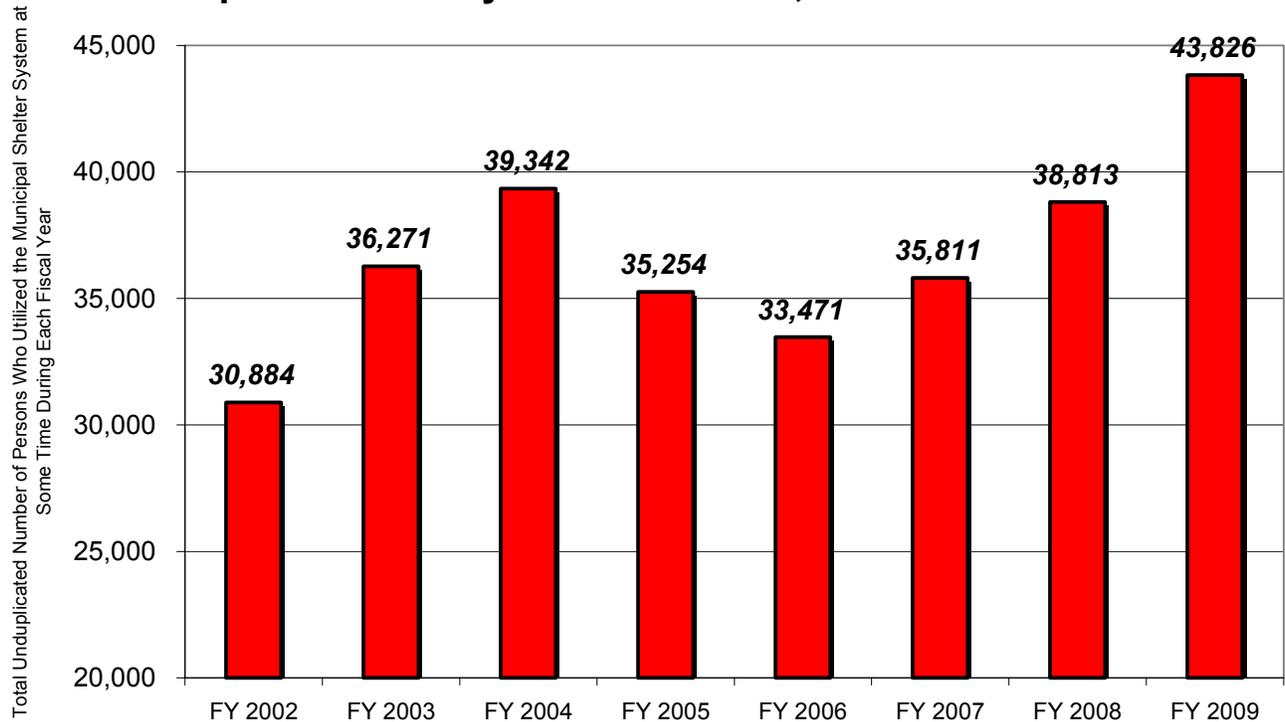
- During the last City fiscal year (FY 2009), ***an all-time record 120,381 different homeless men, women, and children slept in the New York City municipal shelter system.***
- During FY 2009 the total number of different homeless New Yorkers sleeping in municipal shelters was ***10 percent higher than the previous fiscal year.***
- During FY 2009, an ***all-time record 43,826 different homeless New York City children*** slept in the municipal shelter system, ***13 percent more*** than the previous fiscal year.
- During FY 2009, ***an all-time record 26,353 homeless New York City families*** slept in the municipal shelter system, ***13 percent more*** than the previous fiscal year.
- During FY 2009, ***an all-time record 47,429 homeless New York City adults in families*** slept in the municipal shelter system, ***14 percent more*** than the previous fiscal year.
- During FY 2009, ***29,126 homeless New York City single adults*** slept in the municipal shelter system, ***1 percent more*** than the previous fiscal year – but the FY 2009 figure does not include all municipal shelters for homeless single adults, including shelters targeted to veterans and long-term street homeless people.

### NYC: Number of Different Homeless Adults and Children Who Slept in Shelter System Per Year, FY 2002-FY 2009



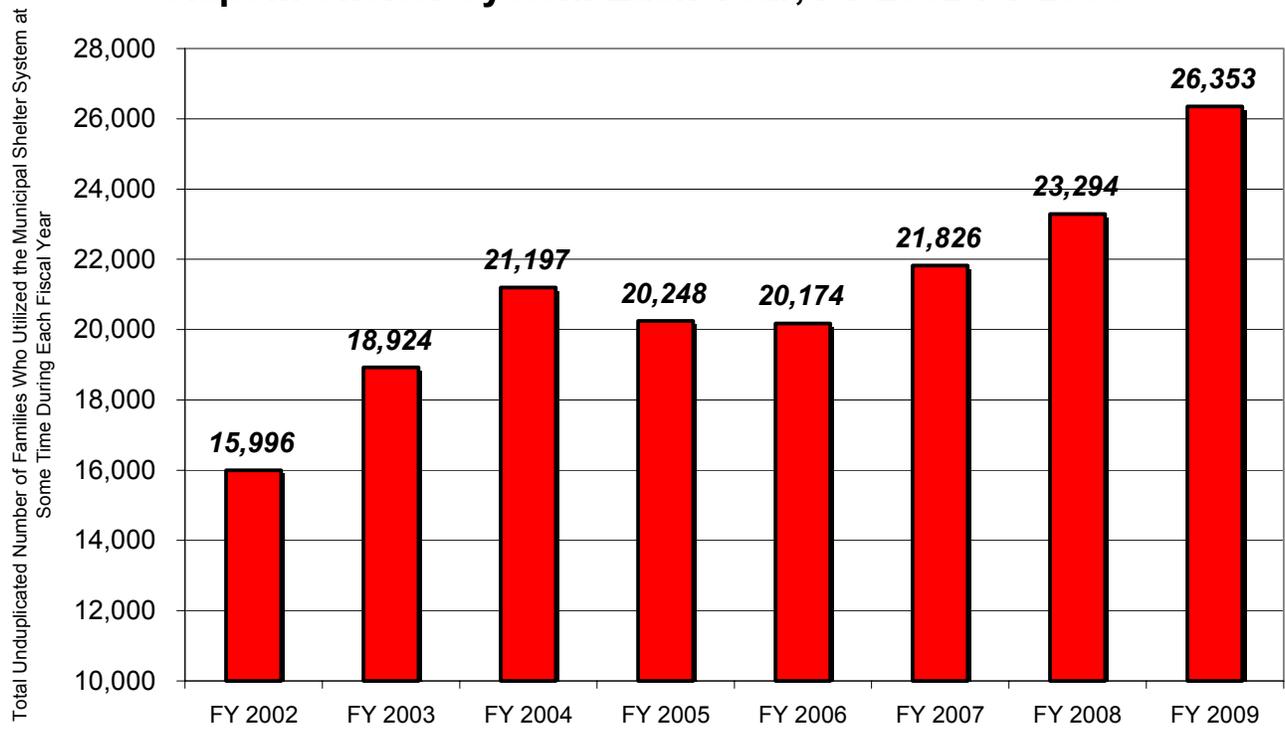
Source: NYC Department of Homeless Services, Critical Activities Reports

### NYC: Number of Different Homeless Children Who Slept in Shelter System Each Year, FY 2002-FY 2009



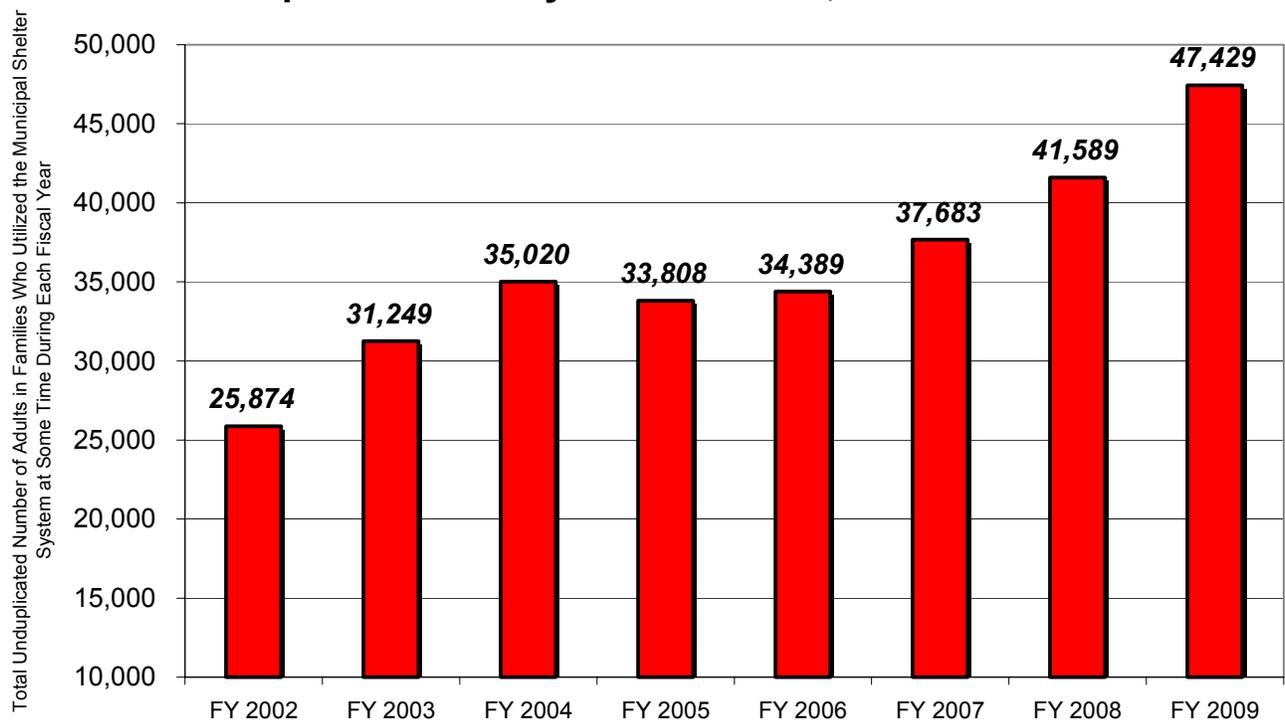
Source: NYC Department of Homeless Services, Critical Activities Reports

### NYC: Number of Different Homeless Families Who Slept in Shelter System Each Year, FY 2002-FY 2009



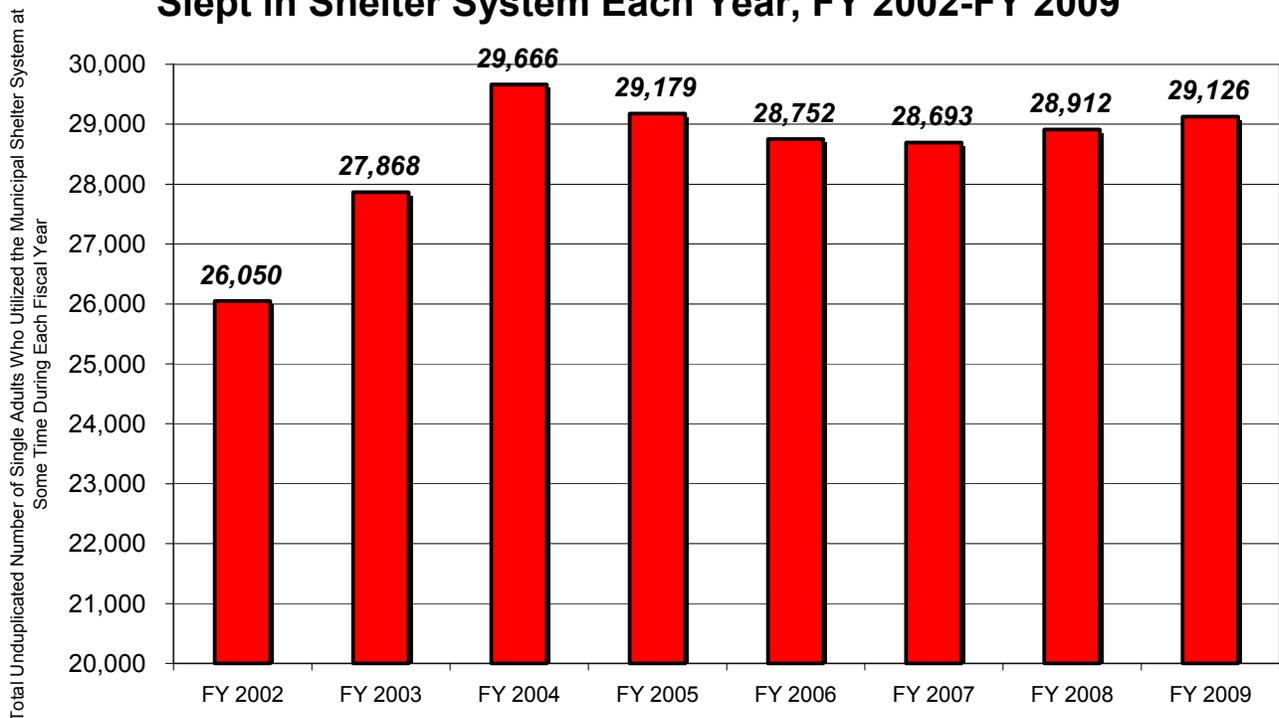
Source: NYC Department of Homeless Services, Critical Activities Reports

### NYC: Number of Different Homeless Adults in Families Who Slept in Shelter System Per Year, FY 2002-FY 2009



Source: NYC Department of Homeless Services, Critical Activities Reports

## NYC: Number of Different Homeless Single Adults Who Slept in Shelter System Each Year, FY 2002-FY 2009



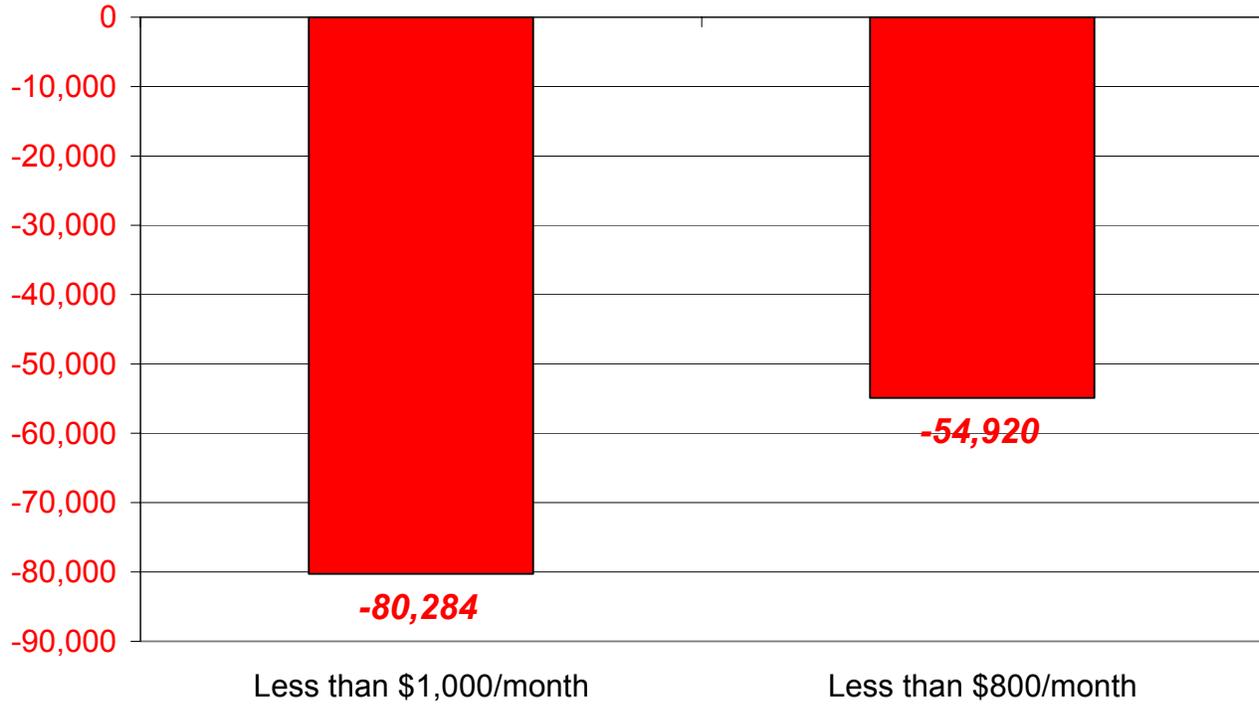
Source: NYC Department of Homeless Services, Critical Activities Reports

Note: FY 2008 and FY 2009 data do not include homeless adults residing in shelters for veterans and shelters for long-term street homeless individuals (i.e., "safe haven" shelters and "stabilization" beds), because DHS does not include this data in its reports.

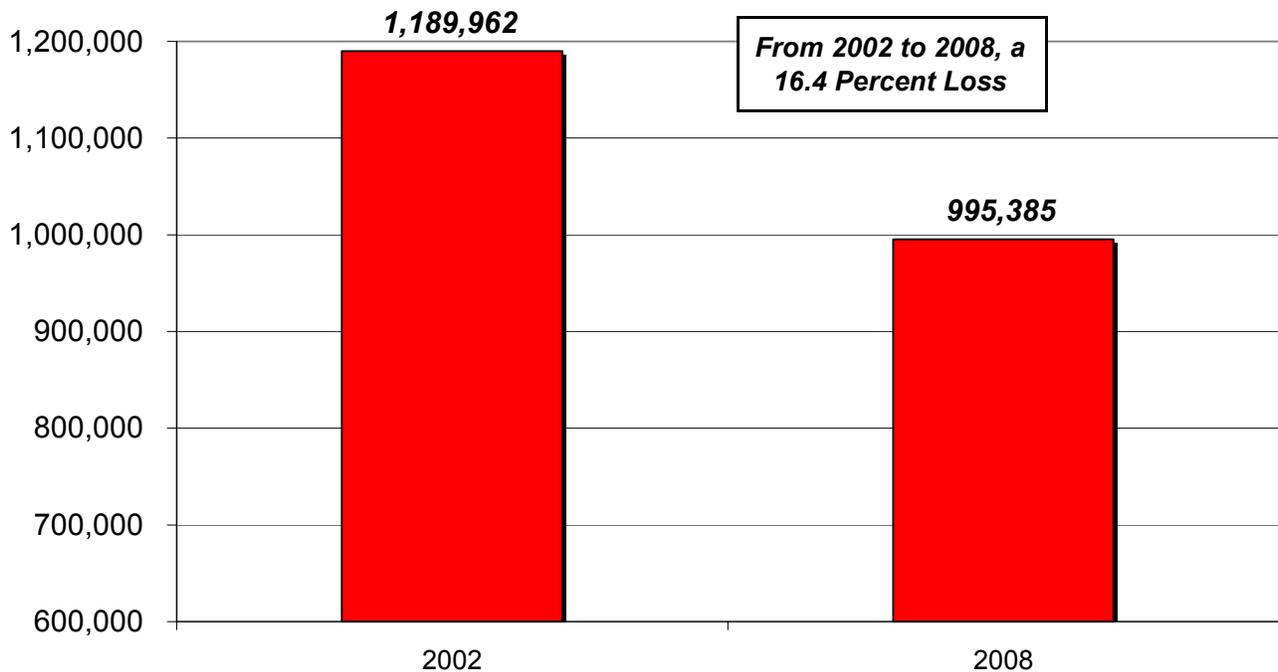
### Major Trends Behind Record NYC Homelessness

- **NYC's housing affordability problems have gotten worse** in recent years, and NYC continues to lose low-cost housing.
- Between 2005 and 2008, **NYC lost nearly 55,000 apartments with rents below \$800/month, a 7.5 percent decrease.**
- Between 2002 and 2008, **NYC lost more than 194,000 rental housing units affordable to low-income households, a 16.4 percent decrease.**
- As the economic downturn continues, NYC unemployment remains at historically high levels. In December 2009, **New York City's unemployment rate was 10.4 percent, more than two times higher than it was two years ago.**
- In December 2009 there were **more than 414,000 unemployed New York City residents, more than twice the number from two years ago.** Over the past two years, **New York City has lost nearly 150,000 jobs.**
- Over the past year the cost of sheltering homeless families increased significantly. According to the "Mayor's Management Report," in FY 2009 **the annual cost of sheltering a homeless family was \$38,405, which was a 5 percent increase from the previous fiscal year.**
- According to the "Mayor's Management Report," in FY 2009 the NYC Department of Homeless Services' **total expenditures were \$865.1 million, which was 10 percent (\$79.6 million) higher than the previous fiscal year.**

## New York City: Loss of Affordable Rental Apartments, 2005-2008

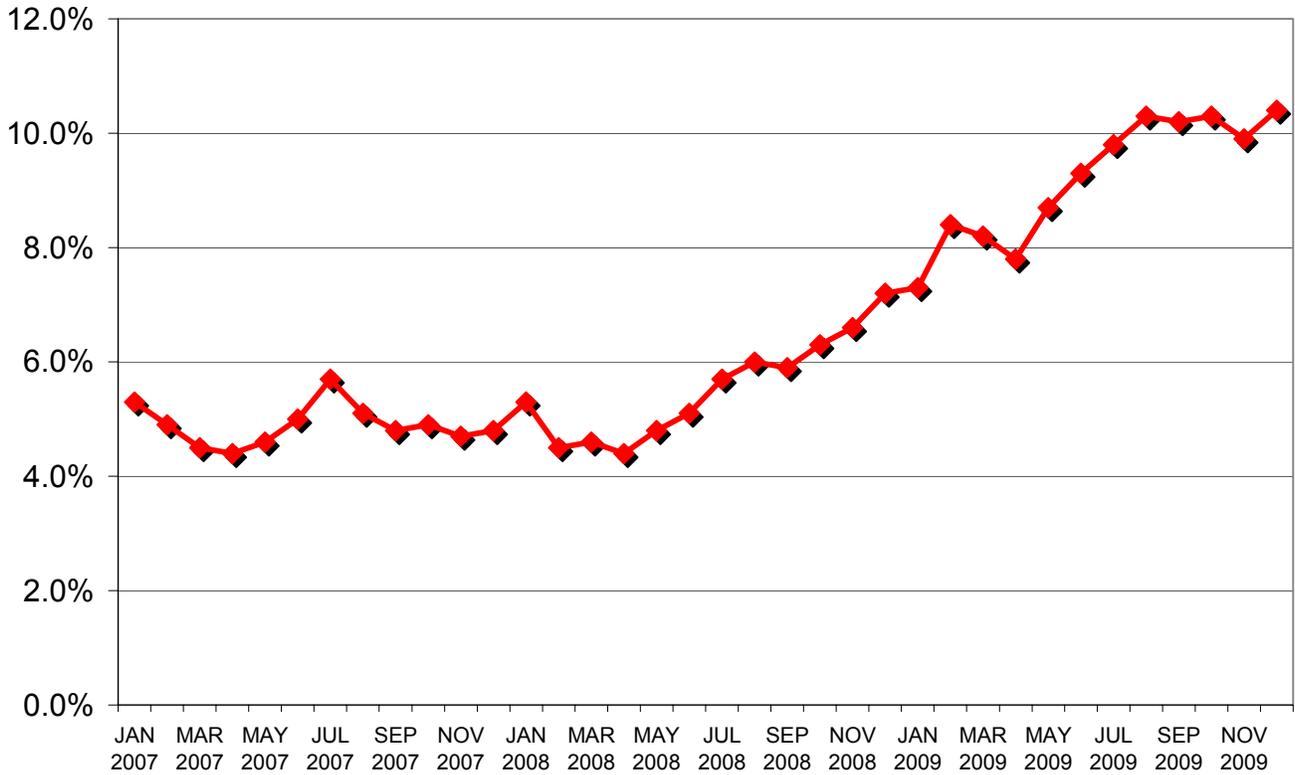


## Number of NYC Rental Apartments Affordable to Low-Income Households, 2002 and 2008



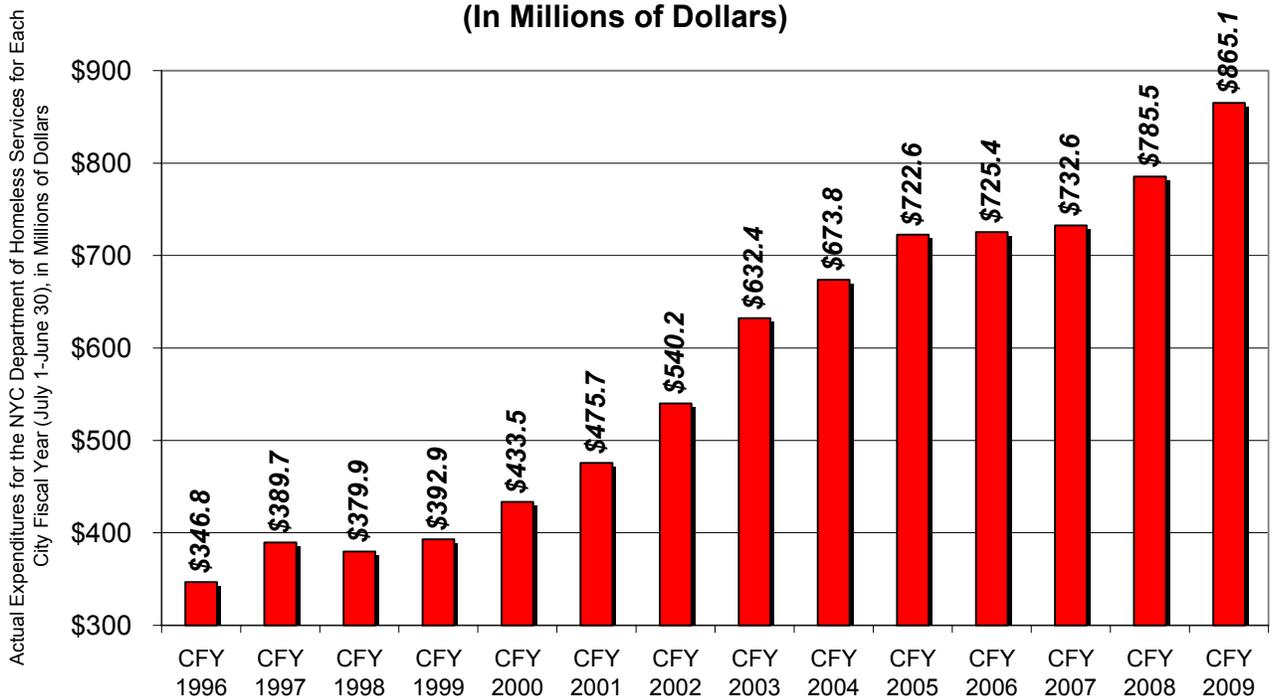
Note: "Low-income" defined as households earning below 80 percent of Area Median Income

## Rising NYC Unemployment Rate, 2007-2009



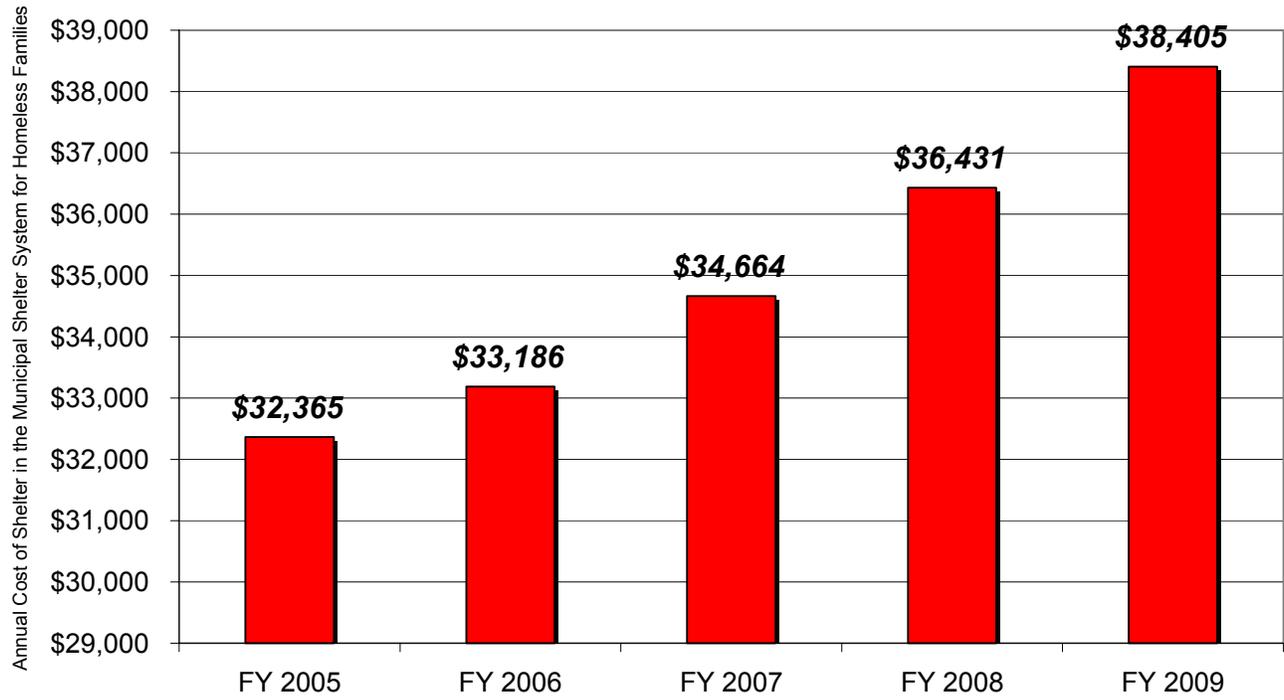
## New York City: Expenditures on Emergency Shelter and Homeless Services, CFY 1996-CFY 2009

(In Millions of Dollars)



Source: New York City Office of Management and Budget, and City of New York, "Mayor's Management Report Fy 2009"

## New York City: Annual Cost of Shelter for a Homeless Family, FY 2005-FY 2009



Source: City of New York, Mayor's Management Report, FY 2009

## Notes on Data Sources

- Information on Governor Paterson’s budget proposal is from the “2010-2011 Executive Budget.” Additional information is from interviews with State budget officials and with City of New York budget officials.
- Data for homeless families is from DHS’s “Emergency Housing Services for Homeless Families Monthly Report,” which has been published by the City since the early 1980s. This DHS monthly report includes approximately 200 families (with approximately 600 people) who reside in homeless shelters administered by the NYC Department of Housing Preservation and Development.
- Data for homeless children is also from DHS’s “Emergency Housing Services for Homeless Families Monthly Report.”
- Data for new families entering the municipal shelter system – which includes families new to the shelter system and those returning after more than 30 days – is also from DHS’s “Emergency Housing Services for Homeless Families Monthly Report.”
- Data for homeless single adults in municipal shelters is from three DHS reports: (1) DHS daily census reports for shelters for homeless single men and women, which have been produced daily by the City since 1982; (2) DHS census reports for shelters for homeless veterans; and (3) DHS census reports for “safe haven” shelters, which are restricted to long-term street homeless adults. (Note that the large majority of shelters for veterans and “safe haven” shelters were once included as part of the DHS daily adult shelter census report. These shelters were “converted” to different service models beginning in 2007 and were then excluded, in various stages, from DHS daily adult shelter census report and from DHS’s website.) Data for homeless single adults does not include data for homeless people sleeping in DHS “stabilization beds,” which are also restricted to chronically street homeless adults; DHS has never publicly released this data, although currently there are several hundred homeless people in DHS-administered “stabilization beds” each night.
- Data on NYC Department of Homeless Services expenditures is from the NYC Office of Management and Budget (budget documents for various City fiscal years) and the Mayor’s Office of Operations, “Mayor’s Management Report.”
- Data on affordable housing loss is from the Housing and Vacancy Survey, conducted every three years by the U.S. Bureau of the Census on behalf of the City of New York.
- Data on unemployment and jobs is from the New York State Department of Labor.
- Data on City of New York homeless services expenditures and the cost of shelter is from the “Mayor’s Management Report” and the NYC Office of Management and Budget.

*For more information, please visit [www.coalitionforthehomeless.org](http://www.coalitionforthehomeless.org).*