

BOOMERANG HOMELESS FAMILIES

Aggressive Rehousing Policies in New York City

SUMMER 2010

an ICPH opinion brief

For the past eight years, the Bloomberg Administration has struggled in vain to control the number of homeless families in New York City. It has launched one policy initiative after another to reduce the shelter census, each with limited, if any, long-term success. Today, the census stands at a staggering 9,543 families and 14,537 children residing in shelters. Furthermore, this Administration, whether intentionally or not, has become more dependent on for-profit welfare hotels and numerous subpar temporary housing units scattered throughout the city than at any other time since the 1980s. In sum, by all accounts the Administration's ambitious five-year goal to reduce homelessness by two-thirds has derailed.

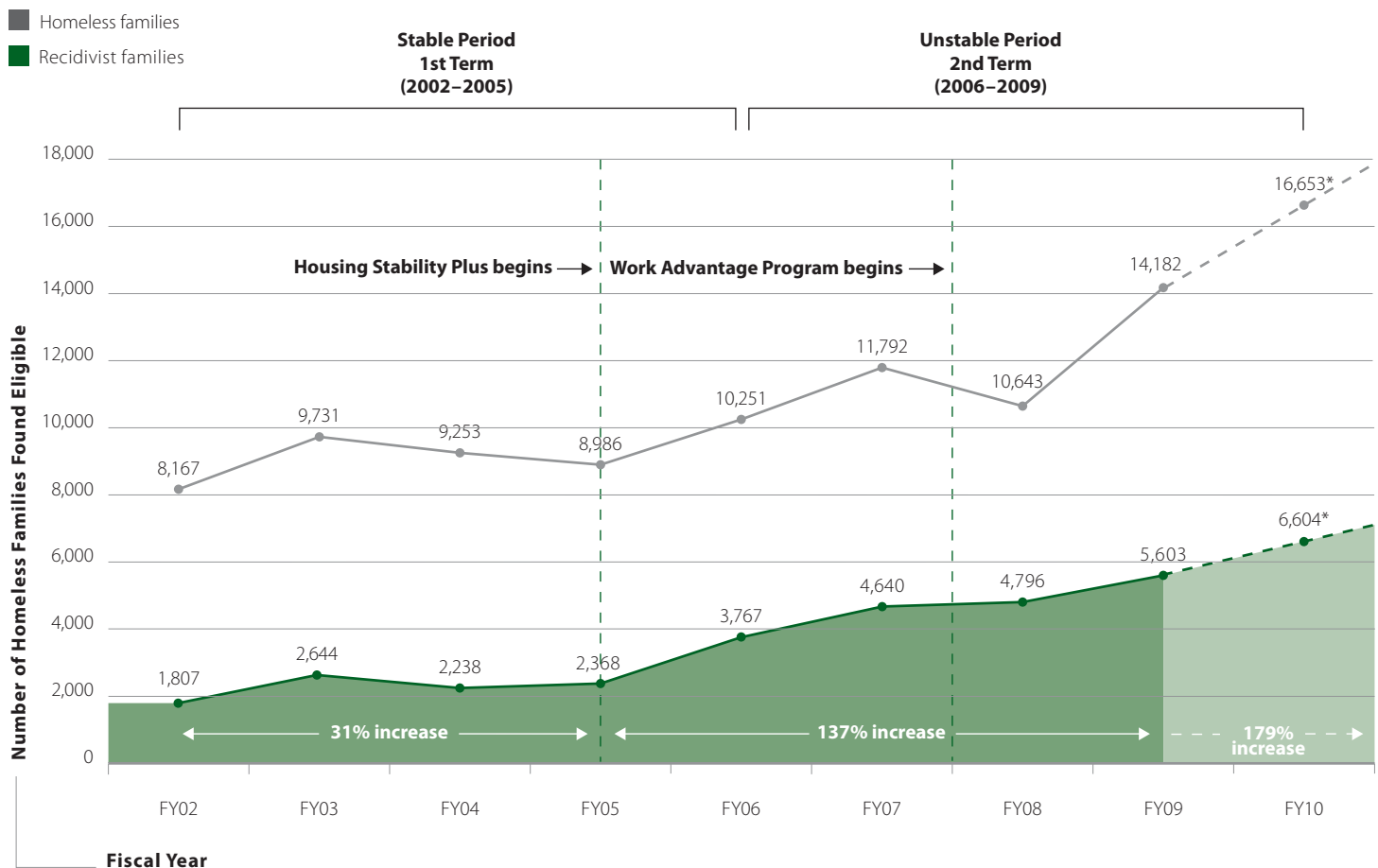
A Tale of Two Terms

While many factors drive the number of families who enter and exit the shelter system, a closer look at the correlation between the dynamics of those entering shelter and the Administration's policies between 2002 and 2009 offer useful insights.

The Bloomberg Administration's first term (2002–2005) can be characterized as a "stable period" for the family shelter system. During this time an annual average of roughly 9,000 families entered shelter. More importantly, the number of recidivist, or boomerang families—those who exit

Figure 1

NYC HOMELESS AND RECIDIVIST FAMILIES



*Projections for FY10 are estimates based on nine months of data (year-to-date in FY10) and past growth trends in the final months of FY09. Source: New York City Department of Homeless Services, *Critical Activities Report*, FY02–FY10.

shelter only to later return—averaged about 2,200 families annually over the period (see Figure 1). What the data illustrate is that while family homelessness was an ongoing problem, it was a rather stable one. The demand for shelter and the number of recidivist families remained fairly constant, and yielded a balanced and manageable system.

Beginning in 2005, the dynamics of the family shelter system began to change significantly. The unpredictable number of families entering shelter and the steady climb in the proportion of recidivist families clearly demarcate the Administration's second term as an "unstable period" (see Figure 1). The high cost of housing, the economic crisis, and rising unemployment often have been cited as factors driving the dramatic increases in families residing in shelter. While these are clearly factors, what they do not explain is why the number of recidivist families as a proportion of the total entering the system has steadily increased throughout Bloomberg's second term. Specifically, recidivist or boomerang families averaged 2,264, or 25%, of that total during the Administration's first term; this proportion climbed to an average of 4,702, or 40%, during the second term. At first blush, the dynamics of the number of eligible families and those of recidivist families might appear to be independent of each other, but a closer look at the change in the Administration's policies suggests they are not.

The Rehousing Initiatives

Interestingly, the timing of the increases in eligible and recidivist families coincided with the implementation of the Department of Homeless Services' (DHS) plan to end homelessness, *Uniting for Solutions Beyond Shelter*. In 2005, the cornerstone of the plan for families was an aggressive rehousing program, Housing Stability Plus (HSP), which provided City-funded rental subsidies to move families quickly from shelter to permanent housing. Lasting five years, a family's rent subsidy was reduced 20% each year after the first year, requiring them to make up the difference as they theoretically moved toward self-sufficiency through employment.

Almost immediately, HSP stalled as families were unable to pay their required share of the rent. By 2007, its third year, HSP was discontinued and, for all intents and purposes, was replaced with a new rehousing initiative, the Work Advantage Program (WAP). Under this initiative, qualified working homeless families receive a 100% City-funded rental subsidy for up to two years. During these two years, DHS makes rental payments directly to landlords, while families are asked to make a symbolic \$50 contribution toward their monthly rent. At the end of two years, rental payments from DHS

to landlords stop and families must pay their rent in full in order to keep their apartments. As with HSP, WAP assumes families will move toward financial self-sufficiency during this two-year period. And again, as with HSP, there are inherent problems with WAP that are just beginning to emerge.

The availability of rental subsidies through HSP and WAP drew increasing numbers of families into the shelter system. Less obvious is the evidence that the shift to aggressive rehousing policies fueled recidivism, profoundly destabilizing the manageable system of earlier years: from 2005 to 2009 eligible families increased by 58% while recidivism for the same period shot up an unprecedented 137%. The system had become unbalanced. If trends continue, the system will become unmanageable. Projections for 2010 indicate that roughly 16,650 families will be found eligible, including a staggering 6,600 boomerang families (see Figure 1).¹

Have well-intentioned rehousing policies become their own worst enemy? Certainly many families move on to permanent housing with success, but an increasing percentage have not and cannot. They lack the self-sufficiency skills such as work experience and education to obtain, let alone maintain, gainful employment. Furthermore, they are victims of family violence or are grappling with child welfare or mental health issues. Simply pushing homeless families into housing with a rental subsidy and a dream without addressing their needs spells failure as exhibited by the dramatic increases in recidivism. These boomerang families experience a cycle of being shuffled off to housing only to eventually return to where they started—the shelter—and at what cost to the City?

Prior to the aggressive rehousing policies of the Bloomberg Administration, the average cost of recidivism was approximately \$68 million annually, and it was declining. But after HSP and WAP took hold, the cost of recidivism more than doubled to \$141 million annually—and shows no sign of abating.² In turn, recidivist families could cost the City nearly \$200 million in 2010.

A close look at the data suggests that there is far more to reducing family homelessness than just aggressive rehousing. New York City's family shelter system has a history dating back almost three decades. There were lessons learned and now forgotten from the chaotic days of housing almost one-half of all homeless families in rundown, crime-ridden, profiteering welfare hotels and congregate shelters.³ Over time, the City phased out welfare hotels and phased in service-enriched and regulated non-profit shelters, providing a continuum of care to give families the opportunity to

gain the skills necessary for a successful move to permanent housing—and reducing the possibility of their boomeranging back. As a result, recidivism (and its cost) declined from 1990 to 2002, going from roughly 50% to a low of 22%.⁴ But with rapid rehousing initiatives, recidivism has climbed to a new high of 40% in 2009.

Conclusion

Has the City's family shelter system come full circle? Are current DHS housing and shelter policies pushing it backward to the squalor and failures of the 1980s? Do aggressive rehousing policies stimulate family homelessness and recidivism? And do the growing number of boomerang families spell failure at a high cost?

At a minimum, this brief suggests that aggressive rehousing policies do not work for all homeless families, and result in excessive costs. The destabilizing policies of the Administration require an honest review. The system should return to doing what it was originally set up to do: preparing families for permanent independent living. Those families who have the greatest probability for success should be moved to housing immediately, but those who do not, should not. It makes little sense to rapidly move increasingly large numbers of unprepared families to housing without understanding why so many are boomeranging back. If quickly moving families is considered success, then the large numbers returning to shelter must be considered failure. In reality, the system is broken, out of balance, and needs repair.

Endnotes

- ¹ 12,490 families were found eligible during the first nine months of FY10, from July 2009 to March 2010. 4,821 of these were repeat families. In FY09, numbers at the nine-month mark were approximately three-quarters of the total at the end of FY09. This is consistent with prior fiscal years dating back to FY06, when rapid rehousing began.
- ² Average annual cost of recidivism per term = (Average number of recidivist families per year throughout term) * (\$30,000 shelter cost per family); New York City Mayor's Office of Operations, *Mayor's Management Report*, 2005, 2009; New York City Department of Homeless Services, *Critical Activities Report*, FY02–FY09.
- ³ Don Terry, "Blueprint for Trouble: A Child's Life in Welfare Hotels," *New York Times*, February 22, 1988; Sara Rimer, "Rats, Leaks, Crackhead and All, Apartments Beat Welfare Hotels," *New York Times*, July 2, 1989.
- ⁴ New York City Commission on the Homeless, *The Way Home: A New Direction in Social Policy*, 1992; New York City Department of Homeless Services, *Critical Activities Report*, FY02.

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