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**Update on City Homelessness Prevention Spending**  
February 26, 2007

This letter attachment updates information contained in a previous Update on City Homelessness Prevention Spending (May 17, 2005), which itself was an update to IBO's *Inside the Budget* no. 121, "Homeless Prevention Spending Flat, But Programs Are Changing" (October 23, 2003). We have included actual spending in most programs through 2006 and budgeted figures for 2007 and 2008, where available. Actual spending for 2006 and budget numbers for 2007 prevention spending within Human Resources Administration (HRA) were not available.

Total spending on homelessness prevention in 2005 was \$176.3 million, an increase of \$14.0 million from 2004. The increase in spending can be attributed to the HomeBase and After Care programs in DHS and an increase in one-time assistance in HRA (partially offset by a decrease in Jiggetts payments). Prevention spending at the Administration for Children's Services, which provides rental assistance payments that are designed to help prevent foster care placement due to inadequate housing or homelessness, decreased in fiscal year 2005 but increased in fiscal year 2006.

<b>Spending on Homelessness Prevention</b>						
<i>Dollars in millions</i>						
	2001	2002	2003	2004	2005	2006
HRA	\$146.8	\$147.8	\$151.8	\$145.2	\$150.0	n.a.
DHS	-	-	1.6	11.7	16.1	16.4
Misc.	2.8	2.8	2.8	-	3.9	3.9
ACS	5.1	3.6	3.3	5.0	3.8	4.7
HPD	2.6	1.8	2.4	0.4	2.5	2.5
<b>TOTAL</b>	<b>\$157.2</b>	<b>\$156.0</b>	<b>\$162.0</b>	<b>\$162.3</b>	<b>\$176.3</b>	<b>n.c.</b>
SOURCES: IBO, Human Resources Administration, Administration for Children's Services.						
NOTE: n.a.: not available; n.c.: not comparable.						

**Human Resources Administration.** The Human Resources Administration continues to account for the bulk of prevention spending, \$150.0 million, or 85 percent of the total, principally for various forms of cash rental assistance. Total HRA spending increased in 2005, owing to a large

increase in one-time grants. Spending in this category has nearly tripled since 2001 and increased by 18 percent over 2004. Conversely, Jiggetts payments have continued to decline.

In November 2003 the state revised the schedule for the shelter allowance portion of the public assistance grant, and began the phase-out of Jiggetts assistance, which was created in 1987 following a court determination that the shelter allowance was inadequate. New applicants for Family Assistance and Shelter Net Assistance receive a higher monthly shelter allowance, rather than Jiggetts supplements, while existing recipients at the time of the change continued to receive Jiggetts supplements for up to two years. Jiggetts payments, therefore, should have phased out completely by November, 2005. In fiscal year 2006 we should therefore see a further decline in Jiggetts payments and zero spending in fiscal year 2007.

<b>HRA Spending on Homelessness Prevention</b>					
<i>Dollars in millions</i>					
	2001	2002	2003	2004	2005
Jiggetts Payments*	\$94.2	\$79.4	\$71.1	\$55.0	\$46.4
One Time Grants	33.0	49.0	64.2	76.6	90.1
Diversion Teams & Other HRA Staff	14.3	13.3	11.6	12.5	13.4
Anti-Eviction Legal Services**	5.3	6.1	5.0	1.0-	
<b>Total</b>	<b>\$146.8</b>	<b>\$147.8</b>	<b>\$151.8</b>	<b>\$145.2</b>	<b>\$150.0</b>

SOURCES: IBO, Human Resources Administration.

NOTES: \*The Jiggetts total includes Temporary Supplemental Shelter (TSS) assistance, which is the comparable subsidy for families that have timed out of Family Assistance and are receiving Safety Net Assistance instead. \*\*Anti-eviction legal services contracts transferred to Department of Homeless Services as of 9/30/04.

One-time assistance grants cover emergency rent or related payments by HRA to allow households to avoid homelessness or other crises. The one-time grants are made at the discretion of HRA, pursuant to guidelines consistent with New York State regulations. Generally these payments are targeted for families with children that are not receiving ongoing Family Assistance or Safety Net Assistance, and the household need not have received an eviction notice to qualify for aid. "Excess rent" provides supplements to cover current month shortfalls in rent payments. Payments for back rent and eviction avoidance decreased slightly from 2004.

One source of the increase in one-time assistance is due to costs associated with Housing Stability Plus, a program that began in December 2004 to provide rent supplements to eligible homeless families and adults. Those entering HSP receive the upfront costs of three months of rent in advance, and are entitled to related expenses, including broker fees, security deposits, and moving expenses. Continuing costs of HSP rental assistance are not included in these figures and are reported elsewhere in HRA's budget.

<b>HRA One-Time Assistance</b>					
<i>Dollars in millions</i>					
	2001	2002	2003	2004	2005
"Excess Rent"	\$12.2	\$21.3	\$28.0	\$33.0	\$35.9
Broker Fees/Security Deposit	16.7	22.9	31.4	38.3	49.8
Back Rent/Eviction Avoidance	4.0	4.8	4.7	5.3	4.4
<b>Total</b>	<b>\$33.0</b>	<b>\$49.0</b>	<b>\$64.2</b>	<b>\$76.6</b>	<b>\$90.1</b>

SOURCES: IBO, Human Resources Administration.

**Department of Homeless Services.** Department of Homeless Services (DHS) spending on prevention has substantially increased since 2003. In fiscal year 2005, DHS began HomeBase, a program to fund community-based organizations in six high-risk neighborhoods that help families at risk of homelessness access services and one-time cash assistance. Spending on this program was \$5.4 million in 2005 and \$8.8 million in 2006. Expenditures were below the budgeted levels of \$11.0 for fiscal year 2005 and \$12 million for 2006 for a few reasons. First, there were delays in hiring, purchasing equipment, and spending on startup costs. Also, HomeBase providers experienced a delay in word-of-mouth and outreach to prospective clients. Finally, when it was appropriate HomeBase providers referred many clients to HRA for cash assistance. HomeBase is funded at \$12 million in fiscal year 2007, and will be funded at \$19 million in 2008 and \$20 million in 2009. The increase in 2008 supports plans to expand the program citywide. Other services, which funds REAP and other prevention contracts, increased in 2005 and then decreased back to prior year levels in 2006 and 2007.

<b>DHS Spending on Prevention Programs</b>					
<i>Dollars in millions</i>					
	2003	2004	2005	2006	2007
HomeBase Contracts	-	-	\$5.4	\$8.8	\$12.0
Anti-Eviction Legal Services	0.0	9.4	5.9	5.7	6.0
Other Services	1.6	2.3	4.7	2.0	2.5
<b>TOTAL</b>	<b>\$1.6</b>	<b>\$11.7</b>	<b>\$16.1</b>	<b>\$16.4</b>	<b>\$20.5</b>
SOURCES: IBO, Department of Homeless Services					
NOTE: Figures for 2007 are budgeted. HomeBase figures for 2006 represent actual expenditures submitted; closeout is not final.					

**Legal Services.** Spending on anti-eviction legal services across the various agencies has remained relatively constant since 2001. Programs in each of the agencies contract with nonprofit organizations that provide legal services to households facing eviction. Contracts were briefly consolidated at DHS during 2004, but the City Council has since moved all but HRA's anti-eviction legal services back to their former agencies. Although there is nothing budgeted for Legal Aid Contracts in fiscal year 2007, based on current spending and past trends, it is projected that their spending will be consistent with previous years' spending.

<b>Anti-Eviction Legal Services</b>							
<i>Dollars in millions</i>							
	2001	2002	2003	2004	2005	2006	2007
HPD	\$2.6	\$1.8	\$2.4	\$0.4	\$2.5	\$2.5	\$2.5
Legal Aid Contracts	2.8	2.8	2.8	-	3.9	3.9	1.9
HRA	5.3	6.1	5.0	1.0	-	-	-
DHS	-	-	-	9.4	5.9	5.7	6.0
<b>TOTAL</b>	<b>\$10.7</b>	<b>\$10.7</b>	<b>\$10.2</b>	<b>\$10.8</b>	<b>\$12.3</b>	<b>\$12.1</b>	<b>\$10.4</b>
SOURCE: IBO.							
NOTE: Figures for 2007 are budgeted except Legal Aid Contracts which reflects actual spending as of 12/8/06.							