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## Update on City Homelessness Prevention Spending May 17, 2005

This letter attachment updates information contained in IBO's *Inside the Budget* no. 121, "Homeless Prevention Spending Flat, But Programs Are Changing" (October 23, 2003), <http://www.ibo.nyc.ny.us/newsfax/Insidethebudget121.pdf>. In addition to adding another year's worth of actual spending data (for city fiscal year 2004) and—to the extent available—budgeted spending for 2005, we also include some information regarding programmatic changes enacted since the time of that publication.

Total spending on homelessness prevention in 2004 was \$162.3 million—almost exactly the same as it was in 2003. The roughly constant level of spending masks, however, a changing mix of programs and agency responsibilities.

<b>Spending on Homelessness Prevention</b>					
<i>Dollars in millions</i>					
	2001	2002	2003	2004	2005
HRA	\$146.8	\$147.8	\$151.8	\$145.2	n.a.
DHS	--	--	1.6	11.7	19.5
Misc.	2.8	2.8	2.8	-	3.9
ACS	5.1	3.6	3.3	5.0	5.0
HPD	2.6	1.8	2.4	0.4	2.5
<b>TOTAL</b>	<b>\$157.2</b>	<b>\$156.0</b>	<b>\$162.0</b>	<b>\$162.3</b>	<b>n.c.</b>

SOURCES: IBO, Human Resources Administration, Administration for Children's Services.  
NOTES: n.a.: not available; n.c.: not comparable.

As in past years, the Human Resources Administration (HRA) accounted for the bulk of prevention spending—\$145.2 million, or 89 percent of the total, principally for various forms of cash rental assistance.<sup>1</sup> Total HRA spending fell in 2004, however, as payments for Jiggetts assistance continued to decline. As the number of public assistance recipients eligible for Jiggetts payments continues to fall, however, the amount paid out in the form of one-time cash assistance has risen, more than doubling between 2001 and 2004.

In November 2003 the state revised the schedule for the shelter allowance portion of the public assistance grant, and began the phaseout of Jiggetts assistance, which was created in 1987

<sup>1</sup> HRA considers its \$488.3 million in spending on "restricted rent" payments for public assistance recipients in 2004 to be prevention spending. Consistent with our previous analysis, we do not consider this to be a program aiding households facing an imminent threat of homelessness and do not include it here. For similar reasons we also exclude spending on HRA's Employment Incentive Housing Program.

following a court determination that the shelter allowance was inadequate. New applicants for Family Assistance and Safety Net Assistance receive a higher monthly shelter allowance, rather than Jiggetts supplements, while existing recipients at the time of the change continue to receive Jiggetts supplements for up to two years. By November 2005, therefore, Jiggetts payments will have phased out completely.

<b>HRA Spending on Homelessness Prevention</b>				
<i>Dollars in millions</i>				
	2001	2002	2003	2004
Jiggetts Payments*	\$94.2	\$79.4	\$71.1	\$55.0
One-Time Assistance (see detail)	33.0	49.0	64.2	76.6
Diversion Teams & Other HRA Staff	14.3	13.3	11.6	12.5
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>
Memo: Total without Jiggetts:	\$63.0	\$76.6	\$90.9	\$107.3
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.				

<b>HRA One-Time Assistance</b>				
<i>Dollars in millions</i>				
	2001	2002	2003	2004
"Excess Rent"	\$12.2	\$21.3	\$28.0	\$33.0
Broker Fees/Security Deposits	16.7	22.9	31.4	38.3
Back Rent/Eviction Avoidance	4.0	4.8	4.7	5.3
<b>TOTAL</b>	<b>\$33.0</b>	<b>\$49.0</b>	<b>\$64.2</b>	<b>\$76.6</b>
SOURCES: IBO, Human Resources Administration. See "Homeless Prevention Spending Flat, But Programs Are Changing," <i>Inside the Budget</i> no. 121, Oct. 23, 2003, for program descriptions.				

Department of Homeless Services (DHS) spending on prevention was effectively non-existent before 2003, when the department began an aftercare program for families moved from shelter to permanent housing. The department also began a new program in 2005, HomeBase, which funds community-based organizations in six high-risk neighborhoods, to help families at risk of homelessness access services and one-time cash assistance. The program is funded at \$11 million in 2005 and \$12 million in 2006.

<b>DHS Prevention Spending</b>			
<i>Dollars in millions</i>			
	2003	2004	2005
HomeBase	--	--	\$11.0
After Care Services	1.6	2.3	2.5
Anti-Eviction Legal Services	--	9.4	6.0
<b>TOTAL</b>	<b>\$1.6</b>	<b>\$11.7</b>	<b>\$19.5</b>
SOURCES: IBO; Department of Homeless Services.			
NOTE: Figures for 2005 are budgeted.			

Various anti-eviction legal services contracts were consolidated at DHS during 2004. In 2005, the City Council moved all but HRA's anti-eviction legal services funding back to their former agencies.

<b>Anti-Eviction Legal Services</b>					
<i>Dollars in millions</i>					
	2001	2002	2003	2004	2005
HPD	\$2.6	\$1.8	\$2.4	\$0.4	\$2.5
Legal Aid Contracts	2.8	2.8	2.8	--	3.9
HRA	5.3	6.1	5.0	1.0	--
DHS	--	--	--	9.4	6.0
<b>TOTAL</b>	<b>\$10.7</b>	<b>\$10.7</b>	<b>\$10.2</b>	<b>\$10.8</b>	<b>\$12.4</b>

SOURCE: IBO.  
NOTE: Figures for 2005 are budgeted.