



ISSUES FACING NEW YORK CITY’S AGENCIES: DEPARTMENT OF HOMELESS SERVICES

Overview

The Department of Homeless Services (DHS) collaborates with nonprofit organizations to provide temporary shelter, outreach and other supportive services to homeless adults and families with children, with the goal of helping them attain permanent housing. Uniquely, New York State has a vast majority of its homeless population residing in shelters (95 percent), partially fueled by the fact that New York City is one of three municipalities in the country with a “right to shelter” mandate which has had significant humanitarian and budgetary impacts. The DHS budget for Fiscal Year (FY) 2022 is \$2.3 billion (\$1.4 billion of which is City-funded) and the department is expected to employ 2,158 full-time staff by the end of June 30, 2022. In December 2021, 45,621 people resided in emergency shelters managed by DHS, of which 14,737 were children.

Pandemic Impact on Agency Operations

Before the pandemic, the shelter population had been growing at a somewhat steady rate, peaking at 61,110 people in January 2019 (see Figure 1). Since February 2020, just before the start of the pandemic, however, those numbers had been on the decline, before rising slightly in recent months. The decline was due in part to the federal and state eviction moratoriums that were issued during the pandemic. In April 2020, the City also began relocating shelter residents in congregate settings to private hotel rooms, to allow them to safely practice social distancing. The City was reimbursed for these expenses through federal pandemic aid.

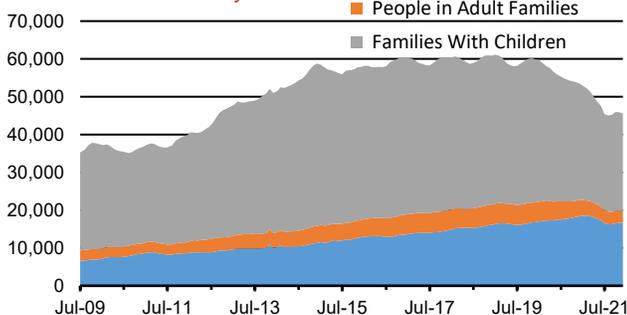
ISSUES FACING THE AGENCY

End of Eviction Moratorium: Before the pandemic, the number of single adults in shelters had been on a steady rise before peaking in January 2021. Although there has been a decline in recent months, on average, the FY 2022 single adult population for the first four months is close to FY 2020 levels during the same period. Total spending in this area for FY 2021 was estimated at \$827 million, which is about 18 percent more than what is planned each year for FY 2023 through FY 2025 (see Figure 2). If the single adult population remains level or rises, or if the family shelter increases after the State eviction moratorium expired on January 15th, the City may incur additional costs.

Increasing Costs: Costs at DHS have nearly tripled since FY 2011, reaching \$2.7 billion in FY 2021 (about 40 percent City funds), due predominantly to increases in shelter population and shelter costs per day (see Figure 2). The average cost per day for shelter increased sharply beginning in FY 2016 through the City’s shelter model budget reform, which included efforts to make repairs and enhance social services and security at shelters. The cost per day for both single adults and families in shelter increased by roughly 90 percent from FY 2011 to FY 2021.

FIGURE 1

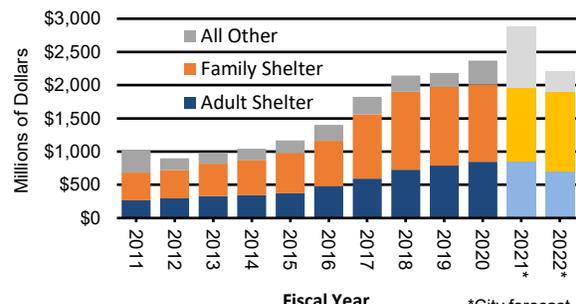
NYC Shelter Census by Month



Sources: NYC Department of Homeless Services; OSC analysis

FIGURE 2

Costs by Function at DHS



Sources: NYC Office of Management and Budget; OSC analysis