

Politico

Homeless providers look for more support from de Blasio

By Brendan Cheney

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For Mayor Bill de Blasio to accomplish his ambitious goal of opening 90 new homeless shelters over the next five years, the mayor will need to rely heavily on a dozen or so homeless shelter providers, many of whom have questioned the city's management of existing shelters and its commitment to adequately funding the new facilities.

Since taking office in 2014, de Blasio has fulfilled a wish list of policy priorities long-sought by homeless advocates, even as the city's shelter population has reached record highs. De Blasio's administration has re-established city-funded rental assistance, increased public housing and federal Section 8 vouchers for homeless people, strengthened legal assistance for households at risk of eviction, and expanded outreach and housing options for unsheltered homeless people.

And the mayor's latest plan — [announced last month](#) in a somber speech to reporters and providers — aims to accomplish even more provider-friendly goals, like ending the use of hotels and private apartment buildings to house an overflow of homeless New Yorkers.

But while homeless service providers have applauded the mayor's efforts, they have also expressed frustration about their day-to-day dealings with the administration and its financial commitment to building and maintaining shelters.

Long delays in approving contracts and budgets have stretched the finances of providers, and a high rate of staff turnover at the Department of Homeless Services has left few city officials with nuts-and-bolts knowledge of homeless issues, according to several providers who spoke to POLITICO New York.

Those difficulties come as providers grapple with a record-breaking number of New Yorkers living in shelters, and increased scrutiny on shelter conditions.

Several providers said they have faced long delays in securing contract and budget approvals and receiving payments from the city. Many services for homeless people in the city, including shelters, are provided by private nonprofit groups who receive contracts that require city approval.

In one instance, a provider was forced to secure a line of credit to bolster the organization while it waited for the city to approve its contracts, according to a representative for the provider, who spoke on condition of anonymity for fear of jeopardizing their relationship with the administration.

The problem is partly bureaucratic. Under the current system, in order to receive funding for repairs, providers must apply to the city for an allocation as a “new need.” Providers told

POLITICO New York that in the past, those requests were routinely ignored, but that the response rate now depends on how much pressure they put on the administration to fulfill the request.

The city has added \$89.6 million in capital funding for shelter repairs in this year's budget, but providers worry that it will not be enough to maintain existing shelters and add the new shelters proposed by the mayor.

“[The mayor’s plan] will fail if you don’t set aside the necessary resources,” said Catherine Trapani, executive director of Homeless Services United, a nonprofit that represents nonprofit homeless services providers.

Providers need access to that funding in order to keep integral equipment like boilers and roofs in good repair, and many hope to have sufficient capital to keep reserves for future repairs, as affordable housing providers are allowed to do.

Some homeless services providers were among the group of nonprofits that called for an [immediate across-the-board 12 percent increase](#) in contracts to make up for over a decade of underfunding, saying they are at risk of insolvency without being properly funded.

Steve Banks, the commissioner of the New York City Human Resources Administration, has acknowledged the difficulties faced by providers and said the administration is working to address the issues.

“As the former head of a not-for-profit, of course I understand the challenges that not-for-profits face in operating with these kinds of problems,” he told POLITICO New York in an interview.

Banks said the administration has worked with providers to determine new rates for shelter providers — to make the budgets more uniform — and to increase funding for ongoing maintenance, though he has yet to announce the new rates.

In an email, a DHS spokesman also said the city is exploring the possibility of a revolving loan fund for repairs.

Banks said that as part of a major [review of homelessness policy](#) last winter — following the departure of Department of Homeless Services commissioner Gilbert Taylor — the city conducted focus groups with clients, advocates and providers, and subsequently launched a series of reforms to improve its interaction with providers.

As part of that process, contracting was moved from DHS to HRA and the city has accelerated the contracting to help clear the backlog. When Banks took over, in the middle of fiscal year 2016, neither the current contracts nor the previous year 2015 contracts were approved.

Banks cited as progress the fact that the city has now completed all of 2015 contracts, 98 percent of 2016 contracts, 92 percent of 2017 contracts and 79 percent of 2017 contract amendments. (The city is currently three-quarters of the way through its 2017 fiscal year.) The agency’s goal is

to have 2018 contracts in process before the new fiscal year [begins on July 1, 2017](#), though providers said that they can't draw down the 2018 contracts until they are registered with the comptroller and active for payment.

Some providers told POLITICO New York that they have noticed the reforms and improved conditions, while others said they are still suffering from an existing backlog and that contracts and budgets remain subject to long delays, and providers are still owed millions of dollars.

"We stand ready at WIN and other nonprofits to support the mayor, run these shelters, open them," said Christine Quinn, former City Council speaker and now executive director at WIN, a homeless shelter provider, at the mayor's announcement last month. "But we can't do it without being paid the money we are owed."

Providers have also grappled with significant turnover at the upper reaches of the Department of Homeless Services, making it difficult to locate experienced staff capable of providing help and support for their issues.

Eight of the nine deputy commissioners who served at the end of former Mayor Michael Bloomberg's tenure, along with the agency's general counsel, had left the department by the end of 2015, according to city payroll records.

That turnover greatly exceeds comparable agencies. In the city's Human Resources Administration, 10 of the 21 executive deputy commissioners and deputy commissioners were still with the agency at the end of 2015. At the Department of Housing Preservation and Development, four of the six deputy commissioners under Bloomberg were still with the agency after two years.

Banks said that when he took over HRA in April 2014, he built a team of experienced people that were largely already at the agency. And so when he took over DHS in April 2016, he has been using the same approach.

"We have been moving forward over these last several months with that very same approach to elevate individuals with experience into positions involved with day to day operations," Banks said.

Brendan Cheney worked in the City Council as a senior policy analyst from 2009 to 2013 under then-speaker of the City Council Christine Quinn.