

# Gateway Housing

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**Ted Houghton**  
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**Testimony to the New York City Council**  
**General Welfare Committee**  
**March 17th, 2021**

Good afternoon Chair Levin and members of the NYC Council General Welfare Committee. My name is Ted Houghton and I am the President of Gateway Housing.

I have been working to end homelessness in various positions in government and the nonprofit sector for thirty years now. While there are many important budgetary issues before you today, I will confine my comments to the importance of passing and funding Intro 146 to increase payment rates for CityFHEPS rent subsidies.

The pandemic has put us on the verge of an eviction tsunami that may be unlike anything we've ever seen before. But it has also presented us with a unique opportunity. Thanks to your leadership, and the efforts of the many people and organizations at this hearing, we may finally have the political will and the resources to do something big, at the same moment that we know exactly what needs to be done.

There are 8.4 million people in New York City. They all have to live somewhere. We are choosing to force more than 85,000 of them to live in emergency shelter – often for years at a time.

This is inappropriate and inhumane. Particularly because so many of these vulnerable New Yorkers are children, seniors and disabled people who have no way to counter the market forces that have driven them into homelessness.

We need to do better.

As much as we have improved the quality of shelter and the effectiveness of transitional programs, the pandemic has shown in stark relief that there is no substitute for the stability of affordable permanent housing. The detrimental effects of homelessness on people's health, education, employment and other outcomes have been measured in great detail, as have the benefits of living in permanent housing.

We have acted on this knowledge by building affordable housing and creating locally-funded rent subsidies, but the fact is, for decades we have not invested enough resources to house *all* the vulnerable New Yorkers who need assistance. It's long past time that we ask: why not? We have been told again and again:

- That we cannot afford to provide adequate rent subsidies to all the low-income families and individuals at risk of homelessness, because there's too many in need;
- That providing rent subsidies to help families get out of shelter will cause them to enter shelter in order to get a subsidy;
- That increasing CityFHEPS rates will reduce on-own move-outs and use of lower-paying state-funded vouchers;
- That it is somehow more fiscally responsible to instead spend billions of dollars a year on emergency shelter, even though we know the long term damage homelessness causes to children's development and individuals' health and safety.

The very existence of Intro 146 is a sign that we may finally have the political will to make the investment that is needed to shift from a shelter-based homeless response to a housing first approach to homelessness.

It is extraordinarily difficult for homeless families and individuals holding CityFHEPS vouchers to find rental apartments. Part of the problem is that there are very few housing vacancies at the low end of New York City's housing market. But another reason is that the CityFHEPS payment standard is just too low for the market.

Even in a very tight rental market, an increase in the CityFHEPS rate and extension of the time of eligibility will have a number of benefits:

- Homeless families and individuals will move out of shelter more quickly;
- Households at immediate risk of homelessness are more likely to remain in their homes for the foreseeable future;
- The incomes of buildings housing low-income households will increase, which will provide resources to improve housing conditions and help struggling mom-and-pop landlords;
- The supply of vacant apartments will likely increase, as landlords respond to the market incentive of higher payments by bringing more apartments back on line.

Increasing payment rates of CityFHEPS will require an additional budget allocation. But it will also result in reduced spending on shelter, as families and individuals move out of shelter more quickly, making shelter stays more brief, and helping families at risk of homelessness avoid shelter altogether.

Recently, the Department of Social Services introduced a new contract financing tool that allows nonprofits to develop and own affordable permanent housing for formerly homeless New Yorkers. This new innovation uses CityFHEPS resources to not only rent permanent apartments, but to finance the development of new apartments. This could rapidly increase production of affordable permanent housing for families and individuals.

But because the funding available for each contract is tied to CityFHEPS subsidy rates, this amount is often not enough to convert many distressed properties that would otherwise become available with a higher CityFHEPS payment standard.

The history of social services and income supports is characterized by attempts to ration assistance and a focus on preventing poor, vulnerable people from somehow taking advantage of the system. We should move away from these emphases, and just provide people the help they need. The documented positive benefits of stable, affordable permanent housing on families' and individuals' health outcomes, educational attainment, employment and family stability is likely to repay this investment. Even if it didn't, the benefits to homeless and at-risk New Yorkers justify passing Intro 146 to improve the CityFHEPS program.