

To Fight Homelessness, House the People: Reforming the CityFHEPS Voucher Program Is the Need of The Hour

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On May 13, 2023, when mayor Eric Adams launched the city's first centralized intake center for asylum seekers at the Roosevelt Hotel in midtown Manhattan and the ninth Humanitarian Emergency Response and Relief Center (HERRC), there were a total of 79,670 individuals in the city's shelter system. As of April, recently arrived asylum seekers made up [41 percent](#) of the city's homeless population and the scale of this surge is undoubtedly challenging the city's shelter system. But even before the latest buses carrying asylum seekers hit the city, homelessness and housing insecurity were staggeringly high.

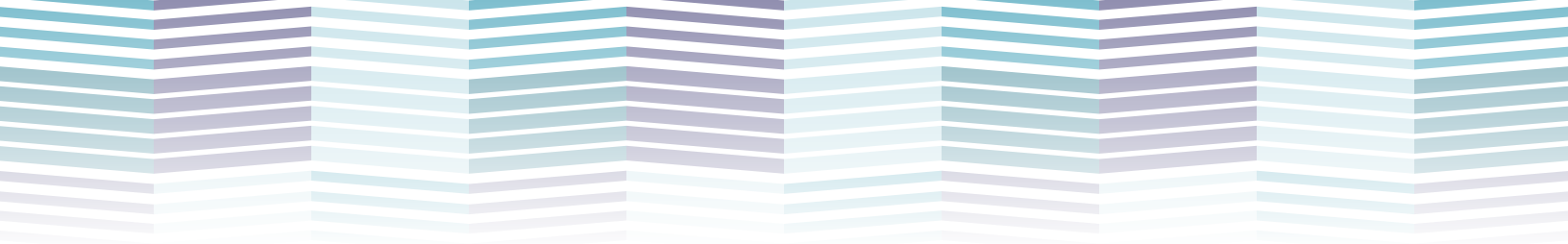
When Covid-19 hit, New York City had [nearly 60,000 people](#) staying in homeless shelters. The eviction moratorium and other pandemic measures made a big impact on the city's shelter census, dropping that figure by 13,000 people between March 2020 and June 2021. The number stayed flat for about a year—evidence that [reforms to the city's voucher system](#) were helping people get into housing— but has since risen precipitously due largely to the buses of migrants from southern border states.

Meanwhile, New York City tenants are feeling the pinch of rising rents and stagnant wages. According to the Community Service Society's annual Unheard Third Survey, the share of tenants who experienced rent increases was [15 percent](#) higher in 2022 than the year prior.

Most tenants are paying [rents they can't afford](#), and nearly a quarter of respondents under the poverty line said they had to move in with others because of financial problems. Meanwhile, [15 percent](#) of all tenants told us their landlord threatened to evict them in the previous year, the highest share in a decade. Nearly [50 percent](#) of eviction attempts involved families with children under 18, even though such families only make up 28 percent of the city's households.

At this moment of unprecedented need to keep people housed, the state government has, for all practical purposes, turned its back on renters by failing to create the [Housing Access Voucher Program](#) (Section 8 for New York State), pass [Good Cause eviction protections](#), or [expand Right to Counsel](#).

Thus, it falls on the city to recognize the urgency of the moment and address the housing and homelessness crisis. While this requires a comprehensive, multi-pronged strategy—from construction and maintenance of more high-quality affordable housing to combatting housing discrimination; from regulating rent increases to raising the wage floors; from expanding public health infrastructure to better integrating workforce training and employment opportunities—the simplest action that the city government can take right now is to get people housed and help them stay housed.



[City Family Homelessness and Eviction Prevention Supplement \(CityFHEPS\)](#) vouchers are a potent tool to achieve that goal. [A majority](#) of CityFHEPS vouchers help households leave homeless shelters to move into apartments and an additional smaller number of vouchers are meant to keep people housed so they avoid entering the shelter.

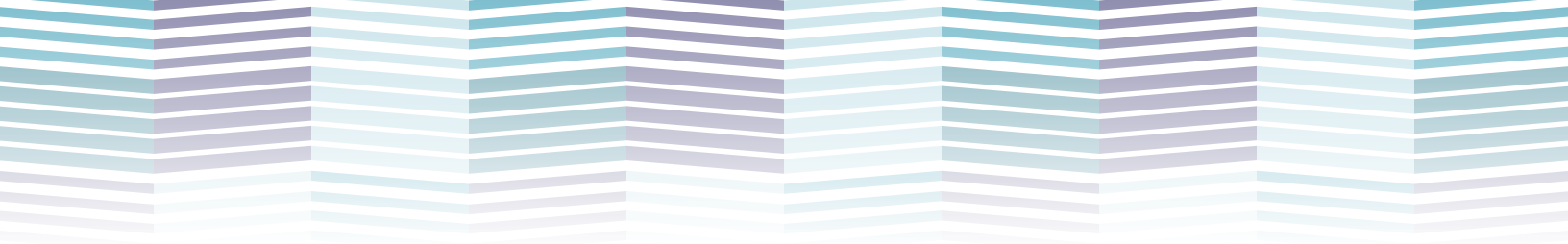
Per the mayor's own [report](#), it cost the city around \$8,773 per month to house a family of two in the shelter system in 2022. A CityFHEPS voucher for a 1-bedroom apartment to house this same family would cost a maximum of [\\$2,387](#)—and potentially much less—resulting in an annual total expense that is significantly lower than what the city is currently paying towards shelter costs.

Based on the latest available Census data, over half of low-income households are severely rent-burdened (i.e., they spend over 50 percent of their incomes on rent) and therefore are at the highest risk of eviction. [CSS's Unheard Third Survey shows](#) that around 15 percent of tenants were threatened with eviction over the last year. Assuming even half of these households are evicted and end up in the shelters, it would cost the city \$3 billion dollars for the 90 days the city mandates they spend in shelter before even beginning to access rental assistance. Since households typically spend much longer than that in shelters— [over 500 days](#), on average— the tab to the city would be a staggering \$17.6 billion. If, instead, the city made vouchers available to these tenants to prevent eviction, it would cost the city \$237 million per year. Thus, not only would vouchers help people

avoid the tremendous disruptions of eviction, homelessness, shelter and rehousing, but it could save taxpayers a considerable amount too.

One might argue that since shelter stays are temporary, the overall tab to the city would be lower, as opposed to providing rental assistance for an indefinite period (so long as the households maintain eligibility). But this sort of fiscal myopia ignores the manifold benefits of providing stable housing, persisting across generations.

A large body of research shows that keeping people housed is good for everybody. Research on the [Housing First](#) program, in which chronically homeless people with a diagnosis of a behavioral condition received supportive housing in over 10 cities in the U.S. and Canada, shows that providing permanent housing increased earnings by an average of \$10,000 annually, while also saving taxpayers an average of \$12,000 per year per person. Permanent housing also reduces health care costs by lowering hospitalization rates, reducing the frequency of emergency room visits, improving mental health, and reducing mortality as shown by a [large body of research](#). In his work on quantifying the [returns](#) to public assistance dollars, Harvard economist Nathaniel Hendren observes that housing vouchers that enabled children to move to permanent housing in better, safer neighborhoods, paid for themselves many times over by enabling these children to have [31 percent higher earnings](#) on average. Considering societal benefits from reduced involvement with justice, greater attachment to labor markets and better civic engagement, it is easy to



see that the benefits of providing access to permanent housing should outweigh any immediate fiscal concerns.

CSS, along with its collaborators—Legal Aid Society, VOCAL-NY, Make the Road NY, and Neighbors Together—has previously published on the [need to expand and reform the CityFHEPS program](#). While this voucher can be a crucial lifeline to New Yorkers, it has some problems: it excludes some people who need it most, including undocumented immigrants and homeless workers whose wages are considered “too high” but still aren’t enough to afford rent; it can take a very long time to work, [with average shelter stays spanning 509 to 855 days](#) depending on household composition; it requires people to wait months in shelter before even beginning their housing search; and more. These problems are all fixable, however, if the city is willing to make simple changes and dedicate the necessary resources.

It is deeply encouraging that the New York City Council is now considering the following four bills that would dramatically improve the program:

- [Intro 878](#) (CM Diana Ayala) ends the “90-day rule” that forces people to go into the shelter system and stay there for three months before even being eligible for rental assistance. This rule takes a particularly severe toll on families with young children, whose lives are doubly disrupted from repeated moves.
- [Intro 893](#) (CM Pierina Sanchez) makes it harder for the Department of Social Services (DSS) to reject CityFHEPS applicants and makes it easier for them to use it as an eviction prevention tool (not just a homeless rehousing tool).
- [Intro 894](#) (CM Pierina Sanchez) gets rid of the work requirement eligibility for CityFHEPS while also making the voucher available to low-wage workers who currently make slightly too much to receive aid but not enough to afford rent.
- [Intro 229](#) (CM Tiffany Cabán) revises the “utility allowance” rule that currently reduces the amount of subsidy to voucher holders whose landlords do not include utilities in their rent. We have [previously discussed](#) how this current rule frustrated voucher holders and landlords by prolonging the search without generating any real benefit. If this bill passes, tenants would be better able to pay for utilities like electricity, gas, heat, and hot water.

With these four bills, the Council is giving the city better tools to help the tens of thousands of people currently in our shelter system find permanent housing and to keep thousands more from entering shelter. This is the kind of bold action that we need to finally confront homelessness the best way possible: by housing people.

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