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HUMAN SERVICES COMMITTEE

The Human Services Committee of Community Board No. 2, Manhattan held its regular monthly meeting on April 28, 2022, at 5:30pm by Zoom videoconference.

Committee Members Present: Susanna Aaron, Chair; William Benesh, Keen Berger, Ritu Chattree, John Paul DeVerna, Wayne Kawadler, Ryder Kessler, Adam Zeldin

Committee Members Absent With Notice: Ivy Kwan Arce

Other CB2 Members Present: Jeannine Kiely, Chair; Carter Booth, Coral Dawson, Michael Levine, Donna Raftery, Frederica Sigel, Antony Wong

CB2 Staff Present: Bob Gormley, District Manager

Public Members Present: Rachel Yarmolinsky

Agenda Update from the Department of Homeless Services & WestHab about a shelter planned for single adults to be located at 349 Canal Street.

Panelists

From NYC Department of Social Services/Department of Homeless Services (DSS/DHS): Leilani Irvin, Manhattan Board Director; Molly Park, First Deputy Commissioner; Yvonne Ballard, Associate Commissioner for Single Adults; Cindy Teta, Assistant Commissioner for Single Adults; Jorge Fernandez, Program Administrator.

From WestHab: James Coughlin, Chief Operating Officer; Valerie Smith, Vice President for NYC Shelter Programs.

Background

WestHab and the Department of Homeless Services (DSS) attended two earlier meetings at Community Board 2 to present plans for a homeless shelter to be located at 349 Canal Street, a building that also has an entrance at 10 Wooster St. **Interested community members are encouraged to read reports from those earlier meetings**, which can be found here:

March, 2021, report: <https://cbmanhattan.cityofnewyork.us/cb2/wp-content/uploads/sites/9/2021/05/03-March-2021-Social-Services-Minutes.pdf>

May, 2021, report: <https://cbmanhattan.cityofnewyork.us/cb2/wp-content/uploads/sites/9/2021/06/05-May-2021-Human-Services.pdf>

Additional relevant information can be found here:

<https://cbmanhattan.cityofnewyork.us/cb2/committee-materials/human-services/>

Summary

This project has made little progress since CB2's last meeting in May of 2021. The developer is still "going through the permit process – the landmark process as well as environmental reviews." Construction has not begun. The planned program presented to CB2 in May of 2021 has not changed. If work were to begin today, the shelter could be operational within 18-24 months.

Report

The distinction between congregate shelters, Safe Havens, and stabilization beds

Molly Park, DSS: The bulk of DHS shelters for single adults are congregate sites, as this will be. Other models are Safe Havens and stabilization beds. Shelters have curfews; Safe Havens and stabilization beds do not. Shelter clients can lose their bed after 24 hours of absence; for the other models, that happens only after 72 hours. Shelter clients undergo DHS's formal intake process; clients for the other two models are connected to the facility through street outreach teams. Otherwise, facilities throughout the DSS system operate on a continuum of care. Services will differ, but every site offers extensive services; every site has security personnel.

Clients will be placed at 349 Canal Street after undergoing the DHS assessment process. They come through the intake center, which for single adult men is located at Bellevue on East 30th Street (but is NOT part of the Bellevue medical facility), and spend an average of three weeks being assessed in order to determine the proper placement.

The intake process includes evaluation by medical doctors, psychiatrists, psychiatric Nurse Practitioners. Medical evaluations are comprehensive and include blood work, testing for tuberculosis, etc. The assessment for mental health is not comprehensive because when someone enters a mental health hospital it takes three to four visits before one can be diagnosed with a real, serious diagnosis. But a lot of it is self-reported and what we can get from family members, and many clients arrive already receiving services outside the shelter.

Are congregate shelters a good model of care?

Molly Park, DSS: There are people for whom a private room is absolutely the right option. But isolation, particularly for people with a variety of complicated histories, can be less than ideal. Is it a good idea to have everybody behind a closed door? There are differences of opinion and different cases. Safe Havens themselves can have dorm rooms, and in shelters, the size of the dorms can vary. I will fully acknowledge that probably most people would prefer a smaller setting. We did provide it: in the pandemic we managed to move close to 10,000 people into hotel rooms in eight weeks. But there were concerns of adverse impacts for those who are socially isolated.

Valerie Smith, WestHab: I have found over the years that someone who is presenting with medical or mental health issues does better in a setting where there are more people around. If

someone is more stable, and is homeless because they got evicted or are just burned out, those are the people who often end up in a single or double room.

Molly Park, DSS: In terms of outcomes we've seen over the years – employment, moves to permanent housing - congregate settings and facilities with one to two per room are pretty similar.

What is the vacancy rate of congregate shelters?

Molly Park, DSS: We are not at 99.9% full, thank goodness, because that would mean we can't operate the system. DSS is legally mandated to provide shelter to anyone who needs it. We want a 5% vacancy rate because we have to operate for peak need, not for average. Demand goes up and down. It may be lower at the beginning of the month when some people are getting benefit checks, or during the holidays when some people go home to family. We tend to be in the mid-90s of occupancy rate. The vacancy rate is lower among families with children than with adults, but that can flip and we've had times when we were close to 100% capacity for single adults and had higher vacancy for families.

There was a period when there was not sufficient shelter in the city and so we were using hotels as shelter, which is less than ideal because these generally lack sufficient services and recreational and social service space, and they're very expensive for the city. The city has made a public commitment to get out of those, so we are now replacing that lost capacity.

We recognize that the city must provide shelter for about 50,000 people. Is the reason for large congregate shelters purely economical?

Molly Park, DSS: I won't pretend that operational realities don't play a part. DSS is morally and legally responsible for operating a system that is the size of many cities in the United States.

We are balancing individual preferences, safety concerns, the need to meet people where they are, and the operational concerns of running a system that serves 45,000 people every day.

We have heard a great deal about people refusing shelter that they are entitled to because it is in a congregate setting.

Molly Park, DSS: The vast majority of single adults experiencing homelessness in New York City are in (mostly congregate) shelter. We have in the neighborhood of 17,000 single adults in shelter, while somewhere around 3,000 people experience street and subway homelessness.

A shelter is a fairly regimented space. It is subject to extensive regulation by the state, so there are rules. And if someone has a history of behavioral health issues, or a criminal justice history, that space can feel institutional. Safe Havens have rules, too, but they are a little more flexible.

Some of the stereotypes about shelter have to do with the way the system looked a while ago. DSS has done a lot of investment to build up an emphasis on services. We have cleared out 94% of building violations in the system overall. We have shrunk our footprint 45% in the last six years by closing sub-standard facilities and investing in a smaller number of higher quality sites.

It was DHS policy years ago that the shelters were closed during the day and people had to leave, but that has not been true for some time. People will absolutely be able to stay on site during the day.

Moving to permanent housing

Valerie Smith, WestHab: During the pandemic, we moved 210 individuals into permanent housing, out of about 800 individuals we are working with – about 25%. Of these, about 2% have returned to shelter. The hardest people to house, systemwide, are those who are undocumented, because they are ineligible for most housing subsidies.

Molly Park, DSS: I agree with everyone who says the end goal is housing, and my background is in fact in affordable housing. That said, I think it's incredibly important that we have a system that serves people in moments of crisis because those moments of crisis exist. I grew up in California, which doesn't have right-to-shelter cities, and there are places that are frankly appalling because there is so much street homelessness. New York City has taken a more compassionate, client-driven approach, and that means that we have to have shelters.

The building at 349 Canal Street/10 Wooster Street

James Coughlin, WestHab: Despite misspeaking at the beginning of this meeting, I can confirm that **the entrance to this building will be at 349 Canal Street.**

We don't yet know what the building needs in terms of environmental remediation after its current use as a parking garage and new restrictions on ventilation post-Covid. We will ask the developer.

Molly Park, DSS: There is at least one other shelter in the DSH system that is in a former garage. I can find out if it required environmental remediation.

Who will be here, and why here?

Molly Park, DSS: We are prioritizing placing people in the community from which they came, and also looking for ways that we can accommodate anybody's special needs – someone who has a doctor in a particular neighborhood, or a job. The people from the area will be prioritized for the shelter, but it's not an absolute guarantee. We have a legal mandate to house anybody who needs shelter. So, if we have a client who needs to be placed and is appropriate for this site, we may place him here even if he is from a different borough.

This will not be a mental health shelter. It will be a general population shelter. Just as in the population that *isn't* experiencing homeless, there may be some with undiagnosed mental health issues here. There may be some people who've had experience with the criminal justice system, but that is a fairly small minority of individuals. This shelter is not targeted to those populations.

I have yet to see an "easy" shelter development process. We don't want to take housing off the market – that would be counter-productive. So everything we do involves construction, remediation, etc. There are communities with more expensive real estate and less of a shelter footprint, and they raise one set of objections; and we have communities with less expensive real estate and a larger shelter footprint, and they raise a different set of concerns.

The contract between WestHab and DSS

James Coughlin, WestHab: We lease the property from the developer and then we issue a Request for Proposals (RFP) for the maintenance of the building, which we subcontract. This goes through a bidding process.

Molly Park, DSS: The city oversees the subcontracting process closely and that is one area where we have ratcheted up oversight and auditing.

We have a standardized budget model where we say, this is the cost to run a 100-person or 200-person shelter. There are ratios, many of which are regulated by New York State. For example, a shelter is required to have one case worker for every 25 clients. Contract variation comes from real estate costs. DSS looks at market comps from the local neighborhood.

In terms of operator contracts, we operate on a reimbursement model. We are not yet finalized with a budget on this site because it's a couple of years out – 18 to 24 months from opening. We will budget the project, but when it comes to actual payments, WestHab will need to show us its invoices. If we've budgeted for 100% occupancy, say, and the actual occupancy over the year is 90% because of ebbs and flows of population, we're not going to pay on the basis of 100% occupancy. Some costs are fixed: we aren't going to ask WestHab to furlough staff. But we also aren't going to pay variable costs such as food, for example, if occupancy is lower. The Preliminary Fiscal 2022 Mayor's Management Report reports the daily cost per day of single adult shelter facilities at \$137.74.

[This report is retrievable at <https://www1.nyc.gov/site/operations/performance/mmr.page> and includes copious information on the Department of Homeless Services.]

Early in the process we do look at rents and make sure that is something we can proceed with. We look at comparative prices to see fair or market rental in the area. Given the market, we know that Soho is a different market than, say, the South Bronx or East New York, which have historically had more shelters. But given the equity principle that we are adhering to, the city is prepared to pay rents to ensure better distribution of shelters. Also, DSS's goal is to never take housing off the market to turn it into shelter, so we are almost always either building or adapting something that wasn't previously used for residential use.

WestHab has already been selected through the competitive RFP process.

Now we are moving through the registration process, and we're pretty far along. Payment does not begin, however, until after clients are in place.

Programming

[More detail can be found in CB2's earlier reports, links to which are provided above.]

Valerie Smith, WestHab: At this site we will have ten case managers, so each will be carrying a case of 20 men. We will have a licensed clinical social worker; someone who will create recreational activities; a psychiatrist and a couple of educators; and we will have housing specialists.

Jim Coughlin, WestHab: The staffing and programming plan is the same plan we presented to CB2 a year ago. We have not begun community outreach. We are in touch with Councilmember Marte's office and we plan to begin this, probably, mid- to late-summer. We will also form a Community Advisory Board of local stakeholders to meet quarterly (or as needed) once the facility is operational. The community will have contact information to reach us at any time of day.

Bad press on operators and on the head of developer Liberty One

James Coughlin, WestHab: We currently operate six facilities with this developer and all of them are, I would say, at the top of the list in terms of being well-maintained. I can't speak for them. This is just our experience of working with them.

Molly Park, DSS: There are a lot of eyes on our facilities. We have program staff overseeing what is happening, we have DHS staff coordinating with HPD (NYC Department of Housing Preservation and Development), along with DOB (NYC Department of Buildings) and FDNY (Fire Department of New York). The State Office of Temporary Disability and Assistance inspects on a regular basis, and the Coalition for the Homeless [the court-appointed monitor] inspects on a regular basis. That has not always been the case. We have done a lot of work to close facilities that don't meet our standards.

James Coughlin, WestHab: We take great pride in the work that we do. We have been in business more than 40 years. We're being audited more and more. We welcome audits. It is appalling to have colleagues who are doing the things that you've read about [of embezzlement and poor management].

ADDITIONAL QUESTIONS TO EXPLORE

- What are the economics of this, given that Soho is obviously a relatively expensive neighborhood/
- How many 200-person shelters are there in NYC? In which Community Districts?
- Is it possible to get more granular information on vacancy rates of shelters over course of the year?
- Is there any data on the difference of outcomes between low- and high-density shelters?
- Is this site affected by the Soho-NoHo rezoning? It was zoned M1-5B. Is residential use now allowed? Is this why the work on the building has not begun?
- What will the rent be on this building?
- How many clients does WestHab expect to be employed?
- Will there be drug counseling on location? If not, where will residents go for that?
- How will clients spend their days?
- What mental health support will be available on the premises, and what other mental health services will be available to clients?
- Can WestHab provide contacts for CB2 to talk to communities where WestHab has homeless shelters, whether in New York City or in Westchester?