



Michael R. Bloomberg
Mayor

**Human Resources
Administration**

Robert Doar
Commissioner

**Department of
Homeless Services**

Seth Diamond
Commissioner

May 14, 2010

Elizabeth Berlin
Executive Deputy Commissioner
New York State Office of Temporary and Disability Assistance
40 North Pearl Street, 16th Floor
Albany, NY 12243

Dear Executive Deputy Commissioner Berlin:

We are very grateful for the collaborative discussions we have had with you regarding the Advantage homeless rental assistance program and write to present you with a revised proposal for the program and fiscal analysis. We trust that the enclosed proposal reflects a resolution of the outstanding issues among our agencies and hope that it meets with your quick approval.

The Advantage proposal does not include a mechanism to tie the program to Section 8. If at a future point in time, a new Section 8 allocation is made to New York City, the City will know how best to use the vouchers to support low income working families. The City continues to believe the best use of Section 8 is in the community, to prevent entry and reentry to shelter.

Thank you for your consideration. We look forward to hearing from you.

Sincerely,

Robert Doar

Seth Diamond

Enclosure

Advantage NY Proposal

May 13, 2010

NYC Department of Homeless Services and Human Resources Administration seek to strengthen the Advantage program to deepen the engagement to employment in conjunction with rental assistance and to align client contribution towards rent in a way that is more consistent with other rental subsidy programs. Advantage will provide working families with a municipal rental subsidy that allows them to quickly exit the shelter system and return to the community and assists families in their progress to self sufficiency. The program will provide one year of rent support with the possibility of renewing for a second year. The proposed effective date of this plan is August 1, 2010.

Shelter Residents Covered (Subject to Eligibility Criteria)

- Temporary Assistance (TA) eligible families with children residing in shelter provided by the City of New York.
- TA eligible adults without children residing in shelter provided by the City of New York.
- TA eligible adults without children who are currently residing in a stabilization or safe haven bed.

YEAR 1

Program Eligibility – While in Shelter

- For households with one adult member while in shelter, the adult member of the household must be 1) working a minimum of 20 hrs weekly and meeting the 35 hrs of combined engagement/work requirements; or 2) in receipt of SSI or SSDI or other federal disability benefit; or 3) classified by HRA to be needed at home to care for a household member in receipt of SSI or SSDI or other federal disability benefit.
- For households with two or more adult members, at least one adult must be working a minimum of 20 hours and engaged in work activities for 35 hours unless both adults are in receipt of SSI. The second adult must be in receipt of SSI or engaged in work activities for a minimum of 20 hours and compliant with all HRA program requirements. (Dependent teens in high school do not have to be working or in receipt of SSI for their family to be eligible.)
- Clients must reside in DHS shelters or safe haven or stabilization bed for a minimum of 60 days. Clients must reside in HRA DV shelters for a minimum of 42 days.
- Clients may not have total gross household income that exceeds 200% of the federal poverty level.
- Clients must be in receipt of public assistance (AC/SI) at the time of exit from shelter.
- No member of a Temporary Assistance case may be currently under an employment or child support sanction and must not have been sanctioned at any time during the past 30 days.

Program Conditions

- The maximum rental amount will be based on household size.
- Side deals are strictly prohibited

- A client contribution of 30% of total gross household income will be required and paid directly to the landlord each month. This amount will be deducted from the maximum rental amount to determine the NYC subsidy amount paid to the landlord. See example below:

Subsidy Schedule, Year 1

Family Composition	1 person	2 people	3 or 4 people	5 or 6 people	7 or more people
Maximum Rent	\$962	\$962	\$1070	\$1316	\$1481
Example Household Income	\$1000	\$1000	\$1000	\$1000	\$1000
Client Contribution (30% of income)	\$300	\$300	\$300	\$300	\$300
Maximum Rental Subsidy	\$662	\$662	\$770	\$1,016	\$1,181

- The amount of the subsidy and client contribution will be established at the time the client is certified for the program, and will not be adjusted during the first year of program.
- Subsidy payments to landlords will be made on a monthly basis.
- In situations where the client leaves the apartment due to an eviction or move, the landlord must agree to return any payment for months not used or to allow another Advantage NY client to reside in the apartment for the remainder of the lease period.
- This rent subsidy cannot be combined with any other rent subsidy program.
- A public assistance sanction or case closure while the family is participating in the program will not result in a loss of the subsidy during the first year but may affect eligibility for a second year.
- If a family is found eligible to relocate to another apartment during their participation in Advantage NY program, the amount of the rent subsidy will be adjusted based on the rent of the new unit up to the maximum. The family must notify the City of any address change or family composition and the rent subsidy will be adjusted accordingly.
- To the extent a family is in receipt of cash assistance and eligible for a shelter allowance, the shelter allowance will be used to reduce the monthly Advantage subsidy and not be an addition to that subsidy.

YEAR 2

Program Eligibility

- Client may not have total gross income that exceeds 200% of the federal poverty level.
- Client has maintained program eligibility requirements for all but a maximum of 2 months in the first year.
- If the client is in receipt of Advantage based on employment, the client must work 35 hours in unsubsidized employment.
- If the client is in receipt of Advantage for reasons other than employment, the client must again verify the status of all adults in the household.

Program Conditions

- Clients may be renewed for a second year if they meet the Year 2 eligibility requirements. The renewal process will be conducted by HRA and will include periodic reviews during the first year of employment and engagement status.
- The maximum rental amount will be based on household size.
- A client contribution 40% of the total gross household income will be required. The contribution will be paid directly to the landlord each month. This amount will be deducted from the maximum rental amount to determine the subsidy amount. See example below:

Examples of Subsidy Schedule, Year 2

Family Composition	1 person	2 people	3or 4 people	5 or 6 people	7 or more people
Maximum Rent	\$962	\$962	\$1,070	\$1,316	\$1,481
Example Household Income	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Client Contribution (40% of Income)	\$480	\$480	\$480	\$480	\$480
Maximum Rental Subsidy	\$482	\$482	\$590	\$836	\$1,001

- The amount of the subsidy and client contribution will be established at the time the client recertifies for the program and extends for the second year. These amounts will not be adjusted during the second year of the program.
- Subsidy payments to landlords will be made on a monthly basis.
- In situations where the client leaves the apartment due to an eviction or move, the landlord must agree to return any payment for months not used or to allow another Advantage NY client to reside in the apartment for the remainder of the lease period.
- This rent subsidy cannot be combined with any other rent subsidy program.
- A public assistance sanction or case closure while the family is participating in the program will not result in a loss of the subsidy during the second year.

Special Terms

- Clients currently in the first nine months of Year 1 of the program will be required to work 35 hours weekly, be in receipt of SSI, or be needed at home by the end of the first year to recertify for Year 2. The new contribution requirement will not be imposed on this group.
- Clients currently in Year 2 will continue to receive their Advantage subsidy for the duration of their second year.
- The subsidy will be excluded from food stamp budgeting as emergency or special assistance under the applicable regulations (this provision may be subject to USDA approval).
- All Advantage NY apartments must meet inspection criteria of the program.
- NYC will report to NYS OTDA on Advantage NY activities on a monthly basis.

- Clients from shelter enrolled in rental assistance programs including HSP that meet the program criteria will have the opportunity to transfer to Advantage NY.
- Clients enrolled in rental assistance programs including HSP and Advantage that are threatened with eviction will have the opportunity to transfer to FEPS if they meet the program's eligibility criteria. The duration of receipt of Advantage will count toward the FEPS maximum duration.
- Advantage participants who are unable to make their rent contributions on account of involuntary job loss or other extenuating circumstances may be eligible for emergency rental assistance.
- New York City shelters include facilities administered by DHS, HRA, and group settings for youth who have aged out of foster care administered by the Administration for Children's Services.

Advantage Cost Projection

	Cohort	1st Year Rent ^	2nd Year Rent ^^	2 Year Retention Rate	FY11 Cost	FY 12 Cost	FY13 Cost
New Monthly Exits from Shelter	Work	\$ 4,627	\$ 776	60%	\$ 21,543,312	\$ 52,821,092	\$ 62,555,559
	Fixed	\$ 1,679	\$ 891	75%	\$ 8,974,927	\$ 24,154,430	\$ 30,359,006
	Total	\$ 6,306					
Broker's Fee & Security Deposit*		\$ 3,080			\$ 19,422,480	\$ 19,422,480	\$ 19,422,480
FY 09 exits from shelter	Work	\$ 3,417	\$ 1,100	90%	\$ 20,296,980		
	Fixed	\$ 1,800	\$ 1,100	90%	\$ 10,692,000		
	Child	\$ 1,342	\$ 1,100	90%	\$ 7,971,480		
Total	\$ 6,559						
FY 10 projected exits from shelter	Work	\$ 4,160	\$ 1,100	60%	\$ 43,929,600	\$ 16,473,600	
	Fixed	\$ 1,975	\$ 1,100	75%	\$ 22,811,250	\$ 9,776,250	
	Child	\$ 1,765	\$ 1,100	60%	\$ 18,638,400	\$ 6,989,400	
Total	\$ 7,900						
Total					\$ 174,280,429	\$ 129,637,251	\$ 112,337,046

*Average Broker Fee of \$1980 and Security Deposit of \$1100, one time cost for shelter exit cohort

^First year rent based on a 30% contribution (assumes a Fixed income of \$697/month and Work income of \$1080/month)

^^Second year rent based on a 40% contribution (assumes Fixed income of \$697/month and Work income of \$1289/month)