How the Scattered Site Shelter Program Exacerbates the Affordable Housing Crisis in Low-Income Neighborhoods in the Northwest Bronx

A report by the Northwest Bronx Community & Clergy Coalition and the Community Development Project of the Urban Justice Center

DECEMBER 2004
For more information, contact:

Laine Romero-Alston
Community Development Project of the Urban Justice Center
666 Broadway, 10th Floor
New York, NY 10012
646-459-3011
lromero-alston@urbanjustice.org

John McGough
Northwest Bronx Community & Clergy Coalition
103 East 196th Street
Bronx, NY 10468
(718) 584-0515
This report was produced in partnership between the Northwest Bronx Community and Clergy Coalition (NWBCCC) and the Community Development Project (CDP) of the Urban Justice Center. It was authored by John McGough, Laine Romero-Alston, Sanjana Ragudaran and Benjamin Whitfield.

First and foremost, we would like to recognize the community members of the Mt. Hope neighborhood of the Bronx, long-term residents and Scattered Site tenants alike, who have come together to build a stronger and sustainable community for all residents. It is their voice, experience and drive that will ensure that the ongoing problems of the Scattered Site program and its negative impact in their community are in the forefront of the decisionmaking about how to improve efforts to address and prevent homelessness in the City. In particular, we would like to acknowledge the Northwest Bronx Community and Clergy Coalition Housing Committee, especially Myra Goggins and Hilda Chavis; and The Scattered Site Task Force, including Gail Core, Willia McKeiver, and Tanicha Montgomery.

Secondly, many more staff, interns and volunteers from NWBCCC and CDP contributed to this project and report, specifically: Ray Brescia, Chloe Tribich, Laura Day, Emily Looser, Saba Waheed and Serge Martinez. We thank the CDP volunteers and interns Kelli Mowdy, Mike Blatchley, Rebecca Oyama, Victoria Cepeida-Mojarra, Meredith Herr and Daniel Davis whose critical efforts in conducting background research, carrying out interviews, entering data, transcribing interviews, and reviewing documents built the base for this report.

In addition, partners and fellow advocates in the struggle for decent and affordable housing were instrumental to developing the analysis and forming the report, including: Mimi Rosenberg, Brooklyn Neighborhood Office of the Legal Aid Society of New York, Joe Weisbord, Housing First!, Jim Buckley and the University Neighborhood Housing Program, Patrick Markee, Coalition for the Homeless, and Heidi Seigfried, Partnership for the Homeless.

We thank Christopher Chaput for his artistic contributions to the report and his willingness to work under a short deadline. The cover art, layout and design are, once again, his handiwork. In addition, we are indebted to Alexis Taylor and our special GIS guru consultant thank you for the (over)time and energy put into the wonderful visual maps.

This report would not have been produced without the hard work and dedication of all these individuals and organizations.

This report is dedicated to the all residents of the Mt. Hope neighborhood of the Bronx- those who have been there for decades and those who found shelter with the Scattered Site program.
ORGANIZATIONAL DESCRIPTIONS

Northwest Bronx Community and Clergy Coalition

The mission of the Northwest Bronx Community and Clergy Coalition (NWBCCC) is to unite area residents to identify common problems and then work together to solve them. The NWBCCC is a coalition of 9 neighborhood associations and issue committees that seek social, economic and racial justice and the empowerment of northwest Bronx residents. At present it is engaged in tenant organizing to preserve affordable housing, parent and teen organizing to improve area schools and expand school capacity and neighborhood organizing to retain essential community services. The NWBCCC seeks to build a large and diverse membership that reflects the diversity of the people who live in the Northwest Bronx. People join the organization through active participation in tenant associations, block associations, congregations, neighborhood committees and issue committees.

Community Development Project of the Urban Justice Center

Launched in September of 2001, the Community Development Project (CDP) of the Urban Justice Center (UJC) partners with community-based organizations in low-income neighborhoods and communities of color throughout New York City to provide legal, technical and research assistance to promote and strengthen their organizing and advocacy goals and strategies. We promote civic participation and build social capital in the communities where such services are most desperately needed in the following ways: 1) By representing our client groups on organizational matters and community development projects that strengthen the economic infrastructure of low-income communities; 2) By engaging in creative litigation that builds and preserves economic and social assets in low-income communities; and 3) By utilizing applied social science research methods to measure community needs, strengthen local knowledge about such needs and inform public discourse about meeting such needs. The Research and Policy Initiative, the area of CDP involved in this project, is guided by participatory-action research methodology, which explicitly seeks to address issues of power, leadership development and capacity-building through the participation in decision-making and the promotion of ownership by community members of the research process and outcomes.
TABLE OF CONTENTS

Introduction 2
Section I: The Problem 5
Section II: The Failures of the Scattered Site Shelter Program to Address the Crisis 7
Section III: The Impact 14
Section IV: Recommendations 20
Appendix 24
Methodology 27
Map 1

BRONX SCATTERED SITE LOCATIONS

Source: NYC Department of Homeless Services
INTRODUCTION

In late 2001 and early 2002 residents of the Mt. Hope neighborhood of the Bronx, where well over a quarter of the borough’s Scattered Site buildings are concentrated, began to feel the adverse impacts of this “temporary” transitional shelter program. Moreover, many of the operators to which the Department of Homeless Services (DHS) was paying $97 a day, or $3,000 a month, to house a homeless family were the very landlords against whom tenants and the City had been struggling for years to maintain their buildings and provide adequate services. With the introduction of the program into their buildings, residents in rent-regulated apartments witnessed even further deterioration of living conditions and increasing unresponsiveness from landlords to their accumulating repair needs. In addition, they experienced more aggressive attempts to evict them from their apartments through tactics such as harassment, bribes and negligence. Meanwhile, homeless families were being housed in units with poor living conditions. The provision of social services originally meant to facilitate their timely transition into stable housing ranged, in most cases, from inadequate to non-existent. Efforts to speak out or report these problems were commonly received with threats or active negligence.

As a result, Mt. Hope residents and Scattered Site tenants formed the Scattered Site Task Force in the fall of 2002, recognizing their shared problems and identifying the serious threat posed by the program to the long-term housing stability of low-income community members. As there was very little public information about the program, the Task Force, with the support of the Community Development Project of the Urban Justice Center, set out to uncover the specifics of its legal and programmatic structure and expose its negative effects on tenants and homeless families alike. In the summer and fall of 2003 after meeting with members of the NWBCCC’s Scattered Site Task Force, the offices of the New York City Public Advocate and the New York City Comptroller released two important reports. Several major media outlets ran pieces denouncing similar problems in the program to those the Task Force members and community members were highlighting. The reports and media attention exposed structural failures of the program, particularly the lack of formal contracts between the City and the program operators.

In response to the increased public criticism and in recognition of the problems with the program, DHS Commissioner Linda Gibbs announced in October, 2003 that the agency would phase out the program. Although dates by which this would happen have varied as reported in several newspaper articles, in a report to the City Council Gibbs said, “DHS remains committed to ending the scatter site program, while also ensuring our ongoing ability to provide shelter to record numbers of homeless families.” With homelessness on the rise, it is unclear that this will happen any time soon. Along with the decrease of new Scattered Site units over the past two years since its height in 2001 and 2002, DHS made some changes to address the most pressing problems of the program, including the termination of the Scattered Site owners/operators with the worst records of mismanagement and the creation of a system to evaluate the social service component. As more fully described in Section II, this has been done largely in an uneven manner, however, and with little collaboration with community organizations working in neighborhoods most widely impacted.

1 According to a list of all Scattered Site addresses released to the Urban Justice Center pursuant a Freedom of Information request on June 10, 2004, 32 of the 112 Bronx-based buildings were in the zip codes 10453, 10457 and 10468, which encompasses the Mt. Hope neighborhood.

2 The Scattered Site Task Force is an initiative spearheaded by community members and staff of the Northwest Bronx Community Clergy Coalition, a nonprofit housing rights organization.


In order to portray a more complicated and complete analysis of the Scattered Site program, Scattered Dreams seeks to give voice and a human face to the communities and families impacted by this program, while exposing the systemic problems and issues inherent in the program’s approach to addressing the homeless crisis in the City. Therefore, our research integrates nineteen in-depth interviews with Scattered Site families and long-term residents from half of the Scattered Site buildings in the Mt. Hope neighborhood, with quantitative data sources pertaining to the program and the communities in which it is implemented.

The findings of our research clearly show continued and serious problems within the implementation of the Scattered Site program. While not new news in some respects, the report points to ongoing failures of the program to respond effectively to the problem of homelessness and homeless families that it was developed to address. What has yet to be fully disclosed and included in the public and policy debate, however, is how this program actually serves to exacerbate the homelessness crisis in low-income communities. In addition to taking affordable and rent-regulated units off the market to shelter homeless families, it is also providing incentives to Scattered Site owners/operators to move out current residents in rent-regulated units to make way for more lucrative, City-funded tenants. Those residents previously in stable housing, in turn, find themselves at risk of homelessness themselves. The reality for these families is that their search for an affordable place to live will be even more difficult, as the program has taken 2,206 units of affordable housing off the market for temporary shelter use since 2000. Residents overall, as a result, are facing an increasing affordable housing crisis in their communities.

The Scattered Site program is catching low-income families in a merciless revolving door. Rather than developing strategies to address the real problems causing homelessness—among them the lack of economic opportunity and affordable housing, the City has spent inordinate amounts of public funds in a manner that exacerbates homelessness and affordable housing crises. And all the while, Scattered Site owners/operators are reaping the benefits, not tenants or people in need of shelter.

---

5 It has been difficult to obtain an exact number of total Scattered Site units currently in operation in the City today, despite several inquiries. As per a Freedom of Information Act requested by the Urban Justice Center, DHS disclosed in a letter dated October 1, 2004 that the following numbers of units were started in each calendar year: 51 apartments in 2000; 1231 apartments in 2001; 882 apartments in 2003; 42 apartments in 2004. Again, it is impossible to know from this data how many of those units still house homeless families. Commissioner Gibbs did state in her management report to City Council in March, 2004 as previously cited that DHS had “reduced scatter site capacity” by 323 units and that 40 more were expected to be reduced by the end of that month. See Section II of this report for more information about the social service evaluation.

6 See appendix for more detailed description of methodology.

Our report is divided into the following sections:

Section I: The Problem places the report’s analysis and findings related to the Scattered Site program and its effect on affordable housing into a broader context of social and economic hardship in New York City low-income communities.

Section II: The Failures of the Scattered Site Shelter Program outlines the on-going problems and failures of this temporary, transitional shelter program to effectively address the homelessness crisis.

Section III: The Impact clearly highlights the winners and the losers of the more than one hundred million dollar investment by New York City through the Scattered Site program.

Section IV: Recommendations draws from the analysis of the report to put forth concrete and timely recommendations to improve strategies to provide temporary housing to homeless families and prevent low-income families from entering the system in the first place.
SECTION I: THE PROBLEM

The crisis among low-income communities in New York: a revolving door from precarious housing to homelessness

Before discussing the housing crisis in low-income communities, it is important to put the economic crisis in New York City in context. Poverty rates, unemployment and the extent to which families are shelter poor are all clearly connected and indicators of hardship. Thousands of low-income New Yorkers walk a fine line in terms of economic stability. As discussed in Sections II and III, ill-conceived investments and strategies can tip that balance and push families and communities into situations of crisis.

Lack of Economic Opportunity

It is no secret that New York City is a hostile environment for its 345,834 families living below the poverty line. The beginning of the 21st century brought an even greater crisis for the most vulnerable of New Yorkers. The unemployment rate in the City rose to 6.3% in August, 2004 from 5.7% in January, 2001, well above the national average of 5.4%. The United States Census Bureau announced in the end of August that the 2001 recession hit poor and middle-income Americans the hardest in the long run. Although the recession officially ended in November 2001, it did not lead to a recovery in the job market according to The National Bureau of Economic Research. Moreover, the number of Americans without health insurance has increased for the third straight year and the percentage of Americans below poverty is steadily rising. Although the New York City poverty rate has been relatively stable when compared to the nation, the prediction is that these figures will not improve much in the near future. For low-income New Yorkers, a weak economy means limited jobs, increased poverty, and, as a result, difficulties paying rent, the single largest monthly expense.

Affordable Housing Crisis

The crisis in the affordable housing stock is a serious contributor to the hardship among low-income New Yorkers. The 2002 New York Housing and Vacancy Survey indicated that just under a quarter of households (22.7%) in the City spent more than half of their gross income on rent. The median monthly contract rent, which excludes tenant payments for utilities and fuel, was $706 in New York City; almost 20% more than the national average. However, New Yorkers’ median incomes were approximately 9% less than the national average.

The three neighborhoods that pay the highest percentage of their income on rent in the City all are located in the Bronx. On average, New Yorkers spend 26.5% of their income on rent, while community members in the northwest Bronx section of University Heights/Fordham, which is the focus neighborhood for our research and this report, spend an average of 34.7% of their income on monthly rent. This is the second highest rate in the City.

As indicated in the 2003 National Low-Income Housing Coalition’s Rental Housing for America’s Poor Families: Farther Out of Reach than Ever, an individual would have to earn $20.63 an hour ($42,920 year), which equals almost four full-time jobs at minimum wage to afford a two-bedroom rental unit at the fair market rents. This is inaccessible for many low-income families living in the University Heights/Fordham section of the Bronx where the average income is $20, 800.
It is no wonder, therefore, that low-income New York City residents in an annual survey conducted by the Community Services Society responded that the preservation and development of affordable housing should be the most urgent concern of elected officials.23

**Alarming Growth in Homelessness Crisis**

With such an adverse economic burden on low-income families and the crisis in the available affordable housing stock, many face seriously insecure housing conditions and thousands are becoming homeless a year. According to the New York City Department of Homeless Services (DHS), the homeless crisis in New York City continues to grow at an alarming rate.24 In the last five years alone, there was an 82% increase in shelter demand in New York City.25 During 2003, the number of New Yorkers in shelters reached an all time high with 38,310 men, women, and children sleeping in shelters a night.26 Families in the shelter system nearly doubled over the course of the five years between 1999 and 2003.27

![Graph 1](http://www.nyc.gov/html/dhs/downloads/pdf/histdata.pdf)

**What has been the City’s response to the problem?**

Given the increasing burdens placed on NYC’s working poor in their efforts to attain secure, stable and decent housing coupled with the rising number of homeless New Yorkers, how has the City responded? With an aggressive program that strikes at the root of the affordable housing crisis, or with ‘emergency’ measures that further eat away at the fabric of families, neighborhoods and homes to the benefit of private, for-profit Scattered Site owners/operators? Unfortunately, the Scattered Site Shelter Program, one of the City responses to this crisis and the subject of our research and report, represents the latter.

---

22 As part of a settlement of litigation surrounding the New York City homeless system, a Special Master Panel was appointed to evaluate and make recommendations for how to improve shelter and homelessness prevention strategies. Family Homelessness Prevention Report. November, 2003. New York City Family Homelessness Special Master Panel. P 3 (cited hereinafter as SMP Report)

23 Unheard Third. pp. 9 – 12.


25 Inequitable Enforcement.

26 DHS Historical Data

27 DHS Historical Data
SECTION II: THE FAILURES OF THE SCATTERED SITE SHELTER PROGRAM TO ADDRESS THE CRISIS

Scattered Site Shelter Program

With the dramatic increase in the number of homeless families, the Department of Homeless Services (DHS) for New York City created the Scattered Site Shelter Program in 2000 as a temporary program to alleviate the lack of shelter space. The program places approved homeless families who come through the Emergency Assistance Unit (EAU) into vacant apartments, paying up to $3,000 a month per family to the Scattered Site owners/operators for the unit and to provide minimal social services to the family to facilitate their transition into permanent housing. As of March 2004, 13,375 families have been in the program and $165,637,247 has been paid out to operators of buildings since the program’s inception.

The following sections of this report are dedicated to highlighting the on-going failures of this “temporary” transitional shelter program and expose the long-term crisis it is creating in low-income communities where it has been implemented, focusing specifically on the impact in the Mt Hope neighborhood located in the University Heights/Fordham neighborhood of the northwest Bronx.

---


29 In the report we refer to the neighborhood of focus using two names, Mt Hope and University Heights/Fordham, which are the same general areas; however, with minor variation in boundaries. Mt Hope covers the zip codes 10453, 10457, 10468 and is, in general, the name with which community member identify. University Heights/Fordham is the community district and used as the boundaries for secondary data sources.
CITY’S RENT WASTE
Pays slum landlords $72M a year for ‘welfare hotels’
New York Post, Monday, November 25, 2002

‘Temporary’ Homeless Plan Keeps Growing in New York
The New York Times
DECEMBER 24, 2002

City Homeless Program Rewards Bad Landlords
Norwood News
Dec. 4, 2002

CITY’S $72M RENT WASTE
NEW YORK POST
November 25, 2002

A waste of shelter
5% vacancy rate as city shifts to for-profits
October 8, 2003

THE POVERTY KING
Owner kept getting city $$ as bldg. went to hell
New York Post, May 20, 2003

A costly effort that has put some families in unsafe buildings.
The New York Times
DECEMBER 24, 2002

Ritzy price for horrid rat trap
New York Post, Monday, November 25, 2002
Failure #1: Poor living conditions for homeless families and lack of City agency coordination

Homeless families have faced poor living conditions in the apartments and buildings in which DHS has placed them through the Scattered Site Program. Individuals interviewed cited numerous critical housing code violations, including lack of heat, leaking or collapsing ceilings, rats, mice, roaches, exposed wires and no locks on windows, to name only a few.

DHS did not have to go very far to find out that their chances of placing families into violation-filled buildings in the Mt. Hope neighborhood would be high. Minimally, the agency could have checked the Department of Housing, Preservation and Development’s (HPD) online database that registers housing code violations. They would have found, as others have, that University Heights/Fordham ranks the highest in New York City for average number of maintenance deficiencies per unit and for percent of housing units with five or more maintenance deficiencies. Moreover, it is the sixth highest ranking neighborhood for number of serious violations per 1,000 rental housing units. The map of levels and severity of housing code violations in Scattered Site buildings located in this section of the Bronx illustrates the serious nature of the violations in many of the buildings for which DHS is paying to house homeless families. A total of 7,842 violations were reported in the Bronx Scattered Site buildings.

Additionally, DHS could have visited the neighborhoods where they were considering sheltering their clients, and interviewed tenants and community organizations who have dealt extensively with the buildings’ Scattered Site owners/operators. They would have quickly discovered a history of landlord negligence in many of these locations. The Public Advocate’s May 2003 report Scatter Site Housing—Scatter Brain Housing exposed interesting facts about some of the prominent operators of Scattered Site buildings, including bribery charges, arrest for failure to correct unsafe building code violations, and charges for using scare tactics to evict low rent tenants.

Landlords with poor records of housing maintenance and sketchy legal histories hardly seem to be the kind of operators to implement a transitional housing program for the City effectively and efficiently. Unfortunately, there has been an obvious lack of coordination between the City agencies and little to no interaction with renters and the communities whose stability are now threatened by the ill-conceived Scattered Site Program.

Failure #2: Homeless families not being transitioned to permanent housing

DHS states that it is “fully committed to fostering the timely and appropriate movement of eligible clients into permanent housing.” Regardless of the millions of dollars channeled towards the Scattered Site Shelter program, it has floundered in achieving this mission. Homeless families in the program are not effectively and rapidly moving into permanent housing. DHS itself said that it was “distressed” about the low placement rates of clients into stable housing due to rejections for rental assistance and subsidies, or because clients had never even applied after many months in the system.

Unfortunately, it is neither possible to know the length of stay in the program of the 13,375 families who have passed through it over the past three and a half years, nor the rate of success once placed into permanent housing, as DHS does not maintain records to track this information. We do know that the average stay in the City’s shelter system overall is eleven months, already inordinately long to be considered transitional.
LEVELS AND SEVERITY OF THE HOUSING CODE VIOLATIONS IN SCATTERED SITE BUILDINGS

Source: NYC Department of Homeless Services
“There are too many homeless people and the system is overworked. I don’t feel that I am helped. They need to speed up the process for permanent housing. I am given excuses, lost applications and am pushed around with these services.”
Scattered Site resident

“The worker comes by once every two weeks to get the papers signed but nothing else.”
Scattered Site resident

Our research revealed, however, that Scattered Site residents can expect their wait for stable housing to be even longer, as the average length of stay for families was eighteen months.38

Inadequacy of social service

The provision of social services in a transitional shelter program to help stabilize homeless families and get them into permanent housing is of critical importance to those who find themselves in this situation of crisis. Although the Scattered Site Program explicitly includes and financially allocates for the provision of social services, in practice, those services are less than adequate and far from effective in achieving DHS’ goal. A memo from DHS to Scattered Site Operators in May 2001 outlines the extent of services they are expected to meet as part of the $3,000 a month they are given for each family placed in their building, including cleaned and inspected units upon arrival of a new resident, provision of the opportunity for the resident to complete applications for subsidized housing, access to a case worker, and compliance with obtaining resident’s signature on a form necessary for processing of payments.39 This is hardly the comprehensive support necessary for those families that are in need of services.

According to the Scattered Site residents interviewed for this report, the extent and quality of social and support services provided were inadequate, at best. A few interviewees reported a minimal level of support and assistance from their caseworkers. The majority cited serious problems with caseworkers and frustration with the program. Several residents said that caseworkers only came around twice a month to have them sign the Client Reauthorization Form required for the operator to receive reimbursement from the City. Other residents reported that this was not even happening. In fact, these residents said they had not signed this form for numerous months. Several residents expressed that their caseworkers were incompetent, losing important paperwork that negatively impacted their process of obtaining permanent housing. Additional residents stated that they knew of no case workers or social services in their building at all.

Although problems are expressed as individual experiences with case workers’ apathy, incompetence or inability to respond to the complexity of families’ needs, they reflect a broader, systemic failure. Of principle concern is the lack of standards for social service provision. Rather than requiring professionally trained social work agencies with successful track records of providing the type of services needed by families in situations of crisis, the Scattered Site Program leaves the contracting out of these services to the discretion of the Scattered Site owners/operators, who are business people, not social work administrators. Moreover, DHS guidelines set forth very low standards for the level of professional social work training case workers need to have and nowhere do they require that a professionally trained social worker supervise caseworkers to ensure compliance with proper social work practice and protocol.40

...Scattered Site owners/operators are not qualified to oversee the provision of critical services to such a high-need population.
It would appear from our research that, in some cases, operators simply established a social service entity under a separate, though similar, name as the operator. In many cases, there is no agency name listed at all for the social service provider, and the mailing address of the operator is given for social service correspondence. Moreover, the contact name for social services is also frequently the contact for the operator. Regardless, it is clear that established and reputable social service providers are not being contracted with as part of the arrangement operators have with the City. As a result, our findings show that Scattered Site owners/operators are not qualified to oversee the provision of critical services to such a high-needs population.

DHS has made some efforts to improve the social service provision for Scattered Site homeless families. The agency conducted a 2½-hour training session during the months of July and August, 2002 for caseworkers on how to help families complete the Emergency Assistance Rehousing Program (EARP) and New York City Housing Authority (NYCHA) Housing Application Forms accurately. In addition, they developed an evaluation tool for social service provision, which is essentially a checklist of what needs to be offered to shelter families. Unfortunately, these efforts have been too little and too late and, with little oversight of and accountability for social service provision, do little to address the structural problems that permit for inadequate and ineffective services.

### Failure #3: System breakdown: No contracts, no transparency, no accountability

Due to the stated “temporary” nature of the program, DHS did not enter into formal contracts with the Scattered Site owners/operators to whom they were paying millions in public monies to administer the Scattered Site Shelter program. Because of the absence of registered contracts with the City Comptroller, oversight of the program has been near to impossible. The City Comptroller in a September 2003 Audit Report denounced the behind-closed-doors “gentlemen’s agreements” into which DHS entered with a handful of Scattered Site owners/operators. The audit found DHS in non-compliance with the City Charter and stated the following:

> Given the absence of formal contracts, we question how the Department can enforce performance standards and ensure that operators provide safe and sanitary conditions to clients.

### Scattered Site Tenant Profile

Hope is a single mother of a 3-year old boy in her early 20s. She has been homeless for three years since she left an abusive relationship. She lived with her mother, but they were evicted and, since then, Hope and her son have moved to seven different locations in the DHS system. Hope’s apartment is roach and rat infested. The hot water consistently does not work, and the pipes in her apartment are rusty and constantly leaking. In a previous apartment, her ceiling was so bad that it literally fell on top of her. Hope hardly sees her case worker and, when she does, it is only to sign a role log. She has asked the caseworker for applications for permanent housing repeatedly, however the caseworker has said that he forgot to bring them. Hope’s landlord threatened to kick her out and send her back to the EAU (Emergency Assistance Unit) when she signed papers in protest of the conditions in her apartment saying she is not supposed to participate in such organizing efforts. Hope has also experienced tensions with the permanent tenants in the building who don’t want homeless families living with them.

> “Some of those case workers just go to work to get their pay checks and they don’t care if you’re going anywhere.”

Scattered Site resident

> “I have been in here for three years and have had five different case workers. I have completed around eight applications for subsidized housing vouchers. It was only through my own investigation that I found that portions of my applications were missing when it was filed with Section 8 authorities. I think they were intentionally sabotaged in order to keep me in this apartment through Scattered Site so the landlord could make more money.”

Scattered Site resident

> “If DHS has produced any document with my signature on it within the last five months, it is not my signature. They must have been forging it if they produced it. Three weeks ago, a new case worker appeared and tried to get me to sign a document I had never seen before – supposedly it was my service plan for transitioning to permanent housing that they are supposed to work with you on from the beginning. I refused to sign it. I have been here for three years. I had never seen it before.”

Scattered Site Tenant
The answer to the Comptroller’s question is that DHS cannot and has not enforced adequate standards and conditions to homeless families and the communities in which the program is located.

Through telephone interviews with staff from DHS and the Comptroller’s office, we were informed that they were in the process of negotiating contracts with a few operators in the program and that public hearings were taking place. After making several follow up calls and emails to DHS and Community Board members in the University Heights/Fordham neighborhood, however, we were unable to obtain any information about public hearings that had occurred or were scheduled to take place. Moreover, according to a Freedom of Information request to DHS released to us on October 7th, there are no written contracts or agreements in existence, signed or unsigned, to date.

Section Conclusion

Almost four years into this temporary program and a year after broad public criticism, the Scattered Site program continues to be extremely problematic, both in terms of its failure to effectively provide support and services to families to successfully transition them to stable housing and the unacceptable conditions under which families are living while in the program. But as homeless families lose out in the deal closed on just a handshake, Scattered Site owners/operators continue to come out as big winners, as millions of public dollars line their pockets.

---

48 Phone interviews with Karl Pitter from DHS, July 2004 and Michael Morgese from the NYC Office of the Comptroller, October, 2004. Based on the telephone conversation with Karl Pitter, DHS, establishing contracts with landlords is known as the process. It involves: 1) The operator sends in its contract proposal to the relevant Community Board; 2) the contract proposal is read at the public hearing and the proposal and the budget are debated; 3) if all is agreed to, the operator and DHS sign the contract; 4) the contract is sent to the Mayor’s Office of Contracts; 5) the contract is sent to the Comptroller for records; and 6) only after the contract is registered, does it take effect.
SECTION III: THE IMPACT
Who are the winners? Scattered Site Operators!

The City is paying Scattered Site owners/operators significant amounts of money, in many cases millions of dollars, ostensibly to transition families out of their buildings and into permanent housing as soon as possible. In other words, Scattered Site owners/operators are responsible for putting themselves out of business. If Scattered Site owners/operators did a good job by permanently housing homeless tenants in a timely fashion, they would stand to lose out on a great deal of profit. Particularly as DHS promises to phase out the program and is decreasing their placements of Scattered Site families in some buildings, landlords do not have an incentive to work for the best interest of families. As for-profit entities, their incentive, we can assume, is to maximize profits.

And Scattered Site owners/operators are certainly making a lot of money off of City funds meant to help homeless families. Even if administered effectively to achieve its stated goals as an emergency transitional shelter program – which is not the case – the amount paid out to Scattered Site owners/operators is extremely high, given the percentage actually going to house and support a homeless family. As shown in Figure 1, owners/operators are likely to pocket more than half of the nearly $3,000 they are given to house a family a month and stand to profit close to $30,000 per family that they place in one of their units. Outsourcing the provision of shelter services to for-profit operators at such high profits should, even without the other problems raised by this report, raise serious questions about the efficiency of using city dollars in such a way.

Figure 1

<table>
<thead>
<tr>
<th>Scattered Site owners/operators Profiting from Homelessness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent</td>
</tr>
<tr>
<td>Furnishings (beds, couch, table, chairs, sheets)</td>
</tr>
<tr>
<td>Social Services Provided, paid $6/family/day</td>
</tr>
<tr>
<td>Actual costs of house, furnished, and provided social service for a family</td>
</tr>
<tr>
<td>Amount owners/operators receive per month per scattered site family</td>
</tr>
<tr>
<td>Landlords profit per family per month</td>
</tr>
<tr>
<td>Average stay of a scattered family \times 18 (Months)</td>
</tr>
</tbody>
</table>

49. The amounts operators received from DHS to administer the Scattered Site program in their buildings ranged from $642,976 to $32,117,509, and the average among the 21 operators was $7,887,488, as per data obtained pursuant a Freedom of Information request from DHS dated October 1, 2004.

50. Amount based on the rent roll for a one bedroom apartment in one Scattered Site building in which NWBCCC is organizing with. This is much higher than the average market rent of $578 for this neighborhood as stated in the State of NYC Housing and Neighborhoods 2003 report.

51. Based on interview with staff from Hogar, a similar Scattered Site program for people living with HIV/AIDS.

52. Grossman, J. “Shelter Shelter,” City Limits, New York, March 31 2002, Vol 27(3), p. 22. Information provided UJC by staff at Partnership for the Homeless, a leading homeless services provider in New York City, showed that the level of services provided through the DHS Scattered Site Shelter Program could be provided for as low as $42.


54. The average stay of the Scattered Site residents interviewed in our research. Note that DHS does not keep records of this information, as per their response to a Freedom of Information request dated June 10, 2004.
Who is losing out? Low-income communities!

It is clear that homeless families are losing out in this deal. But they are not alone. So are the community members and residents who live in the buildings Scattered Site owners/operators are using to gain profit from funding for homeless families.

Displacement of Long-term tenants

Given the way the program is structured – high reimbursement, few expectations, and lax oversight – Scattered Site owners/operators have little incentive to maintain the apartments of residents from whom they are getting less than a third of the rent they receive from DHS to house a homeless family. In fact, there are no legal requirements that operators must disclose current or recent use of housing units that they seek to convert for Scattered Site units or other transitional housing programs. On the contrary, the natural incentive clearly is to increase the number of units they can rent to the City for nearly $3,000 a month. Permanent residents, interviewed for this report, reported numerous tactics used by Scattered Site owners/operators to get them out of their apartments, among them harassment, wrongfully trying to evict them, offering bribes, or just running down their living conditions so badly that residents can no longer bear it and opt to vacate their homes.

In Brownsville, East New York Brooklyn, owners/operators administering the Scattered Site program in their buildings illegally evicted over 121 families to make room for more lucrative transient housing units. The tenant association in the building, with the legal assistance of The Brooklyn Neighborhood Office of the Legal Aid Society of New York, is now suing several landlords for capitalizing on the homeless crisis by evicting low-income tenants and then renting the units to DHS.58 As described below, this is similar to many of the stories reported by residents in the Bronx who participated in our study.

Landlord abuse of permanent residents

Permanent residents expressed outrage at the increasing negligence of their landlords since the implementation of the Scattered Site program in their buildings. Although the living conditions of Scattered Site units were poor, permanent residents reportedly had even harder times with landlords not repairing problems in their units and harassing them when they pushed for them to be done.

Increased division and tension among residents in buildings

The negligence of owners/operators administering the Scattered Site program in buildings has led to division among low-income community members. Permanent residents report resenting the perceived preference that homeless families receive in terms of the quality of housing conditions of their apartments. Moreover, residents complained that the families placed in their buildings are dealing with problems connected to their situation of immediate crisis that the program does not provide intensive enough services to effectively address. As a result, issues such as littering, loitering, drugs and general lack of respect for the space has increased. This was frequently expressed as anger towards the Scattered Site families, and a scapegoating for the problems that have been exacerbated in their buildings and communities with the entry of the Scattered Site program.

This is not a common case of the “Not in my backyard” syndrome, however. Rather, it is an issue of sharing the burden of homelessness and programs developed to address social “problems” that are overwhelmingly dumped continually

---


into the same low-income and communities of color. As evidenced in Graph 3, there is a clear disparity as to the distribution of Scattered Site buildings in the City. Except for eight buildings in Queens, Scattered Site buildings are solely located in the Bronx and Brooklyn. There are no Scattered Site buildings in Manhattan and Staten Island.

There is a particularly large concentration of Scattered Site units in the University Heights/Fordham neighborhood, as illustrated in Map 1 in the Introduction of the report. One hundred and twelve of the 189 Bronx-based buildings are centered

---

**LONG TERM TENANT PROFILE**

Patricia is a mother of two young children in her late twenties who lives with her partner and two dogs in a one bedroom apartment. Things have gotten worse in her building since Scattered Site Shelter Units began to be placed there starting in early 2003. Patricia complained about many poor and dangerous living conditions in her apartment and building, such as lead paint, heat problems, falling windows, holes in the wall, a broken sink and bathtub tiles that are causing such serious damage in the bathroom that, she fears, it is too dangerous to bathe in it due to the risk of the entire floor falling in. She and her children, therefore, only take sponge baths. The conditions of the building are additionally horrible. There are no locks on the building doors, no intercoms or buzzers, and the locks to the mailboxes are broken. The halls of the building are littered and dirty and there are mice, roaches and rats in the hallways. The elevator regularly is broken and reekes of urine. Patricia said that, with the deterioration of the building, the safety and neighborhood have also begun to crumble. There has been an increase in gangs hanging out in the corridor and people trying to break in through the roof.

Her landlord is even less responsive and has wrongfully brought her to court several times to try to evict her. She has won every time. She described how many residents in the building have left as a result of eviction, bribes from the landlord or because their apartments were just so run down that they could not handle it anymore. Patricia said that the landlord offered her some money to leave, she just didn’t know where she would move. She said that a neighbor accepted the money.

Soon after building residents vacate their apartment, Patricia explained, workers are in the unit getting them ready for shelter families. She said that there was a time when there was a lot of work going on, however things have slowed down and now there are many apartments that are empty. She said that she requested a transfer from her apartment to one of the apartments that were previously being used for Scattered Site residents but remained vacant since the homeless families left. Her landlord has never responded to her request.

---

“The landlord… got two million dollars for this building here. He’s not fixing nothing! Nothing at all.”

Long term tenant who has been living in the building for 24 years

“They don’t fix repairs, the only time they fix the repairs is if they take the landlord to court.”

Long term tenant

“The landlord is getting so much money through the Scatter Site Program and one would think that he could make some of these repairs.”

Long-term resident

---

**Graph 3**

**Number of Scattered Site Buildings per Borough**

<table>
<thead>
<tr>
<th>Borough</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bronx</td>
<td>189</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>155</td>
</tr>
<tr>
<td>Queens</td>
<td>8</td>
</tr>
<tr>
<td>Manhattan</td>
<td>0</td>
</tr>
<tr>
<td>Staten Island</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: NYC Department of Homeless Services

---

59 NYC Department of Homeless Services, pursuant a Freedom of Information Law request dated October 1, 2004.
in this neighborhood. As shown in Table 1, for every 4,184 residents in Mt. Hope, there is a Scattered Site building, as compared to 7,024 Bronx residents, 15,905 Brooklyn residents, and 280,269 Queens residents. There are no Scattered Site buildings in Manhattan and Staten Island.

Moreover, the primary issues that the community has with the program is less about “others” moving into their buildings and communities, rather the irresponsible and unaccountable manner in which it is happening that is having a clear and undeniable adverse impact on their lives and that of their community.

Table 1

<table>
<thead>
<tr>
<th>AREA</th>
<th>POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>University Heights/Fordham</td>
<td>4,184:1</td>
</tr>
<tr>
<td>Bronx</td>
<td>7024:1</td>
</tr>
<tr>
<td>Brooklyn</td>
<td>15,905:1</td>
</tr>
<tr>
<td>Queens</td>
<td>280,269:1</td>
</tr>
<tr>
<td>Staten Island</td>
<td>443,728:0</td>
</tr>
<tr>
<td>Manhattan</td>
<td>1,529,375:0</td>
</tr>
</tbody>
</table>

Revolving door to homelessness: Scattered Site exacerbating the very problem it is meant to address by pushing tenants out and destabilizing units

The fact that the Scattered Site program is contributing to displacement of permanent residents is alarming. With residents being evicted, bribed to leave, or just plain pushed to the point that they choose to leave because their living conditions are so bad, they will then find themselves at high risk of being in the very same situation the program is supposedly set up to address—without a home and in crisis.

While DHS has been gradually decreasing the numbers of Scattered Site units, this phase out has not been coordinated with community groups and building residents. The result has been that owners/operators are either bringing in subsidized tenants or are leaving the units previously used for Scattered Site tenants vacant.

While it is unclear exactly what owners/operators’ intentions are in leaving previous Scattered Site units vacant, advocates, organizers and residents fear that it will leave communities with a further crisis of affordable housing stock for low-income residents. In order to accept Scattered Site tenants, owners/operators fre-
Counter-productive investments by City agencies to building communities

Our assessment is that the millions of dollars DHS has invested in negligent owners/operators through the Scattered Site Shelter program has resulted in the deterioration of the housing stock and a reduction in affordable housing generally. Not only has this program taken a serious toll on rent-regulated communities where it predominates, but it has also run counter to the positive investments the City of New York has made during the past decade to increase and improve the housing stock in New York City generally. A range of government programs designed to increase the availability of affordable housing in New York City, implemented through a combination of City capital funds, Federal rent subsidies, Low Income Housing Tax Credits and City-owned land, have particularly benefitted communities in the Bronx, where 14.9% of housing units existing in 2002 had been assisted during the period of 1987 to 2002. There was a particularly significant investment in the University Heights/Fordham section of the Bronx, as it ranks as the third highest community district in the City for total housing units assisted by New York City’s capital programs. These programs represented a long-term commitment to developing affordable housing in these neighborhoods with millions of dollars invested. Yet the value of these investments is now being diminished by the Scattered Site, and other similar programs, in profound ways.

History repeated

The creation of such a haphazard program may not come as much of a surprise to any New Yorker who has followed New York City’s homeless housing history. New York City has a colorful past of working with negligent landlords and paying enormous sums of money to house homeless families inadequately. In the early 1980s for example, dilapidated hotels were used as shelter for homeless individuals and families. Some hotel owners/operators were being paid wildly exorbitant prices to house homeless families, while the conditions of these hotels were deplorable. Since this arrangement was supposed to be on a short-term basis, there were no contracts between DHS and the owners/operators, limiting City control over the operations of these hotels.

Contracting out and privatizing of social services is only on the increase. In her report at the City Council Hearing on the FY05 Budget and Mayor’s Management Report, Commissioner Gibbs outlined her goal to convert Scattered Site units into Tier II contracts. While this is good news in terms of accountability and offering comprehensive social services, it poses the same problem in terms of taking critically needed affordable housing units off the market in low-income communities. The Brooklyn Neighborhood Office of the Legal Aid Society, in their proposed draft legislation on this issue outlines how both Tier II and Scattered Site are perpetuating the homelessness and affordable housing crises in their neighborhoods. If DHS does not develop effective cross agency and community coordination, and continues to make deals with negligent owners/operators, low-income communities will suffer serious negative effects.

“In late 2003, when scatter-site residents were beginning to get moved out, only 1/3 of the building were renters. In the Spring 2003, we had tenant meetings with 15 people at them. Now we get only a few of us. There are only a few long-term tenants left – the rest of the building is either a few scatter-site tenants left, new section 8 tenants, and many apartments are still vacant. Things are so bad here now that even I’m thinking of moving out. There was a kidnapping in the building recently. Kids don’t go outside anymore because the block is too dangerous. All the incoming tenants are on section 8 and there is no screening process. The landlord accepts just anybody for a dollar. Rents are too high and I can’t find any work. Shelter is almost better. At least I could get a voucher after awhile.”

Long-term resident

“State of New York City Housing.


Department of Homeless Services FY05 Budget and Mayor’s Management Report, March 23, 2004. The Tier II program entails longer-term shelters where more than 10 families are housed and may receive a range of comprehensive and intensive social services and assistance finding housing. Some shelters offer single rooms with congregate meals, some provide small apartment units, and some may be contracted with a privately-owned apartment, similar to Scattered Site.

Section Conclusion

Although it is necessary to identify the continued failures of the Scattered Site Program, as we attempt to do in this report, it is critical that we understand that addressing the crisis of homelessness in not only a question of fine tuning social services. That is dangerously missing the point. Rather, it is an issue of bricks and mortar. The critical lack of affordable housing is one of the major causes of why people face the crisis of homelessness in the first place. It is a cruel joke then that millions of dollars of public funds, originally intended to house the homeless, are going to push even more families into homelessness and create incentives for opportunistic and exploitative owners/operators to reduce the overall supply of affordable housing!

The Special Master Panel report states as follows: “An effective homelessness prevention strategy must anticipate difficult policy decisions, trade-offs, and the possibility of unintended, negative consequences. For example, city policies that direct scarce affordable housing resources to families in greatest need must be part of a larger effort to prevent homelessness and housing emergencies.”66 In the case of the Scattered Site program, DHS and the City have not contemplated, evaluated or compensated for the impact it is having in the communities in which it has been operating. The following section outlines some important recommendations we believe are critical to ensuring that low-income communities do not continue to bear the brunt of ill-conceived and run programs meant to alleviate the homelessness problem, such as the Scattered Site Program.

---

66 SMP Report.
SECTION IV: RECOMMENDATIONS

The Scattered Site Program has proved itself to be mismanaged and ill conceived. It has destabilized affordable housing in many New York City neighborhoods, pushing out long-term renters without providing stable housing for the homeless. Therefore, we make the following recommendations:

Immediate Recommendations on the Scattered Site Program

RECOMMENDATION #1:

Working in close coordination with the experienced non-profit supportive housing sector to rapidly transition families to permanent housing, the Department of Homeless Services (DHS) should phase out the Scattered Site Program by June 2005. Once terminated, the Department must commit to not replicating the program’s mistakes through a similarly structured program in the future.

In October 2003, DHS Commissioner Gibbs announced plans to phase out the Scattered Site Program. However, DHS has not provided a definitive phase-out completion date, and efforts to return Scattered Site apartments to rent stabilization have been spotty and insufficient. A year after this announcement, the City is still paying owners/operators 54 million dollars to administer the program.

Prompt phase-out requires that DHS end its reliance on owner-operators, and divert funds to experienced non-profit and supportive housing specialists to facilitate Scattered Site tenants’ transition to long-term housing. One obvious phase-out method is to offer qualified Scattered Site tenants leases to the same apartments that they now occupy. Rents should be calculated based on the last stabilized rent with allowable adjustments and tenants should be supported with adequate rental subsidies to enable them to enter into a lease and make regular rent payments.

RECOMMENDATION #2:

Strengthen New York City’s existing stock of service-enriched and supportive housing without threatening or diminishing the existing stock of affordable housing in the City.

Many families in the Scattered Site Program are in need of the services that come with service-enriched or supportive housing. Such services are customary in well run Tier Two shelters. The City should expand the supply of service-enriched and supportive housing for families by developing new projects on vacant land and identifying underutilized properties that could be redeveloped for this purpose. Existing occupied rent regulated housing must be considered off limits for this use in order to reduce incentives to property owners to evict low-income rent regulated tenants in order to replace them with subsidized homeless or formerly homeless tenants. As described in the Legal Aid Society’s proposed amendment to the City Charter, the development of service-enriched and supportive housing needs to follow strict guidelines to ensure the preservation of existing affordable housing.67

RECOMMENDATION #3:

Conduct an official program and community impact assessment of the Scattered Site Program and other transitional shelter programs that place homeless families in previously rent regulated units.

Both the New York City Comptroller’s audit and the New York City Public Advocate’s investigation made critical recommendations towards correcting the problems of the Scattered Site Program. But a full year after the release of these reports and after much scrutiny by the press, the Program is still operating in 352 buildings and has provided temporary shelter to homeless families in a total of 2,206 units since its inception.68 These units were taken out of the stock of affordable apartments for other low-income families and it is unclear whether these units are being placed back in service as rent stabilized housing after they are no longer used for temporary shelter space. Therefore, New York City Council needs to examine why the program is still operational and conduct a complete investigation into abuses of the program and harms to DHS clients. Moreover, the City should carry out a comprehensive impact assessment of all programs that administer temporary shelter through private owner/operators. This evaluation should include overall management of the building; adverse impacts on non-shelter units, building-wide, and in the surrounding community; levels of landlord harassment and displacement of residents; and the effect on availability of rent-stabilized units and rents after the temporary shelter program is phased out.

Recommendations to Support Stable Communities

RECOMMENDATION #4:

Transfer funds used for Scattered Site programs into ongoing rental assistance vouchers for families already homeless or at risk of homelessness and who are not in need of intensive social services.

In June, 2004 Mayor Bloomberg released Uniting for Solutions beyond Shelter: The Action Plan for New York to address the rising homelessness crisis in the City. While the City has explicitly stated that prevention is of the utmost importance, their approach has primarily focused on the provision and coordination of social and support services.69 A recently implemented component of the plan, announced at a press conference on September 22, 2004, is the opening of six homeless prevention offices in neighborhoods with high rates of families entering the shelter system to provide multiple types of social services.70 Although clearly there is a significant number of families on the brink of homelessness for whom such services are needed and appropriate, there are many more who just need rent supports.

We certainly agree with Commissioner Gibbs that the City needs to create “a more effective citywide approach to rental assistance” and that vouchers should not be conditional upon long and debilitating stays in shelter.71 But DHS’ recently released Housing Stability Plus plan raises serious questions. In a City with a chronic lack of affordable housing and historically low vacancy rates, how are all Section 8 recipients to locate permanent housing by December 19th, 2004? With the value of the vouchers decreasing 20% each year and ending completely after five years, how does the City expect families to secure and maintain permanent housing in a climate of chronic unemployment and rising rents?

Research shows that supporting families with housing subsidies is the most effective strategy to prevent them from entering into homelessness in the first place.72 A study released in 1998 by New York University showed that the main cause of family homelessness in New York City is the scarcity of affordable housing, rather

---

69 Uniting for Solutions.
than drug addiction, mental illness and other social problems. Moreover, the study found that 80% of formerly homeless families with subsidized housing stayed stably housed. Other research out of the University of Pennsylvania found that 90% of the time, a simple rent voucher, rather than social services, was enough to prevent families from returning to homelessness.

Such an approach of prioritizing sustained support for rent while developing strategies to bolster affordable housing and economic development, would avoid subjecting non-service needy families to arbitrary and unnecessary service provision. In addition, providing rental supports would be a much more cost effective means to address the specific need. As shown in Graph 4, providing rental assistance is less than half the cost of housing in a City shelter and nearly a quarter less than the Scattered Site program.

For the amount that the City pays to house a family for the average stay in a Scattered Site unit, it could provide six years of rent vouchers to keep them stably in their own apartment and out of the shelter system. This is critical, as the money invested in keeping a family in their apartment goes beyond that family, it also avoids the displacement of another family as a result of the kinds of practice Scattered Site owner/operators have clearly engaged in to evict Paul to house Peter.

The Mayor’s new homeless plan does address some deficiencies in the homeless and housing bureaucracies, including the lack of coordination between and within agencies, and recognizes the great problem of families’ inability to secure rental assistance until they already become homeless. In addition to increased agency coordination, dedicated funds for a voucher assistance program are necessary to enable the preservation of permanent, rented housing for low-income families and to end chronic homelessness.

Graph 4

Cost Effectiveness of Approaches to Homelessness

[Graph showing cost per day for different housing options: Scattered Site, City Shelter, Supportive Housing, Apartment, Rental Assistance with Support Services.]

Source: NYC Department of Homeless Services; Coalition for the Homeless

What you could buy....

18 months of Scattered Site shelter for one family

= 6 years of permanent, affordable housing with rent assistance


RECOMMENDATION #5:

Revise the Mayor’s New Housing Marketplace Plan to increase the preservation and development of affordable housing for low-income New Yorkers, to the levels proposed in the Housing First! plan.

PRODUCTION

Rental assistance alone will not secure stable, affordable housing for low-income people without the development and preservation of affordable housing units. In 2001 an ambitious, but achievable plan to produce and preserve 185,000 units of affordable housing was assembled by a broad housing coalition, Housing First!. In late 2002 Mayor Bloomberg announced his New Housing Marketplace Plan to produce a mix of middle, moderate and low-income housing through a series of initiatives managed by the City Department of Housing Preservation and Development and the Housing Development Corporation. The Mayor’s plan fell short of the Housing First! plan both with regard to the capital commitment necessary and the income levels that were targeted by the plan. Specifically, the City plan for meeting the housing needs of low-income people is very weak. While the City projects that it will meet 67% of the Housing First! ten-year goal for production of middle-income units, it will only meet 13% and 17% of the ten-year goals for units targeted to moderate and low-income households, respectively.

Housing First! has called for expanding the City’s production and preservation efforts and outlined several steps towards increasing the necessary City capital investments, which we support, including redirecting Community Development Block Grant funds to capital preservation and production in HPD’s budget, and ensuring that Battery Park City funds are invested according to their original mandate to promote the “preservation, rehabilitation, and construction of affordable housing.

PRESERVATION

At present New York’s real estate sector is expecting a combination of rising interest rates, increased fuel costs and increased insurance expenses. In the past this combination has always resulted in decreased housing maintenance in low-income neighborhoods and rent increases for populations most at risk of homelessness. Rising interest rates increase the City’s ability to use the attraction of City-subsidized loans as a tool for setting new affordability goals.

A proactive preservation strategy involves tying DHS’ new efforts at preventing homelessness to both HPD’s code enforcement and litigation strategies and to loan products aimed at improving and preserving affordable rentals. The neighborhoods identified by DHS in Uniting for Solutions Beyond Shelter overlap significantly with the neighborhoods identified by the Housing Vacancy Survey and by the Association of Neighborhood and Housing Developers in examinations of both high percentages of distressed housing and a lack of affordable units relative to residents’ income levels. A comprehensive approach to address the issue of homelessness involves disincentives, such as aggressive code enforcement and litigation aimed at owners who fail to meet housing code standards and who abuse rent laws, as well as a package of incentives such as low interest acquisition loans for owners who can deliver both quality housing and affordable rents to low-income tenants. The City could replicate elements of HPD’s third party transfer program by creating an intermediary holding corporation that would assist with the transfer and renovation of severely distressed and/or financially distressed apartment buildings, with an explicit goal of producing long-term affordable rents in addition to substantial building renovations.
APPENDIX

Are you or have you ever been in Scatter Site Program? If yes, use this guide

Scatter Site Interview Guide

Timeline of how they arrived to Scatter Site Housing:
• How long have you been in the Scatter Site Program?

• Have you been in any other shelter programs before Scatter Site? If yes, please describe (which programs, how long, what happened)?

• Access to other public programs? Why was the scatter site program chosen for you?

• What other services/path/programs may have been better option for you?

• What do you think are the problems and strengths (or pros and cons) of the various shelter programs that you have either participated in or know about?

• Do you know your landlord, have you ever had contact with them?

Services provided for scatter site tenants:
• Do you know what the Scatter Site program is supposed to offer you in terms of shelter, social services, furnishings (furniture, bedding), etc.? Please describe. Do you have anything in writing (if yes, ask if it is possible to see it)

• Have the services been useful or helpful? In what way yes or no?

• Who is providing these services?

• How is access to the social services? How could they be improved?

• Role and implementation of social worker and social services, i.e. time and services provided by social worker.

• Do you think that the Scatter Site program and the social services are helping you to achieve a long-term, stable housing situation? Why and how?

• Overall feelings about social services provided through scattered site program

General Maintenance of buildings:
• Describe current living conditions in your apartment and your building.

• Have you had any repair needs in your apartment since you entered the Scatter Site Program? If yes, please describe?

• When you have had repair needs, who do you contact?

• If you have contacted management (super, landlord, management agency) what has been management’s response in addressing them?

• Have you ever called Housing, Preservation and Development (HPD) because your landlord hasn’t fixed a problem?

• Any consequences of filing a complaint or talking with the landlord about building problems?

• Has your landlord ever threatened or tried to evict you? If yes, please talk more about this?
**Relationship between tenants**
- Describe treatment of scattered site tenants and long term community tenants by landlords i.e. landlords maintenance of apartments.
- Is there any tension between you and the other residents in the building who are not scatter site?

**Families and children:**
- Children; age, gender, history of school’s attended
- Describe your children’s overall well-being since entering the scattered site program
- Describe children’s experiences with school, i.e. grades
- Describe children’s relationships with others i.e. Fellow classmates, neighbors and/or teachers.
- Any needs for extra help or extra services within school or in general.
- How has Scattered Site affected your children

**General comments on scatter-site program**
- How would you rate the program
- What would you change about the program?
- Best/worst issues surrounding the scatter-site program
- Have you ever gotten together with other tenants to try to address these problems?

---

**Are you or have you ever been in Scatter Site Housing Program? If no, use this guide**

**Long-Term Community Residents**

**General History in Building and Neighborhood**
- How long have you lived in this community/area?
- How long have you lived in your apartment building?
- Who owns your building?

**Building Conditions**
- Describe current living conditions of your apartment and your building.
- Have you had any repair needs in your apartment in the past three years? If yes, please describe?
- When you have had repair needs, who do you contact?
- If you have contacted management (super, landlord, management agency) what has been management’s response in addressing them?
- Have you ever called Housing, Preservation and Development (HPD) because your landlord hasn’t fixed a problem?
- Any consequences of filing a complaint or talking with the landlord about building problems?
- Has your landlord ever threatened or tried to evict you? If yes, please talk more about this?
APPENDIX

**Scatter Site Program**
- How long has the program been in your building?
- What do you know about the program?
- Were you consulted or informed that it would be in the building?
- Have the living conditions improved or worsened since the Scatter Site Program entered your building? Please describe in what way? Why?
- Describe scatter-site program’s affect on your current community, i.e. safety, cost of housing in neighborhood, maintenance of buildings.
- Has your neighborhood changed in anyway in the last three years, people, rent, crime, quality of neighborhood etc..?

**Relationship between tenants**
- Describe treatment of scattered site tenants and long term community tenants by landlords i.e. landlords maintenance of apartments.
- Describe relationships between long term community tenants and scatter site tenants.
- Describe relationships between landlords and long term community tenants

**Affordable Housing Issues**
- How much rent do you pay?
- How much has your rent increased since you moved in?
- Do you know how much a two bedroom is going for today in this building?
- In other buildings in your neighborhood?
- Have you noticed any changes in affordable housing in your neighborhood in the last three years?
- Who has moved in your buildings, surrounding buildings (demographically speaking)?
- Do you think you will be able to live in your building as long as you want to?
- Would you be able to afford to move into another building in this neighborhood if you wanted to?

**General Questions**
- How do you think Scatter Sites have affected your building?
METHODOLOGY

In order to portray a more complicated and complete analysis of the Scattered Site program, *Scattered Dreams* seeks to give voice and a human face to the communities and families impacted by this program, while exposing the systemic problems and issues inherent in the approach to addressing the homeless crisis in the City. Therefore, our research integrates nineteen in-depth interviews with Scattered Site families and long-term residents from the six different Scattered Site buildings in the Mt. Hope neighborhood, with quantitative data sources pertaining to the program and the communities in which it is implemented.

Secondary data sources include: demographic, income and housing-related data from the State of New York City’s Housing and Neighborhoods 2003 report; a comprehensive literature review and analysis of reports, articles and press releases pertaining to the Scattered Site program; document review and analysis of information obtained pursuant Freedom of Information Law requests from DHS; and analysis of housing code violations obtained from Department of Housing, Preservation and Development online data base.

The in-depth interviews were conducted during the months of Nov. 2003 – Feb. 2004 through door-to-door outreach in buildings in which the Scattered Site Program is operated. In the initial phase of our research, interviews were solely focused on the experiences of Scattered Site tenants with the program. As the research process progressed, we identified a need to also interview long-term tenants in the buildings where Scattered Site was operated to understand the broader impact of the program in the buildings and communities. Over all, we carried out in-depth interviews with eleven Scattered Site tenants and eight long-term residents. Although a small sample, the experiences and perspectives of residents interviewed as part of this research initiative serve to give insight into and a depth of understanding of the on-going problems and impact of the Scattered Site Program on the broader community.

In addition to in-depth interviews, we conducted phone interviews with four social service providers in Scattered Site buildings, staff from the New York City Office of the Comptroller and New York City Department of Homeless Services, as well as numerous advocacy, policy and social service organizations working around issues of homelessness and affordable housing.