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SAVINGS & STABILITY



# Permanently Housing Rather Than Just Sheltering Asylum Seekers Could Save the City Over \$3 Billion Annually

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*I came here out of necessity. People think we come here for selfish reasons, but if I had an opportunity to work in my country or I could depend on anything there, I would have stayed in my home.*

**Win Client & Undocumented Immigrant**

## Context

Presently and historically, New York City has been the home to the country's largest foreign-born population.<sup>i</sup> As this number has grown in recent months, the city's social services have also adapted to meet the emerging needs of these new arrivals. **Over 100,000 asylum seekers have arrived in New York City over the past year, with the majority of them depending on the city for shelter and services.** Currently, 57,300 asylum seekers are living in City run facilities and the Mayor projects that this number will continue to grow.

Furthermore, these figures do not account for the thousands of immigrants who were already living in New York City shelters before governors from southern states began inhumanely busing migrants to New York City in August 2022. **These many immigrant households have been systematically excluded from the social safety-net, most notably rental assistance, resulting in them becoming long-term stayers in the shelter system and forcing families into prolonged poverty.** New York City's homeless response system, which was already under strain from the expiration of pandemic related funding and protections for renters, has been pushed beyond its limits. Shelter capacity is at less than 1%, and many immigrants living in shelter have no prospect of leaving.

Currently, these vulnerable families and children are ineligible for most housing subsidies, a denial that is exacerbating the capacity crisis and trapping noncitizens in transitional housing shelters for incredibly long periods of time. **New York has the authority to act unilaterally and expand housing vouchers to households in need, regardless of their immigration status. This expansion could save up to \$2.9 billion per year while helping the newest New Yorkers exit shelter, freeing up space in our homelessness response system.**



*I've been here for five years, and I haven't gotten any closer to leaving.*

**Win Client & Undocumented Immigrant**

## Solution

**Housing subsidy programs are widely recognized as one of the most effective tools to combat homelessness.** The United States Department of Housing and Urban Development's [Family Options Study](#) revealed that, rather than staying in shelter, receiving long-term rent subsidies sharply reduced homelessness and increased housing stability.<sup>ii</sup> In addition, rental subsidies also promoted benefits in other domains of family well-being, including halving intimate partner violence, reducing adult psychological distress, parent-child separation, absenteeism and behavior problems for children, and increasing food security.<sup>iii</sup> In FY22, of the 5,207 families with children in New York City that exited shelter to permanent housing, 79% of placements were subsidized.<sup>iv</sup> Many sheltered, unhoused, and at-risk households rely on housing subsidies to transition to permanent housing, and **over 30,000 households gained or maintained permanent housing with CityFHEPS, the City's most widely**

**used voucher, in FY22.**<sup>v</sup> Furthermore, without housing subsidies, families often struggle to make a sustainable exit from shelter. **In FY22, 15% of families with children who exited shelter without a subsidy returned within one year, compared to less than 1% of families who exited with a subsidy.**<sup>vi</sup>

When properly implemented, housing vouchers can be New York’s permanent and inclusive solution to the homelessness crisis. However, this crisis cannot be contained without solutions that include immigrant New Yorkers. Giving all households the support necessary to break the cycle of homelessness with vouchers will promote fairness and maintain the integrity of the nation’s most expansive social services system. **New York has the responsibility to provide a permanent housing solution for households regardless of immigration status and should implement the expansion of the vouchers to all New Yorkers.** Vital benefits have been provided legally to all New Yorkers regardless of immigration status through Promise NYC, HHC Options, and others, and **New York has the legal authority to grant immigrants access to housing vouchers.**

**“**  
*It’s so hard to want something, but not be able to achieve it. Like a job: I can’t work, and my children need a home.*  
**”**

**Win Client & Undocumented Immigrant**

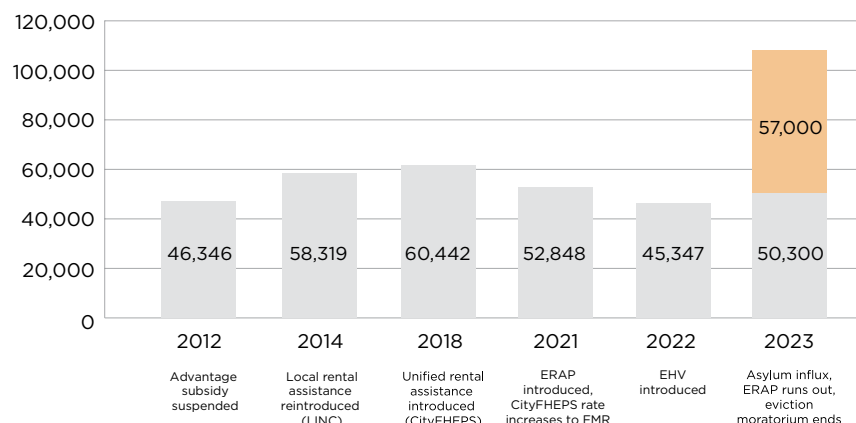
## Cost Savings

Not only is providing subsidized housing vouchers the solution that has the best proven well-being outcomes, but it is also the most cost-effective approach to addressing homelessness. **Offering housing subsidies to households regardless of immigration status would increase capacity in shelters, making it easier and less expensive for New York to care for homeless families.** Over time, changes in the New York City Department of Homeless Services (DHS) shelter census show that the introduction of rental assistance subsidies is correlated with a decline in the homeless population and associated costs (Table 1). This past year’s growth in the shelter census and costs can be attributed to the fact that the current vouchers in circulation are not available to most recent arrivals. Furthermore, improvements and expansions of vouchers also increase move-outs, and in the five months after the value of the CityFHEPS voucher increased in May 2022, Win’s CityFHEPS placements were 79% higher compared to the months immediately before, and 40% higher compared to the previous year.

### DHS Shelter Census, Contextualized

#### Values

- Sum of Recent Asylum Seekers
- Sum of Other Shelter Residents



**Table 1.** *DHS Shelter Census, Contextualized*, by Catherine Trapani, Homeless Services United March 2023, updated by Hannah Tager, Win, August 2023. <https://www.nyc.gov/site/dhs/about/stats-and-reports.page>

In general, the expansions and introductions of housing vouchers can lead to future savings, as the subsidies reduce shelter costs enough to almost entirely offset the cost of the voucher. **Savings associated with permanent housing are returned through decreased reliance on the health care, corrections, and emergency shelter systems, which may be close to or above the cost of rental assistance and services.**<sup>viii</sup> As well, the halving of intimate partner violence associated with the utilization of rental subsidies can result in improved economic outcomes for individuals and communities.<sup>ix</sup>

While the vouchers currently available have been extremely effective and economically efficient, expanded access is still necessary for those who aren't eligible for existing vouchers. **Put another way: excluding the *newest* New Yorkers from using vouchers comes with an immense social and fiscal cost. For example, the CityFHEPS voucher costs just \$72 per night for families living in a 2-bedroom apartment.<sup>x</sup> In contrast, New York City is spending on average \$383 to shelter households in emergency hotels.<sup>xii</sup> In a public briefing on August 9th, 2023, Mayor Adams noted that there are 57,000 asylum seekers in the care of the city, comprised of 25,604 households.<sup>xii</sup> The cost of sheltering 25,604 households per year in emergency welfare hotels, equates to \$3.58 billion dollars. It would cost just \$673 million to house those households with CityFHEPS vouchers, a cost savings of \$2.9 billion per year.**

**Similarly, the proposed NYS Housing Access Voucher Program (HAVP) would cost as little as \$50 per night for household.<sup>xiii</sup> If the State were to pass and implement the HAVP voucher or something similar, it would cost just \$465 million to house the 25,604 asylum-seeking households with HAVP for a year. Housing families with state-level vouchers instead of sheltering them in emergency hotels could result in saving over \$3.1 billion per year.**

New York should take the commonsense and cost-effective step to extend eligibility for housing subsidies to all households most in need, regardless of their immigration status. Noncitizen households, rather than becoming long-term stayers in the shelter system, should have access to long-term solutions that will relieve the shelter system and allow families to truly thrive.



*I've been here so long...My daughter was basically raised in the shelter system. I don't want that for her.*

**Win Client & Undocumented Immigrant**

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Since its founding to provide emergency shelter to four homeless women and their children, Win has grown into the largest provider of family shelter and supportive housing in New York City and the country. Win offers transitional housing and permanent supportive housing that's coupled with programs and services developed to support long-term housing stability. All of Win's services are guided by its mission—to transform the lives of New York City homeless families with children by providing the safe housing, critical services, and the ground-breaking programs they need to succeed on their own—so families can regain their independence and children can look forward to a brighter future.

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The New York Immigration Coalition (NYIC) is an umbrella policy & advocacy organization that represents over 200 immigrant and refugee rights groups throughout New York.

The NYIC serves one of the largest and most diverse newcomer populations in the United States. The multi-racial and multi-sector NYIC membership base includes grassroots and nonprofit community organizations, religious and academic institutions, labor unions, as well as legal and socioeconomic justice organizations. The NYIC not only establishes a forum for immigrant groups to voice their concerns, but also provides a platform for collective action to drive positive social change.

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