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Assemblymember 74th District

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

Testimony in opposition to the Department of Homeless Services (DHS) proposal to establish a new income savings program for DHS shelter residents with earned income
Office of Assemblymember Harvey Epstein
September 24th, 2019

My name is Harvey Epstein and I am the Assemblymember representing New York's 74th Assembly District, which includes the neighborhoods of the Lower East Side, East Village, Stuyvesant Town/Peter Cooper Village, Kips Bay, Gramercy, Murray Hill, Tudor City and the United Nations. Thank you for the opportunity to submit testimony on the proposed rule.

There are some 60,000 New Yorkers living in shelters. About 25% of the current shelter population is single adults, who—if they are earning above the public assistance level—stand to be affected by the first phase of the Department's proposal to establish an Income Savings Plan. As written, the proposed rule has potentially serious negative effects for these individuals.

Under the proposal, clients would forfeit their right to manage their own financial affairs and be forced to deposit up to 30% of their monthly income into a DSS-controlled savings account. How the deposit would be made is unclear. For the approximate 10% of single adult shelter clients this proposal could affect, this forced savings plan is an unwelcome one-size-fits-all approach that ignores the reality that many are living paycheck to paycheck not by choice or because of fiscal irresponsibility, but out of necessity. The proposed rule could disincentivize these individuals from staying in a shelter, where they have better access to services than on the street.

Clients who choose not to comply with the requirements of the proposal could lose access to shelter, according to the proposed rule. This penalty undermines the ostensible goal of the program and the shelter system as a whole. Should this approach move forward, the rule should be amended to provide other ways for a client to cure a violation, such as participating in a financial literacy workshop.

Neither the City nor the State has provided convincing evidence that homeless New Yorkers remain homeless because they fail to act in a fiscally responsible way. There is, however, overwhelming evidence to suggest that homelessness in New York City is caused by a lack of affordable housing for low-income New Yorkers. The City's analysis of the most recent Housing Vacancy Survey reported a vacancy rate of just 1.15 percent for units with rents less than \$800, meaning just over 3,500 of units with this asking rent were on the market. I recognize that the City is simply trying to comply with State law, which I also fundamentally disagree with. This is a misguided attempt by the City and the State. I am strongly opposed to the implementation of this proposed rule as written.