

## **HDR** CURRENT DEVELOPMENTS

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### **HOMELESSNESS**

March 1, 2004

#### **New York City Coalition Ends Employment, Services Projects to Provide More Funds for Housing**

The New York City Coalition on the Continuum of Care has closed the door on 51 employment training and other services-only projects for the homeless totaling approximately \$12.8 million to make room for funding new transitional and permanent housing.

A proposed alternative to fund all programs at 90 percent and employment and services-only projects at 50 percent of the cost of their renewal failed to obtain a required two-thirds vote of approval at a January 21 coalition steering committee meeting.

The coalition is expected to request approximately \$69 million when HUD publishes its fiscal 2004 notice of funding availability (NOFA) for McKinney-Vento Act homeless programs.

The steering committee funding recommendations are considered final because they are made in cooperation with the New York City Department of Homeless Services, sources said. The department is under pressure from HUD to use more of its McKinney-Vento funds for housing and less for services.

#### **Funds Will Run Out in 2005**

Most of the 51 projects to be cut will not run out of funds until 2005.

The coalition's strategy is to seek replacement funds for the \$12.8 million, possibly through other government agencies, such as the Labor Department.

The projects to be cut include 36 employment and 15 supportive services programs provided by 34 private non-profit agencies.

Project Renewal has two projects that will not be renewed in the 2004 funding cycle, including \$500,000 requested for its popular culinary arts training program and \$400,000 for its suburban jobs project that places clients and transports them to jobs outside the city, according to Cynthia Stuart, project communications director.

Project Renewal is a large nonprofit that provides a wide range of outreach, health care, employment services and housing for the homeless. It received a \$2.8 million grant in October 2003 through the Interagency Council on Homelessness (ICH) to provide 40

housing units and services for chronically homeless alcoholics, drug abusers and mentally ill persons. It was one of the first 11 grants provided by a joint HUD, HHS, Labor and Veterans Affairs NOFA as part of the ICH campaign to end chronic homelessness.

Job training and placement is critical for getting the homeless off the streets, Stuart said, so Project Renewal will continue to seek funding for the two employment services projects. “We will do all we can to make this happen,” Stuart said.

The projected asked ICH for help in locating alternative funding and was told the Labor Department could provide funds for new projects only and would not fund renewals, she said.

### **Reason for Cuts**

The two Project Renewal projects are part of a class of services that were cut because they are not associated with housing for the homeless, according to a steering committee source. The dilemma has caused the steering committee to begin considering a performance evaluation system for scoring and rating New York City’s homeless services projects for future renewal funding.

It’s too late to help the current projects, but performance measures could help save the better projects in the future, Stuart said.

The steering committee came up with a policy directive, as a result of the internal strife caused by the dilemma over services funding, calling on HUD to stop defunding services until other funding is identified and increase the funding allocations for some cities.