

# New York City, in “test,” denies housing aid to the poor

Fred Mazelis  
15 December 2010

Advocates for the homeless have protested the recent decision of the administration of New York Mayor Michael Bloomberg to experiment on the city’s poor by conducting what is essentially a randomized trial on the effect of denying emergency housing assistance to those in danger of homelessness.

The New York experiment involves the city’s Homebase program, a very modest effort involving the annual expenditure of \$23 million for job training, counseling and emergency funds that has been given to several thousand families each year since it began in 2004, with the aim of helping them to stay in their homes.

The Bloomberg administration, comparing its actions to the testing of new drug treatments, denied this emergency help to 200 of the 400 families applying to Homebase between June and August of this year. Those denied help were referred to other agencies.

Homeless advocates pointed to the fact that the city had earlier boasted that the Homebase program was a great success, one that had prevented homelessness in 90 percent of those who received assistance.

The real aim of the study was made clear in a statement by Seth Diamond, the commissioner of the city’s Homeless Services Department, quoted in the *New York Times*. By Diamond’s logic, the 90 percent who benefited by the Homebase program might be resourceful enough to have succeeded without it. Diamond acknowledged that his agency had to cut \$20 million from its current budget, and that federal money for the program was expiring in 2012.

In other words, the city’s “experiment” is designed to justify and rationalize cuts in the meager housing assistance program that was established when Wall Street was booming and that can no longer be tolerated by the wealthy elite that runs New York. As most New

Yorkers are well aware, the \$23 million cost of the Homebase program is equivalent to perhaps *one-tenth of one percent* of the billions that will be handed out in Wall Street bonuses at the end of this year.

Despite this obscene inequality, city officials defend their “study” with a straight face as a good-faith effort to help the poor. “This is about putting emotions aside,” Diamond stated. “When you’re making decisions about millions of dollars and thousands of people’s lives, you have to do this on data, and that is what this is about.”

Some local politicians have denounced the city’s study. “The city shouldn’t be making guinea pigs of its most vulnerable,” said the Manhattan borough president. The Democratic-controlled City Council is holding a hearing on the subject of the study. None of the Democrats who have objected to it, however, has even mentioned the urgent need of a massive multi-billion dollar jobs program and other measures to meet the needs of the army of the unemployed and poorly paid.

Nor is this a matter of some special policy of the Bloomberg administration. The federal department of Housing and Urban Development (HUD), under the Obama administration, is in the midst of a study of 10 cities and counties around the country, involving up to 3,000 families. The federal officials, in this randomized study, are “testing” the relative merits of housing subsidies, placing the poor in homes, or keeping them in homeless shelters. Again, as should be obvious, this “experiment” includes no option that provides decent jobs and living standards for any of these workers who are either homeless or threatened with homelessness.

A whole academic industry of sorts has been built up in prestigious universities to come up with scientific-sounding arguments that explain that social programs

are neither needed nor particularly effective. The *Times* quotes one professor at the University of Pennsylvania who praised the New York City study because it would show whether eviction-prevention programs work. “There’s no doubt you can find poor people in need, but there’s not evidence that people who get this program’s help would end up homeless without it,” said Professor Dennis Culhane, in another expression of a 21<sup>st</sup> century “let them eat cake” outlook. Culhane is a paid consultant to both HUD and the Bloomberg administration.



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