Citing duplication, inefficiency and the need for a “new vision” to combat homelessness, Mayor Bill de Blasio announced on Monday that the New York City agencies for homeless services and welfare will consolidate under a single commissioner.

Steven Banks, currently the commissioner of the Human Resources Administration, the city’s welfare agency, will now manage both agencies as the commissioner of the Social Services Department — a job he has essentially been doing since the homeless-services chief resigned amid a shake-up in December.

Mr. Banks said the consolidation would save an estimated $38 million through streamlining and the elimination of redundancy among the two agencies that currently manage different stages of moving people out of shelters and into permanent housing.

The move, which Mr. de Blasio described as more of a joint operating agreement than a merger, comes 23 years after Mayor David N. Dinkins removed the operations of homeless services from the Human Resources Administration to better address what was then seen as a crisis — about 24,000 homeless people.
Over two decades, however, the number of homeless people continued to increase, especially under the strain of rising rents out of reach to people who live on low and stagnant wages. About 58,000 people in the city are currently in shelters overseen by the Homeless Services Department, up from about 53,000 when Mr. de Blasio took office in January 2014. That does not include thousands of other homeless youth and domestic violence victims in specialized shelters.

“The rich got richer — everyone else started falling behind economically,” Mr. de Blasio, a Democrat, said at a news conference at BronxWorks, a nonprofit that provides homeless prevention services. “Just when you would not expect that to come with a huge increase in the cost of housing. Guess what? The cost of housing skyrocketed.

“Even after the great recession, the cost of housing kept skyrocketing in this city. Those unfortunately were the building blocks of this crisis.”

He said the city’s management of homelessness had not kept pace with the problem. “So, the fact is, the reality of homelessness in this city changed profoundly; it became much more an economic reality,” he said. “But the city’s approach to homelessness didn’t change — didn’t recognize these new realities.”

The overhaul follows a 90-day review of homeless services operations that was led by Mr. Banks.

The review found problems with safety and conditions that have prompted the city to end contracts with two shelter providers and to warn two others. It also found more internal administrative issues surrounding duplication that cost the city millions of dollars between the $1.1 billion homeless services agency and the $9.8 billion welfare agency. Homeless people and people in danger of eviction are also forced to navigate what Mr. Banks called an “alphabet soup of services.”

That does not mean that some people are not getting help. Mr. de Blasio began the news conference with Keisha Wood, 37, of Brooklyn, who said she was on “the brink of homelessness” in 2014 after her marriage ended. Ms. Wood, who was a stay-at-home mother to three children, said she learned that she was six months behind in rent and faced eviction.
She turned to Homebase, the city’s homeless prevention program, which provides one-time rental assistance and help with fighting evictions. She said an assistance program helped pay her back rent and a lawyer negotiated to get her rent lowered. “Homebase was there for me; it was my lifeline,” she said wiping away tears, adding that she is now working full-time as a home care assistant and is in school for an associate degree.

Her story drew applause from the audience and from the advocates for homeless and low-income people who stood with the mayor at the news conference.

But some were tentative about fully supporting the consolidation, questioning whether it went far enough.

Christine C. Quinn, a former speaker of the City Council who now is the president and chief executive of Women in Need, a nonprofit focused on housing women and children, said she was expecting a more expanded focus on family homelessness. As of Sunday, families with children made up about 69 percent of the people in shelters overseen by homeless services, city data show.

Homeless children are in danger of becoming homeless adults without intervention, said Ms. Quinn, a fellow Democrat who ran against Mr. de Blasio for mayor in 2013. The announcement, she said, “seems to me disjointed and lacking in that holistic picture that is critical to breaking the cycle.”