



**New York State Senate and Assembly
Joint Legislative Public Hearing on Executive Budget Proposal: Human Services
January 24, 2019**

Good morning. My name is Laura Mascuch and I am the Executive Director of the Supportive Housing Network of New York. The Network is the member association representing over 200 nonprofits that own and operate more than 50,000 supportive housing units throughout New York State. Supportive housing is permanent, affordable apartments linked to on-site services for individuals and families that have experienced homelessness, are disabled and at-risk. It is the proven, cost effective and humane way to provide stable homes to individuals and families who have difficulty finding and maintaining housing but, unfortunately, our demand far exceeds our supply.

Introduction

Supportive housing creates stability in the lives of its tenants, allowing disabled individuals who have spent years living on the streets or in institutions to live full, rewarding lives integrated into our communities. It gives them the stability, support and sense of community they need to reunite with their families, become healthier, and in many cases further their educational goals or secure employment. Supportive housing changes and saves lives every day.

The people who come to live in supportive housing – chronically homeless individuals and families living with HIV/AIDS, mental illness and/or substance abuse; individuals leaving prison or other institutions; youth aging out of foster care; and veterans returning from combat - are typically frequent users of expensive emergency services like shelters, hospitals, prisons and psychiatric centers. These publicly funded interventions can be very expensive, with hospitals and psychiatric centers costing upward of \$1,000 a day. Placement into supportive housing stabilizes tenants and has been proven to reduce use of these expensive services. As a result, supportive housing saves State taxpayers' money, often far more than what was spent building, operating and providing services in the housing. This has been proven, time and time again, by dozens of peer-reviewed academic studies. An emerging best practice of prioritizing the most vulnerable chronically homeless individuals has allowed New York's supportive housing to often achieve measurable cost savings.

Increase the Homeless Housing Assistance Program by \$64 million in SFY 2019-20

Enacted into law by the New York State legislature in 1983, the Homeless Housing and Assistance Program (HHAP) was the first program in the country to dedicate substantial financial resources for the development of homeless housing. Administered by the New York State Office of Temporary & Disability Assistance (OTDA), HHAP provides capital grants and loans for the acquisition, construction or rehabilitation of housing for persons who are homeless and are unable to secure adequate housing without special assistance. HHAP funds many different types of supportive housing including for example, a \$5 million annual HIV/AIDS set-aside, housing for homeless vets, and for those with justice-involvement. HHAP is the main source of capital for homeless housing outside of NYC with 50% of its funding dedicated for those communities. To date, it has helped build over 16,000 units of supportive housing throughout New York State.

Because HHAP is particularly focused on homelessness, it is one of the state's ready sources of capital in supportive housing deals. We have continuously seen this program oversubscribed and underfunded. On average, the demand is three times as large as its budget. This year, we saw an unprecedented demand, with 53 applications submitted requesting over \$190 million. OTDA stopped taking applications in November, just 4 months after opening the request for proposal (RFP) process and announced the last 2018 awards in December. In fact, the last funded project's application was received just 10 days after the RFP window opened. In all, 19 projects were funded supporting the development of 491 units.

Unfortunately, because many projects need multiple capital sources, early closure of the HHAP program slows the state's supportive housing pipeline down and forces projects to wait almost a year until the next round of funding is appropriated and a new RFP is released. This is an unnecessary burden on the providers, and OTDA staff.

If this pool of capital funding were large enough, these projects would be fully financed more quickly and the Empire State Supportive Housing Initiative (ESSHI) would be able to achieve its 6,000 unit goal at an even more aggressive pace. Doubling HHAP to be funded at \$128 million is crucial to expedite the development process and meet the need.

Below are two examples of supportive housing projects supported by HHAP:

Win opened the largest family supportive housing project ever created in NYC, NYS and in fact the entire nation. Stone House on Junius Street in Brownsville, Brooklyn opened to great fanfare at the end of 2017. A total of 161 units of housing, including 65 affordable community units, is providing comprehensive services to women and children who have experienced long term homelessness.

Stone House offers an array of on-site services to empower families with the tools for finding stability, safety and greater independence, including case management, job readiness and

income building. Families also receive assistance like referrals to programs for medical and mental health needs, education counseling and access to social activities, among others.

\$5.2 million of HHAP funds helped leverage over \$75 million in NYC subsidy and private investment. This is one of the final projects built under the NY/NY3 agreement between NYC and NYS.



**Win, Stone House
Brownsville, Brooklyn**

The Albany Damien Center, located near the state capital, is home to 20 supportive apartments built with \$4.3 million in HHAP funds for chronically homeless people living with HIV/ AIDS. The center includes two drop-in living room areas, a full-service kitchen, food pantry, counseling and support group rooms, fitness room, pet washing station, a computer room and specialty pharmacy.

On-site services are provided through the new Empire State Supportive Housing Initiative (ESSHI) program. The Damien Center was the first ESSHI residence to open in the Capital Region. It recently received the 2018 Community Champion Award from the U.S. Green Building Council (USGBC) New York Upstate, which recognized a construction project that “addressed the needs of an underserved community while meeting USGBC’s vision of healthy and sustainable building.”



Albany Damien Center, Albany

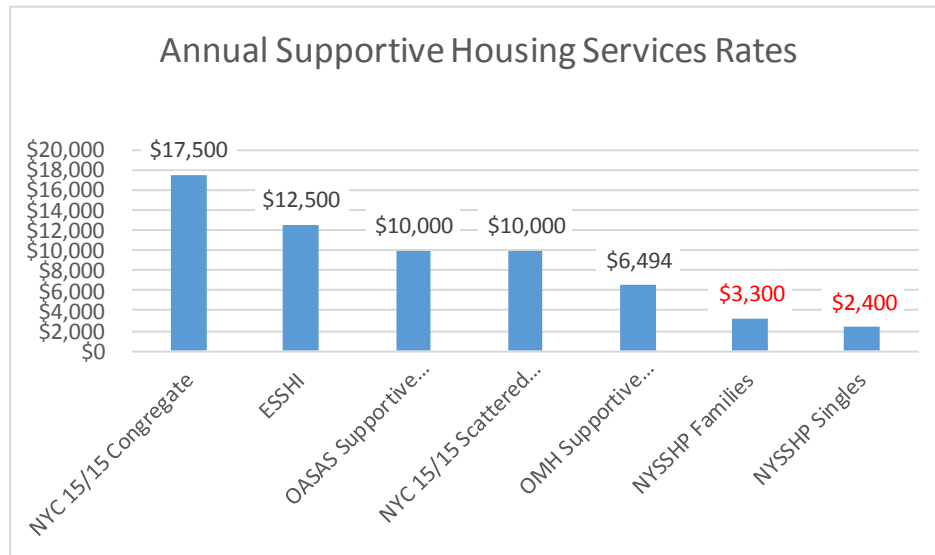
Increase NYS Supportive Housing Program (NYSSHP) by \$10.8 million in SFY 2019-20

The Office of Temporary and Disability Assistance's (OTDA) NYS Supportive Housing Program (NYSSHP) is one of the State's most important funding sources for innovative and effective solutions that keep people from becoming or remaining homeless. It pays for critical on-site services that make it possible to house multi-disabled and vulnerable individuals, families and children in permanent affordable apartments. Eligible services include: case management, counseling and crisis intervention, employment and vocational assistance, parenting skills development and building security services.

Until the recent establishment of the Empire State Supportive Housing Initiative (ESSHI), NYSSHP has been the only services funding keeping formerly homeless people stably housed in hundreds of supportive housing residences across New York State.

There are currently 8,000 units open that depend almost totally on subsidies that have remained unchanged for nearly twenty years: \$200/month for a single homeless, disabled adult and \$275/month to serve a homeless family.

In comparison, ESSHI rates are *four times* the NYSSHP rates. Both provide similar services to the same formerly homeless individuals and families. Other service programs funded by the state and city are also much higher by comparison.



In order for NYSSHP to provide the best quality care to 8,000 formerly homeless individuals and children, the Network recommends a two-year funding adjustment to double the NYSSHP rate from \$2,400 per unit per year to \$4,800 per unit per year for single adults and from \$3,300 to \$6,600 for families. This is a modest increase, but one that is critical to ensure the necessary services are being provided and formerly homeless persons remain stably housed.

Nonprofit providers across the state have been struggling for years with inadequate funding; should the 8,000 units that are almost all solely funded by NYSSHP be lost, the state would have to pay more than a billion dollars – the billion in capital allocated to create 6,000 ESSHI units – to replace them, seriously impacting the Governor’s long-term commitment to ending homelessness in New York State.

The Network recommends an increase to the program of \$20 million over the next 2 years starting with \$10 million in this year’s budget. The executive budget does include an additional \$3 million in the funding appropriation that funds NYSSHP, the Solutions to End Homelessness and Operational Support for Aids Housing - other homelessness services and prevention programs. We encourage that the final budget include at least \$10 million more for NYSSHP in the appropriation.

In addition, the Network also recommends that the NYSSHP program be given a 2% annual cost of living adjustment every year moving forward, as ESSHI and other programs receive. With more than 80% of the NYSSHP funds paying for front line staff that provide direct care, this would ensure the program keep pace with inflation every year. These programs have never been included in any trend factors or COLAs historically. This would amount to approximately an \$800,000 increase in this year’s budget.

Conclusion

Supportive housing has allowed New York State to reduce use of shelters, psychiatric centers and incarceration, for a net public savings of \$10,100 per unit per year. It reduces public spending on emergency interventions without decreasing the quality of life for disabled people and the neighborhoods in which we live. State funds also leverage substantial private and federal funding in the fight to end chronic homelessness in New York State. Lastly, the investment in supportive housing and services creates jobs, business and increased tax revenues. For all these reasons, I hope you will work with us to protect and increase the state's investment in supportive housing this year and in the future.

Thank you for this opportunity to testify.

Respectfully submitted by:

Laura Mascuch, Executive Director
Supportive Housing Network of New York
247 West 37th Street
18th Floor
New York, New York 10018
646-619-9640
lmascuch@shnny.org