

Testimony
New York State Joint Legislative Budget Hearing on Housing
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Submitted by
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Thank you for the opportunity to submit testimony on behalf of The Catholic Charities of the Archdiocese of New York - a contracting agency and provider of social services - on the challenges we face entering the FY 2022 budget season.

The Catholic Charities of the Archdiocese of New York seeks to uphold the dignity of each person as made in the image of God by serving the basic needs of the poor, troubled, frail and oppressed of all religions. We collaborate with parishes, as well as non-Catholic and Catholic partners, to build a compassionate and just society. Through a network of administered, sponsored, and affiliated agencies, Catholic Charities delivers, coordinates, and advocates for quality human services and programs touching almost every human need.

The COVID-19 pandemic and the events leading up to and in the aftermath of the 2020 elections have dramatically impacted the human services sector and the communities we serve. Addressing the realities of inequality, lack of opportunity, and exclusion is already embedded in Catholic Charities' work and is the context within which our advocacy work will be conducted in 2021 and beyond.

Within this context, we would like to bring your attention to the following items:

- **Affordable, Supportive, and Homeless Housing:** Catholic Charities supports increased assistance and resources for rental assistance programs that help the unemployed, and for state and local support of similar programs that grant access to market rate housing and assist those, including immigrants, who are ineligible for federal assistance. We support the Governor's inclusion of \$250 million in the FY22 Executive Budget for the Affordable and Homeless Housing Capital Plan, which will enable further progress on the five-year goal of preserving or creating over 100,000 affordable housing units and creating over 6,000 supportive housing units. This investment is consequential in advancing the 20,000-unit, 15-year goal of the Empire State Supportive Housing Initiative (ESSHI), which has already helped to connect thousands of New Yorkers experiencing homelessness with the services they need. Catholic Charities additionally supports the Executive Budget's allocation of \$128 million for the Homeless Housing and Assistance Program.
- **Housing Assistance for Immigrants:** The undocumented community faces continuous obstacles in accessing housing assistance and is more vulnerable to illegal evictions. Catholic Charities supports a state affordable housing program or voucher system to provide housing assistance for the undocumented community.
- **Contract Withholdings and Rate Adjustments:** The threat of 20% contract withholdings presented significant operational challenges for Catholic Charities and its agencies and

threatened to affect both current levels and standards of service. The reduction of these withholdings to 5%, while in one sense a relief, remains contingent on federal assistance and will still pull resources from services upon which New Yorkers increasingly rely. An annual three percent increase to contract amounts and rates for the next five years would help to ensure that New Yorkers are able to access the services they need as we defeat and recover from the COVID-19 pandemic.

Sustaining & Strengthening Human Service Provider Agencies:

New York engages a broad range of private non-profit agencies – large, small, faith-based and other – to meet critical human service needs. These partnerships are an efficient and effective use of public funds to meet the needs of millions of vulnerable New Yorkers. Increased funding constraints, redundant regulations and reimbursement redesigns seriously threaten the operation and facilities of these programs. New government mandates, such as minimum wage increases, are well-intentioned but not accompanied by contract increases that affect the entire human services sector, leading to agreements that do not fully fund the cost of providing vital services. Fortunately, there are positive signs, including the NYS Non-Profit Infrastructure Capital Investment Program and the Federal Office of Management and Budget guidance to states and cities on indirect cost rates for non-profits.

Affordable Housing & Homelessness:

The critical shortage of affordable housing and the disparity between incomes and rents forces more New York families to pay a very high proportion of their income for housing. Many previously affordable apartments have moved toward market level rents, and those with low incomes and special needs are particularly impacted by rising costs. State and local governments have important roles in addressing this crisis.

Catholic Charities supports increased shelter allowances for New Yorkers who are homeless or facing homelessness, and new housing support programs to prevent evictions and reduce shelter utilization, such as Home Stability Support Programs. Preserving housing maintains stability, reduces trauma, and is more cost-effective than placing families and individuals into shelters.

Catholic Charities is additionally thankful for the State's continued investment in the five-year Affordable Housing and Homelessness Initiative. Increased investment in combating New York's affordable housing crisis will further reduce the number of New York families and individuals on the street or facing eviction secure sustainable permanent housing.

On behalf of New York's most vulnerable, thank you for the opportunity to provide written testimony and thank you for continuing to serve this great State of New York.