



New York State Joint Assembly and Senate Budget Hearing on Human Services

**Testimony Submitted by Stephen Piasecki, Supportive Housing Network of New York
February 13, 2023**

Good morning/afternoon My name is Stephen Piasecki, I'm the upstate coordinator for the Supportive Housing Network of New York.

I would like to thank the committee members for this opportunity to discuss the status of the ongoing effort to address the state's housing and homelessness crises, and where we need to increase our investments in the coming fiscal year.

First, a little background. For those of you who are not familiar with the Network, we are a membership organization that represents more than 200 nonprofits that develop and operate supportive housing.

Supportive housing is the combination of affordable apartments and voluntary services like case management, peer support, mental health counseling, connections to education and workforce development, and more. This approach has been proven in countless studies to be the most potent and successful tool available in combatting chronic homelessness.

We are New York's only supportive housing membership organization. As such, we serve as a voice for the provider community, which has created the nation's largest, best managed, and most innovative supportive housing stock.

The Network was established in 1988. We now represent almost every supportive housing provider in New York. Thanks in part to our advocacy, the state is home to over 58,000 supportive units.

That is significant. But we need to do more. We appreciate the governor's recognition of this fact in her executive budget proposal, which includes the creation of supportive units specifically dedicated for those struggling with mental health challenges. We also applaud her push to build more affordable housing across the state.

But as we move to build much-needed new affordable and supportive units, we need to ensure that existing supportive housing – especially the 'first generation' of supportive housing - does

not fall by the wayside. If we fail to do that, all the new construction will simply replace our existing portfolio instead of adding to it, and we will effectively be running in place instead of advancing.

To be clear, we are very heartened by the governor's continued support for new supportive housing through the Empire State Supportive Housing Initiative, known as ESSHI, as well as her unprecedented investments in all types of mental health housing – including an additional 1500 new units of supportive housing.

However, we are calling on the state in this budget to make two additional and quite critical investments toward ensuring the housing New York built twenty and thirty years ago remains viable.

Last year, the governor and Legislature took the first great step in preserving this housing, providing funding for the first-ever Preservation Program that will pay for capital repairs in 3,000 units of supportive housing over the next five years. Unfortunately, this housing is so shockingly underfunded – for both services and operating costs – that no public or private funder can risk investing in repairs. The reality is that there is not enough money in these buildings to pay debt service.

This decades-long disinvestment has resulted in chronically underpaid workers, staff shortages, and crumbling and aging infrastructure. At the end of the day, the tenants who are so desperately in need of supportive services pay the price.

To remedy this situation and unlock capital funding, the Network is proposing a Preservation Fund that would raise service and operating contracts in buildings scheduled for rehabilitation to existing ESSHI funding levels - \$25,000 a year. This Fund could be seeded with as little as \$50 million, which would be enough to start to unlock hundreds of millions more in private and public investment in 'bricks and mortar' repairs. With this funding, we can undertake the important work of ensuring these buildings are livable and also have enough services and operating funding to ensure tenants' safety now and in the future.

As I mentioned earlier, services funding in the first generation of supportive housing – the New York State Supportive Housing Program, or NYSSHP - is stunningly low. These units receive just ONE FIFTH as much as providers get under ESSHI. The program was created about three decades ago and there have been no substantial increases since that point.

NYSSHP funds 20,000 units of supportive housing, 10,000 of which depend SOLELY on this funding to pay for critically important services that keep tenants stably housed. Most of these 10,000 units are outside New York City. Nonprofits who run these buildings desperately need significant increases in the NYSSHP program to match the funding under ESSHI.

I cannot state this strongly enough: Without these additional investments in existing supportive housing, any new construction that the state undertakes will simply replace crumbling units and

none of the additions of the units necessary to make a substantial dent in the affordable housing and homelessness crisis will be accomplished.

As we work to preserve our existing units and build additional ones, we must also invest in and preserve another critical asset: Our workforce.

In keeping with our overall mission of achieving equity and access, The Network is working to raise the issue of pay equity for the front-line healthcare workers, without whom the service portion of supportive housing would be impossible.

Along with our fellow advocates, we will continue to fight for an 8.5% cost of living adjustment for all behavioral health workers and to include NYSSHP workers in this increase.

As I noted, NYSSHP rates have not increased in about 30 years, which means many of these essential workers are not earning a living wage. This is inexcusable for any worker – but it is especially egregious in the case of those providing support, recovery, and other critical services for individuals in need.

Years of underpayment and high-turnover rates have led to an erosion in the quality of services our members can offer. Burnout is high and morale is low. Some staff work more than one job to pay their bills. Others rely on emergency food pantries or food stamps to feed themselves and their families. Still others leave for more lucrative jobs in the fast food or retail industries.

This cannot continue – not at a time when we need supportive housing and the people who make it possible more than ever before.

Again, I thank you for your time and your willingness to work with the Network in the past and also in the coming year. I hope to be able to serve as a resource to you as you undertake this effort, and I welcome your questions, if you have any.