

**NYS FY 2026-27 Joint Legislative Budget Hearing on Housing
Housing Works Testimony
February 25, 2026**

Thank you for the opportunity to submit written testimony to the Joint Legislative Budget Hearing on Housing on behalf of Housing Works, a healing community of people living with and affected by HIV/AIDS. Founded in 1990, Housing Works now provides a range of integrated services for over 15,000 low-income New Yorkers annually, with a focus on the most vulnerable and underserved—those facing the challenges of homelessness, HIV/AIDS, mental health issues, substance use disorder, other chronic conditions, incarceration, and, most recently, migrants displaced from their homes due to violence or other crises who seek safety and a better life in the United States. In 2019, Housing Works and Bailey House merged, creating one of the largest HIV service organizations in the country. Our comprehensive prevention and care services range from over 750 units of supportive housing, to medical and behavioral health care delivered through our four Federally Qualified Health Centers, to job training. Our mission is to end the dual crises of homelessness and AIDS through relentless advocacy, the provision of life saving services, and entrepreneurial businesses that sustain our efforts.

Housing Works is part of the **End AIDS NY Community Coalition**, a group of over 90 health care centers, hospitals, and community-based organizations across the State. Housing Works and the Community Coalition are fully committed to realizing the goals of our historic State *Blueprint for Ending the Epidemic* (EtE) for all New Yorkers. We address certain key EtE priorities in this testimony and have attached the full set of EtE Community Coalition *FY26 NYS Budget and Policy Priorities*.

Housing Works has long understood that safe, stable housing is a critical component of HIV prevention and care, and that the experience of homelessness fundamentally undermines medical and behavioral health, overall wellbeing, and the opportunity to lead a full and meaningful life. We also know from long experience that affordable, appropriate housing is simply unavailable to far too many New Yorkers, increasing their vulnerability to housing instability, overcrowded housing situations, and homelessness. We are encouraged and fully supportive of the increased focus of the Legislature on preserving and creating safe, affordable housing opportunities, including supportive housing for those who need it. Housing Works' testimony will focus on initiatives required to meet the urgent unmet housing needs of people with HIV across the State and other vulnerable New Yorkers, on the broader but equally urgent needs to invest in truly affordable housing while taking action to meet the immediate needs of hundreds of thousands of New Yorkers whose housing can and must be stabilized, and transforming New York's response to those experiencing homelessness, the most extreme form of housing insecurity.

Provide Equitable Access to Housing Assistance as Healthcare for New Yorkers with HIV

We call upon the Senate and Assembly to include in your one-house budgets the adjustments to relevant Aid to Localities language and ELFA Article VII provisions included as an attachment to this testimony that are necessary to enable every NYS community to provide access to meaningful HIV housing supports for people with HIV experiencing homelessness or unstable housing.

While we realize that access to meaningful HIV Emergency Shelter Allowances requires an adjustment to public assistance policy rather than the housing policy, as we will elaborate on below,

it is critical to ensure that existing rental assistance programs work for New Yorkers in need—especially a program designed to meet the needs of New Yorkers with HIV who are struggling to manage a chronic illness while experiencing homelessness and housing instability.

We have made significant progress implementing the 2015 [*Ending the Epidemic \(EtE\) Blueprint*](#) recommendations developed collaboratively by HIV community members, providers, advocates, and New York State and local public health authorities. Our EtE efforts enabled us to “bend the curve” of the epidemic by the end of 2019, decreasing HIV prevalence in NYS for the first time. Recently released 2024 surveillance data show that while the number of persons newly diagnosed with HIV in NYS decreased 36% from 2011 to 2024, it is troubling that NYS has now seen three years of slight increases in the number of new HIV diagnoses, after years of decline. The 2024 data also show the persistence of stark and unacceptable disparities in HIV’s impact on Black and Hispanic New Yorkers, transgender New Yorkers, and young men who have sex with men. In 2024, rates of new HIV diagnoses among non-Hispanic Black and Hispanic New Yorkers were 9.2 and 5.4 times higher than the rate for non-Hispanic Whites, and Black New Yorkers had the lowest rate of viral load suppression. In New York City, 85% of persons newly diagnosed with HIV in 2024 were Black (44%) or Hispanic/Latino (41%), and 42% lived in zip codes of high or very high poverty at the time of their diagnosis.

These persistent and unacceptable disparities in HIV health outcomes are driven in large part by the State’s failure to fulfill key *ETE Blueprint* recommendations. Despite repeated promises to fully implement the *Blueprint* recommendations of an appointed 64-person EtE Task Force, the State’s Executive leadership has been unwilling to expand meaningful HIV rental assistance to homeless and unstably housed people HIV/AIDS living outside of NYC.

Housing Works and the End AIDS New York Community Coalition are dismayed that once again, the Executive Budget fails to include cost-neutral or even cost-saving provisions that would end homelessness among people with HIV (PWH) across New York by providing access to HIV rental assistance that is currently available only to PWH who live in NYC. Every low-income New Yorker with HIV experiencing homelessness or housing instability should have equal access to NYS housing resources necessary to benefit from HIV treatments and stop HIV transmission. Ongoing homelessness and housing instability among people living with HIV in communities outside NYC is fundamentally unfair, perpetuates HIV health inequities, undermines the State’s ability to end our HIV epidemic, and costs the State money.

Safe, stable housing is essential to support effective antiretroviral treatment that sustains optimal health for people with HIV and makes it impossible to transmit HIV to others.¹ Indeed, NYS data show that unstable housing is the single strongest predictor of poor HIV outcomes and HIV health disparities.² Evidence also shows that HIV housing assistance is a sound healthcare investment. Housing assistance for unstably housed people with HIV has been repeatedly shown to dramatically improve individual and public health outcomes, generating savings in public health spending on acute care and averted HIV infections that more than offset the cost of housing.³ For these reasons,

¹ Aidala, et al (2016). Housing Status, Medical Care, and Health Outcomes Among People Living With HIV/AIDS: A Systematic Review. *American Journal of Public Health*, 106(1), e1–e23.

² Feller & Agins (2017). Understanding Determinants of Racial and Ethnic Disparities in Viral Load Suppression: A Data Mining Approach. *Journal of the International Association of Providers of AIDS Care*, 16(1): 23-29.

³ See, e.g., Basu, et al. (2012). Comparative Cost Analysis of Housing and Case Management Program for Chronically Ill Homeless Adults Compared to Usual Care. *Health Services Research*, 47(1 Pt 2): 523-543.

NYS’s 2015 *ETE Blueprint* recommends concrete action to ensure access to adequate, stable housing as an evidence-based HIV health intervention.⁴

The *Blueprint’s* housing recommendations have been fully implemented in New York City since 2016, where the local department of social services employs the longstanding public assistance NYS HIV Emergency Shelter Allowance program to offer every income-eligible person with HIV experiencing homelessness or housing instability access to a rental subsidy sufficient to afford housing stability, as well as the HIV 30% rent cap enacted by NYS in 2014 affordable housing protection for public assistance eligible PWH who rely on disability benefits or other income too low to support their share of housing costs.

But some 10 years after the State’s adoption of the *EtE Blueprint*, the same NYS HIV rental assistance and affordable housing protection is not available to public assistance-eligible PWH in any NYS community outside NYC, the overwhelming majority of whom are from the Black, Hispanic, and LGBTQ+ communities disparately impacted by HIV. As the result, an Office of Temporary and Disability Assistance (OTDA) analysis shows that as many as 2,800 households living with HIV remain homeless or unstably housed in communities outside NYC because the 1980’s NYS regulations governing the HIV Emergency Shelter Allowance (HIV ESA) set maximum rent for an individual at just \$480 per month—far too low to secure decent housing anywhere in the State—and only the NYC local department of social services has the resources to work with NYS to approve “exceptions to policy” to provide meaningful HIV ESA rental subsidies in line with fair market rents and other low-income rental assistance programs.⁵

Local social service districts outside NYC do not have the local resources to pay the standard 71% share of the public assistance cost of meaningful rents or the 30% rent cap, so public-benefit eligible households experiencing homelessness or housing instability while struggling to manage HIV in NYS counties outside NYC are denied access to the Statewide NYS HIV Emergency Shelter Allowance program.

Language included in the last **seven** enacted NYS budgets *purports* to extend access to the same meaningful HIV housing supports across the State, but as written has failed to assist even a single low-income household living with HIV outside NYC. This failed language, unfortunately carried over again in the recently released Executive Budget, allows but does not require local departments of social services to provide meaningful HIV housing assistance, and provides no NYS funding to support the additional costs to local districts outside NYC.

Access to statewide HIV housing assistance has been a top priority of Housing Works and members of the EtE Community Coalition for years. The HIV Emergency Shelter Allowance program was established by NYS regulation in the 1980’s. Action to make the program work for New Yorkers living with HIV in communities outside NYC is long overdue. Simply put, we cannot end our HIV epidemic in every community and for all New Yorkers until every person struggling to manage HIV infection while experiencing homelessness or housing instability has access to a safe, stable place to live. For that reason, *the County Executives of Albany, Erie, Monroe, Onondaga, and Westchester*

⁴ NYS Department of Health AIDS Institute, 2015. New York State’s Blueprint for Ending the Epidemic. Available at https://www.health.ny.gov/diseases/aids/ending_the_epidemic/docs/blueprint.pdf

⁵ The NYC Human Resources Administration’s current payment standard for HIV Emergency Shelter Allowance rental assistance is 108% of HUD FMR, in line with Section 8 Housing Choice Vouchers and other low-income housing assistance, to ensure that PWH are not disadvantaged in the housing market.

Counties have written to the Governor to urge that statewide access to meaningful HIV Emergency Shelter Allowances be included in the enacted budget.

To finally enable every NYS local social service district (at their option, not as a mandate) to provide extremely low-income New Yorkers experiencing homelessness or housing instability equal access to lifesaving HIV housing assistance, we strongly urge the Assembly and Senate to include in your one-house budgets the attached amendments to the relevant Aid to Localities budget language and ELFA Article VII provisions to:

- Authorize local social service districts to provide income eligible people with HIV experiencing homelessness or housing instability meaningful HIV Enhanced Shelter Allowance (ESA) assistance up to an amount in line with 110% of fair market rents established by the federal Department of Housing and Urban Development (HUD FMR) for each locality and household;
- Expand access to the 30% rent cap HIV affordable housing protection Statewide to all public assistance eligible people with HIV with disability or other extremely low income less than or equal to 250% of the Federal Poverty Guidance; and
- Recognize the fiscal reality of communities outside NYC that provide this rental support by providing these localities 100% New York State reimbursement for HIV ESA payments and additional rental costs determined based on limiting rent contributions to 30% of income.

Significantly, this change in public assistance policy does not require an additional budget appropriation, as the additional public assistance spend —\$3.7 million in FY27 according to the OTDA fiscal analysis of this proposal—can be managed within the current public assistance budget.⁶ In fact, modest investment in public assistance benefits for people with HIV experiencing homelessness and housing instability will generate Medicaid savings, estimated at over \$6 million in FY27, that more than offset the public costs of housing making this vital initiative cost neutral or even cost saving for the State.⁷ This investment in safe, permanent housing also has the potential for shelter savings for local districts by ending or avoiding use of emergency shelter required to be provided for these public assistance recipients.

At Housing Works, we have seen firsthand the healing power of safe, secure housing—especially for persons who face the most significant barriers to effective HIV treatment. Currently, over 90% of the residents of our HIV housing programs are virally suppressed, including housing serving vulnerable groups such as HIV-positive LGBTQ+ youth, transgender women, and women recently released from incarceration. We believe that every homeless or unstably housed New Yorker with HIV deserves the same equal access to life-saving housing supports, regardless of which part of New York State they call home.

Develop a PrEP Housing Pilot Program As Part of Comprehensive HIV Prevention

We call on the Governor and Legislature provide at least \$10M in funds in the FY27 budget to create a PrEP housing pilot as a critical component of HIV prevention for New Yorkers most vulnerable to acquiring HIV infection.

⁶ OTDA's analysis estimates additional public assistance expense of no more than \$3.7M in year one, and never exceeding \$50 million annually in out years, amounts easily absorbed by the existing public assistance appropriation.

⁷ The estimated \$3.7M public assistance expenditure in FY27 will be more than offset by an estimated \$6.6M in FY27 Medicaid savings from improved HIV health outcomes and averted new infections, with Medicaid savings estimated to exceed housing costs by as much as \$30M in out years.

Pre-exposure prophylaxis (PrEP) to prevent acquisition of HIV is a powerful tool that is key to ending our HIV epidemic. But while PrEP uptake has increased overall, it is not reaching many New Yorkers at greatest risk, and PrEP inequities are stark. In 2024, Black and Hispanic New Yorkers accounted for 78% of new HIV diagnoses, but only 22% of those who filled a PrEP prescription. To reduce disparity and move towards equity in protection against HIV transmission, it is essential to address barriers to PrEP uptake and adherence. The proposed PrEP housing pilot would integrate temporary housing and intensive case management services for persons experiencing homelessness or housing instability and at heightened vulnerability for acquiring HIV infection, including young men who have sex with men and people of transgender experience. People with unstable housing face formidable barriers to accessing PrEP, which reduces the risk of acquiring HIV infection by about 99% when taken as prescribed. Young people with unstable housing experience up to 12 times greater risk of HIV infection than those with stable housing. Ending the epidemic requires implementing integrated solutions that address the comprehensive health, social services, and housing needs of people who could benefit from HIV prevention so they can stay healthy and prevent HIV acquisition.

Create and Preserve Housing With Deep Affordability

We cannot end homelessness and housing instability in New York unless we address the gross lack of housing that is affordable and accessible to low-income households, and we welcome renewed commitment at the State level to affordable housing development. Especially critical is the creation and preservation of permanent housing units with deep affordability, including supportive housing units. However, the investments included in the Executive Budget fall short of real need, and Housing Works calls for the Legislature to support additional investments to bring them to scale.

Invest \$62.1M in funding to protect existing NYS Supportive Housing Program (NYSSHP) units

Years of underfunding has placed nearly 10,000 Supportive Housing Program units at risk of going offline. While last year's \$17.8 million in rate increases was a positive start, it falls far short of the \$62.1 million identified as necessary to stabilize these units. It is also critical to transition to streamlined, automatic contract renewals to ensure service continuity and reduce unnecessary administrative burden, and to allow funding flexibility across services and operations—bringing NYSSHP in line with other supportive housing programs to ensure program stability and effectiveness.

Increase rates for all Empire State Supportive Housing Initiative (ESSHI) units

We welcomed last year's recognition that the current Empire State Supportive Housing Initiative (ESSHI) per-unit rate is too low, inhibiting production of desperately needed units. The rate increase for new units, from \$25,000 to \$31,000, with an additional \$3,000 for those in the New York City metro area, will undoubtedly help spur the construction of the more than 10,000 units left in the initiative. However, thousands of already inhabited units are struggling with the current low rates, threatening tenants with a return to homelessness. We call on the Governor and Legislature to extend the rate increases to *all* ESSHI units - not just new construction - to ensure the program's long-term viability. We urge you to invest \$82M to bring all existing ESSHI programs (currently funded at an average of \$25K/unit) up to parity with rates for programs opening in 2027 and beyond (\$31K/unit and \$34K/unit in NYC metro area).

Increase total Homeless Housing Assistance Program (HHAP) funding to \$281M

We strongly urge the Legislature and Governor to increase total HHAP funding to \$281 million to cover regular allocation and stabilization funds, including doubling HHAP funding from \$128 million to \$256 million to create nearly 1,000 more units of affordable and supportive housing annually, and continuing the \$25 million supportive housing stabilization fund to preserve and stabilize at-risk projects.

Sustain and fund the Housing Our Neighbors with Dignity (HONDA) program

The Housing Our Neighbors with Dignity (HONDA) program was passed in 2021 with a \$200M appropriation to facilitate conversion of distressed hotels and commercial properties into affordable and supportive housing. HONDA provides state financing for the acquisition or conversion of underutilized hotels and commercial properties into permanent, affordable housing, with a focus on serving individuals who have experienced homelessness. The program faced initial hurdles with a return of tourism and the demand for properties to manage the migrant crisis. However, the program has been used recently, and there is an uptick in available properties appropriate for conversion. While the program remains active, it has been rolled into the State's \$25 billion Housing Plan with no additional funding specifically allocated to the initiative. Another challenge is the amount of funding available through the program, which necessitates braiding several other funding streams to create a viable project. Housing Works urges the State to ensure that HONDA remains viable to meet its intended purpose of converting distressed properties into desperately needed affordable and supportive housing.

Support Evidence-Based Housing First Harm Reduction Housing Interventions

From our beginning, Housing Works has been committed to a low-threshold, harm reduction approach to housing assistance, where admission and retention in housing is based on behaviors, rather than status as a drug user, person with mental health issues, or other condition. Residents are held accountable, as we all are, for the behaviors and conditions necessary to live safely with neighbors, are entitled to privacy within their own home, and are encouraged to feel safe to share behavioral health needs or crises without concern about jeopardizing housing security or being required to engage in a particular course of treatment. Our programs demonstrate that this approach works, empowering residents to take action to improve their health and wellbeing, as shown by the high rate of viral load suppression, consistently over 90%, among the formerly homeless people with HIV we house. We have successfully employed a "Housing First" approach for over 35 years, which prior to the current federal administration was widely acknowledged as an evidence-based model that was endorsed as best practice by HUD and HRSA.

On behalf of the homeless and formerly homeless New Yorkers we serve, we implore New York State leadership to continue to support and fund "housing first" low-threshold housing interventions from federal attacks. We are deeply grateful for New York Attorney General Letitia James' leadership in bringing a lawsuit and securing a temporary injunction to protect billions of dollars in U.S. Department of Housing and Urban Development that provide housing and other services to help address homelessness through HUD's Continuum of Care (CoC) program. For decades, CoC prioritized the "housing first" approach to fighting homelessness, providing immediate shelter to those in need without forcing them to meet burdensome requirements that can leave many without a safe place to sleep.

In November, the Trump administration attempted to impose new and illegal conditions on CoC grants that threaten to upend the services the program supports, including a drastic cut in funding for permanent supportive housing that could result in the eviction of some 9,000 formerly homeless households in New York State, barring CoC funding from organizations that acknowledge the existence of transgender or nonbinary individuals or that practice harm reduction, excluding programs that provide services for mental disabilities to prioritize those that only serve people with physical disabilities, and imposing new conditions to withhold funds from regions that do not conform their local homelessness laws to the administration's priorities regarding sweeps of persons experiencing unsheltered homelessness and other forms of criminalization of homelessness.

It is critical for New York State to stand firm in its support for evidence-based policies and housing interventions demonstrated to end homelessness for individuals and improve lives, and to protect formerly homeless New Yorkers and those still experiencing homelessness from federal attacks on critical funding for these programs.

Expand and Improve Access to Rental Assistance for Low-Income New Yorkers

While new housing with deep affordability is developed, we must take steps to protect and stabilize households experiencing homelessness and at risk of housing loss. It is critical to expand access to voucher programs and ensure that they employ meaningful and uniform payment standards across low-income housing assistance programs to ensure that no population is left behind in the increasingly challenging rental market.

Invest \$250M in the Housing Access Voucher Program

Housing Works, on behalf of the vulnerable New Yorkers we represent, fully support the state-funded Housing Access Voucher Program (HAVP) rental assistance program and calls for FY 26-27 funding for HAVP at \$250 million. HAVP would provide ongoing rental assistance to households at risk of homelessness and to transition households currently in shelters into permanent housing. As you know, homelessness and eviction are rising dramatically in nearly every city, town and village across New York State. Last year's FY 2025-2026 budget included enactment of HAVP and \$50 million in funding for the first year of the program, with vouchers to be available beginning March 1, 2026. However, despite advocates and legislators consistently noting that significantly more funding will be required for the program to meet statewide needs, the Governor's FY27 Executive Budget proposal includes only level funding at \$50 million. A \$250 million investment in HAVP would allow the state to stabilize approximately 20,000 households, preventing evictions, reducing pressure on the shelter system, and helping families remain housed.

At Housing Works, we know from experience how inhuman and dangerous the congregate shelter system is for the thousands of New Yorkers unable to obtain and maintain stable housing in an impossibly unaffordable housing market, and the critical importance of safe, stable housing to the health, independence, and opportunity of individuals and families across the state. It is essential that the State government step up to meet the housing needs of low-income New Yorkers with adequate funding for this critical program that limits rent burden to 30% of household income. Our one request would be that the payment standard for HAVP be increased to the same level as Section 8 Housing Choice Vouchers – currently 108% FMR in New York City. A single payment standard for low-income housing vouchers is important to ensure that no group is at an additional disadvantage in today's housing market.

Increase Housing Opportunities, including Supportive Housing, for New Yorkers with Substance Use Disorder

Since our founding in 1990, Housing Works has been committed to providing low-threshold, harm reduction housing that recognizes that safe, stable housing is an essential baseline for achieving medical and behavioral health goals. Persons with substance use disorder experience high rates of homelessness and housing instability, exacerbating chaotic and harmful substance use and making it difficult or impossible to achieve harm reduction goals. Our experience and ample research demonstrate that stable housing is an essential component of effective harm reduction for individuals experiencing substance use disorder.

Expand OASAS housing to include harm reduction models and provide \$10M in additional funding for harm reduction-oriented supportive housing for people with substance use disorder

The NYS Office of Addiction Services and Supports (OASAS) funds transitional and permanent supportive housing for people with substance use disorder, but limits access to this housing to individuals and families in recovery from substance use disorder or who began a course of abstinence-based treatment and/or recovery while experiencing homelessness, excluding persons engaged in a harm reduction approach. We call on the Governor and Legislature to expand OASAS supportive housing to include homeless people following a harm reduction path, not just those who have established success at abstinence and to provide an additional \$10M in funding for harm reduction-oriented supportive housing for people with substance use disorder.

Remove barriers to the housing market for persons with drug-related convictions.

It is equally important to take steps to reduce homelessness among New Yorkers with drug-related convictions by removing barriers to the housing market. We call on the Governor and Legislature for immediate action eliminating prohibitions on renting to people with drug-related convictions. Limiting access to housing perpetuates the harms caused by the war on drugs by making it difficult or impossible to secure the safe, stable housing that is essential to fully reintegrate into society and advance employment and other goals.

Address Severe Under-Investment in the Workforce and Infrastructure of Service Providers

Housing Works urges the Governor and Legislature to act in this year's State budget to address urgent issues that threaten to undermine the stability and effectiveness of the State's essential housing, health, and human services organizations.

Fund a 2.7% Targeted Inflationary Increase across all State human services contracts

Inadequate State contract reimbursement rates have resulted in poverty-level wages for human services workers, who are predominantly women and people of color, and limit the ability to invest in critical systems. Essential human services workers are among the lowest paid employees in New York's economy, resulting in high turnover and serious disadvantage in an increasingly competitive labor market.

Housing Works strongly supports the call for the Governor and Legislature to work together to increase the Targeted Inflationary Increase (TII, formerly the COLA) for human services workers from the 1.7% included in the Executive Budget proposal to at least 2.7%, in line with the July 2025 CPI-U. New York must make meaningful investments to close service gaps, eliminate disparities, and improve access to services by investing in the human services workforce. and addressing inflated

operating expenses that service providers are struggling to pay. Human services providers fought hard last year for a 7.8% increase, which represented the total of the current inflationary increase of 2.9% (CPI July 2024) and the difference between the human services COLAs over the past three years (12.2%) and the CPI increases (17.1%) over that same period. Unfortunately, this effort failed and the FY26 enacted budget included only a 2.6% COLA, which advocacy groups widely described as inadequate for workforce stabilization. We are disappointed that the FY 2027 Governor's Executive Budget proposes an even smaller 1.7% TII for human services workers. Due to decades of underfunding our state remains in a full-scale crisis characterized by ever-increasing demands for services, limited access to care, and an extremely hard-pressed workforce that the sector struggles to attract and retain. We urge the Legislature to fill the gap to ensure a 2.7% TII as minimum inflationary floor to address significant and persistent job vacancies and workforce shortages.

Moreover, programs created after the New York State Cost-of-Living Adjustment (COLA) statute enacted in 2007 are not included in even these small TII increases, so many workers under contract with the State may be left out. For example, the Health Home Care Coordination program has been excluded from the COLA granted to other programs. It is vital to broaden the applicability of the COLA. No worker should be left out due to technicalities, and all human services workers deserve the most basic COLA to keep up with inflation. We call for passage of S1580 (Persaud)/A2590 (Hevesi) to include ALL State human services contracts under the COLA statute.

Nor do COLA adjustments for human services providers, although critical, address the fundamental issue of inadequate compensation. We call for a \$21/hour minimum wage for all New York State funded health and human service workers and a comprehensive wage and benefit schedule comparable to compensation for State employees in the same field.

Increase the indirect rate on NYS contracts to a nonprofit's established federally-approved rate

Nonprofit human service organizations also face ongoing and new challenges as the result of years of severe under-investment in their essential infrastructure needs – leaving them struggling deal with inadequate or outdated systems for information technology, electronic data, financial management, human resources, and other key functions.

We urge the Governor and Legislature to invest in the infrastructure needs of nonprofits providing critical services for the most vulnerable New Yorkers—at a minimum by taking action in this year's budget to increase the indirect rate on NYS contracts from the current 10% to a nonprofit's established federally-approved indirect rate, and amending each existing NYS human services contract as soon as practicable to increase the total contract amount to reflect the contracting agency's approved Federal indirect rate "below the line" without impacting contract funding for direct services.

Transform New York's Response to Homelessness and Mental Health

We urge the Governor and Legislature to reject coercive responses to unsheltered homelessness and instead facilitate and promote innovative harm reduction approaches to address our homeless and mental health crises.

It is time to employ these evidence-based harm reduction practices to address unsheltered homelessness. Housing Works has evolved in response to client needs from an initial 40-unit city-funded housing program in 1990, into a large multi-service organization that offers integrated

medical, behavioral health and supportive services, and over 750 units of housing, including Housing Works-developed community residences that serve people with HIV who face specific barriers to both the housing market and retention in effective HIV care, transitional housing for people experiencing homelessness upon reentry to the community from incarceration, and most recently, newly arrived immigrant families.

To address the COVID crisis, Housing Works opened a Department of Homeless Services Isolation Hotel in March 2020, with 170 rooms to provide a safe, private, and supported space for people experiencing homelessness to recover from COVID-19 illness. This program served over 2,500 guests before the isolation hotels were closed in June 2021, applying lessons learned from years of providing harm reduction housing for people with HIV.

We learned a great deal from our COVID experience, including the critical importance of a true harm-reduction approach, and that private rooms are both humane and necessary, especially for people with mental health issues who cannot manage a shared space with a stranger. Onsite medical and behavioral health services were also key, as most of our isolation residents showed up with multiple chronic conditions that had been untreated or undertreated and present health issues as serious or more serious than COVID-19 infection. Finally, we learned that good case management, even during a short (14+ day) stay, can be life-altering if we take the opportunity to identify needs and explore options. Sometimes this meant refusing to transfer a resident until an appropriate discharge plan was in place.

Most significantly, we came to deeply appreciate how awful and dehumanizing the City shelter system is and have come to believe that we must transform the way homeless people are treated in New York. What is needed to transform our homeless response? Resources of course, but what is perhaps more vital are new approaches, a new vision for what is acceptable, and of course, collaboration to build and sustain the political will for systemic change.

Of course, we cannot end homelessness in New York unless we address the gross lack of housing that is affordable and accessible to low-income households, and we welcome renewed commitment at the State level to affordable housing development and expanded access to voucher programs that employ meaningful and uniform payment standards across low-income housing assistance programs to ensure that no population is left behind in the increasingly challenging rental market. Especially critical is the creation of permanent housing units with deep affordability, including supportive housing units.

Meanwhile, homelessness has risen to record levels in NYC, with thousands of long-time NYC residents sleeping in NYC shelters each night, thousands more New Yorkers struggling to survive on the streets or other places not intended for sleeping, and the arrival of new immigrants displaced from their homes due to violence or other crises and seeking safety and a better life.

Housing Works continues to strongly oppose any effort to expand involuntary inpatient and outpatient commitment initiatives, and in particular any effort to involuntarily commit an individual based on a determination of “*substantial inability of the person to meet his or her basic need for food, clothing, shelter or medical care.*” For over 35 years, Housing Works has successfully employed low-threshold, harm reduction strategies to engage the most marginalized New Yorkers in effective care to address co-occurring medical, mental health, and substance use disorders. What we have learned first-hand is that New Yorkers struggling to cope with serious mental health issues face multiple, significant

barriers to voluntary access to the care they seek, especially those who are also trying to survive without a safe, stable place to live. These often-insurmountable barriers include a lack of supportive housing, low reimbursement rates for needed services, a shortage of health care professionals, high caseloads, and low pay for contracted service workers that makes it difficult to recruit or retain staff. As one result, on any given day, there are approximately 1,400 people with serious mental illness in City jails, where mental health services are woefully inadequate, leaving our most vulnerable New Yorkers to cycle between the streets, shelters, and jails with little or no access to voluntary care.

Housing Works, on behalf of the vulnerable New Yorkers we serve and represent, implore New York City and State to transform the City's inhumane and ineffective response to the homelessness crisis by urgently adopting effective, evidence-based approaches that will save lives and money. We welcome Mayor Mamdani's pledge to stop criminalizing and harassing people experiencing homelessness through sweeps of the subways and encampments of those who opt for survival in public rather than entering frightening shelters, and we must stop stigmatizing people experiencing homelessness, especially those who are dealing with untreated or undertreated chronic medical and/or behavioral health issues while trying to survive in shelter or on the streets.

Mental illness and substance use disorder among low-income New Yorkers are not criminal justice issues but rather a public health crisis, and we urge adoption of harm reduction approaches that provide every New Yorker with the safe, stable housing necessary to engage in behavioral health care, including private rooms for those struggling with mental health issues. It is time to reduce reliance on large congregate facilities for homeless single adults and shift the creation of new capacity toward single-occupancy accommodations as well as smaller, low-barrier shelter designs such as Safe Haven shelters and single-occupancy stabilization beds for persons experiencing unsheltered homelessness.

Support the Rise Up Campaign: Homeless Protection Act (A.1565/S.5816) / Homeless Non-Discrimination Act (A.8913/S.8444)

Housing Works urges the Legislature to pass and the Governor to sign A.1565 (Rosenthal)/S.5816 (Sepúlveda) and A.8913 (Rosenthal)/S.8444 (Sepúlveda), a package of bills that will protect the lives and rights of New Yorkers experiencing homelessness by designating abuse and attacks against them as hate crimes, and by prohibiting discrimination against any person on the basis of housing status. These bills recognize that prejudice, hostility, and distrust often experienced by persons perceived to be experiencing homelessness places them in danger of physical violence and can severely limit or prevent access to employment, housing and other basic necessities of life, leading to deprivation and suffering.

Fund low-threshold stabilization facilities for people experiencing unsheltered homelessness.

Low-threshold facilities that combine a drop-in center with on-site medical and behavioral health care with private hotel rooms to provide transitional housing without preconditions are perhaps the most effective way to engage unsheltered persons with behavioral health needs who are unable or unwilling to access more traditional shelter or treatment programs.

Bailey House and Housing Works have been working for over five years now to secure an underutilized hotel to house an exciting new pilot "street to home" program—our Comprehensive Stabilization Services Pilot Program. Our harm reduction stabilization hotel will operate 24/7/365 and offer participants intensive case management services, access to onsite medical and behavioral health services, peer supports at the co-located drop-in center, as well as immediate access to private

rooms. The Stabilization Center will offer primary care and behavioral healthcare services, case management support, housing placement assistance, and navigation and referral services. The overarching goal of the Stabilization Center – like all Housing Works services – is to improve the health and well-being of clients experiencing street homelessness by providing low-threshold “Housing First” emergency housing and services delivered in a respectful manner using a harm reduction approach. We plan to evaluate the pilot rigorously, to continue to build our own competence to offer effective services, and to provide the evidence necessary to support advocacy for system-wide change.

Housing Works believes that this is the kind of innovation that is essential to a more humane and effective homeless response for New Yorkers with medical and behavioral health issues, but we have repeatedly lost potential sites due to avoidable hurdles, setbacks, and politics, and it is unclear whether the braided funding initially approved by NYC Department of Homeless Services is still available. It is imperative that the State and City take meaningful action to facilitate and streamline the process for converting underutilized hotels and commercial spaces to create affordable housing, including supportive housing programs. And equally important to provide funding for such innovative strategies designed to meet real need while rejecting approaches that instead criminalize and harass people experiencing homelessness.

We cannot end homelessness in New York unless we address its drivers. Those include the gross lack of affordable housing, mass incarceration that removes people from the workforce and deprives them of access to low-income housing, and the insistence on criminalizing mental illness and substance use disorder among low-income New Yorkers of color. We do nothing to help homeless people by warehousing them in mass congregate shelters designed to strip them of their autonomy and even of their dignity. We must insist on policies, investments and innovation that treat people who find themselves homeless as people worthy of dignity, autonomy, respect, and care. We look forward to working with all of you towards this vision of a transformed New York State and City homeless response.

Sincerely,

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Attachments:

- End AIDS NY Community Coalition *FY27 NYS Budget and Policy Priorities*
- Changes needed to FY27 Executive Budget Proposal to expand access to HIV Emergency Shelter Allowances