



Testimony of Community Access
before the
2026 Joint Legislative Budget Hearing – Housing
February 25, 2026

Chairs Krueger, Pretlow, Kavanagh and Rosenthal, and other distinguished Committee Members, thank you for the opportunity to submit testimony today on the NYS 2026-2027 Executive Budget. Community Access is a New York City nonprofit founded in 1974 that provides supportive and affordable housing and a variety of mental health support services. Our mission is to expand opportunities for people living with mental health concerns to recover from trauma and discrimination through affordable housing, training, advocacy, and healing-focused services. Today, we are one of the leading providers of supportive housing in New York City, and are the pioneers of an integrated housing model, which has become a best practice nationally: affordable housing where families live alongside people living with mental health concerns. With over 1,700 units of affordable and supportive housing in our portfolio and another 1,200+ in the pipeline, housing stability is core to our mission.

With proposed changes in federal policy and funding moving away from housing-first models, we implore our Legislators to take a stand and ensure this proven path to solving homelessness continues to be adequately funded. Our community urgently needs both new and revitalized supportive housing. We applaud the continued investment in developing new permanent supportive housing units. It is also essential that the state provide the funding necessary to preserve and support service delivery in *existing units*.

ESSHI boost for underfunded legacy projects

Along with our partners at the New York State Association for Affordable Housing (NYSFAH) and the Supportive Housing Network of New York (SHNNY), we respectfully request that the Senate and Assembly include an additional **\$82 million** in the **FY 2026-27 Enacted Aid to Localities Budget for the Office of Temporary Disability Services**. These funds are critical for bringing all existing Empire State Supportive Housing Initiative (ESSHI) programs up to parity with current sustainable service and operating rates. Thanks to the support of the legislature last year, the recent RFP from June 2025 set a new standard for rates. However, those rates only apply to new programs, leaving behind hundreds of existing and pipeline projects. Legacy projects are currently funded at an average of just \$25,000/unit, whereas the RFP from 2025 set rates at \$31,000 per unit statewide and \$34,000/unit in New York City. That \$9,000/unit gap in NYC is significant. Insurance costs have skyrocketed, maintenance and operating costs have increased across the board, and existing tenants deserve adequate building maintenance and services.

The proposed **\$82 million** investment would level-set contracts executed prior to June 2025 and permanent awards made at lower rates, ensuring the long-term viability of supportive housing statewide. These projects need to be brought up to the funding level of new projects to ensure adequate support services, maintenance, and operating dollars.

Community Access has three such projects housing over 600 households in the Bronx— with 336 of those units receiving older ESSHI rates (86 at Baez Place, 128 at River Avenue, 112 at Bruckner Blvd). Bruckner Boulevard opened in 2020, River Avenue in 2023 and Baez Place in December of 2025. **These programs cannot continue to operate at the current funding level.** ESSHI funds support all aspects of these projects – program support services as well as maintenance and operating expenses, including 24/7 building security. At the current funding level both the support services and the financial sustainability of the buildings are jeopardized.

The underwriting of these projects makes certain assumptions about income and operating expenses, when those assumptions prove not to be valid it has dire consequences for the long-term financial sustainability of these vital housing resources. Enterprise and the

National Equity Fund have published a [report](#) on the distress in New York’s affordable housing stock. They note that *since 2017, total operating expenses for affordable housing have increased by around 40%. Driven most sharply by increases in insurance (+110%), administration costs like staffing, health insurance and payroll taxes (+51%), and repairs & maintenance (+35%).* Our experience at Community Access reflects this reality. Our insurance costs, maintenance and repair costs as well as 24/7 security costs, far outstrip the underwriting assumptions of the buildings. In addition, there are pressures on the income side – since the COVID 19 pandemic in 2020, rent collection rates have significantly dropped, many in our sector refer to this as a “rental arrears crisis,” as households struggle to make ends meet and fail to pay their rent. At our Bruckner Boulevard project, we have over \$1.4 million in rental arrears, and at River Avenue, which opened in late 2023, the arrears are more than \$700,000. These dual pressures on the income and expense side of these projects are not sustainable and require urgent action.

On the program services side, the inadequate funding has resulted in cutting direct service lines and specialized services that could provide more intensive support to tenants. The complex needs of many tenants in these buildings require robust staffing and support programming. Tenants and the community at large would immediately benefit from increased ESSHI funding. An increase to \$34,000 per unit would allow us to add 1-2 direct service positions, such as a Nurse Practitioner, peer specialist or health and wellness specialist, as well as bring additional youth-advocate support services, and adequately funding security services that provide vital 24/7 emergency and crisis response services. Additional positions would reduce caseloads and allow for more personalized and flexible service provision. In addition, we could better support program needs in the areas of activities, and food and apartment supplies for tenants, which are all critical to ongoing engagement and community building.

Proposed Parity Language in Executive Budget Appropriation

We also request that language be added to the Governor’s \$300 million appropriation directing any ESSHI funds available in excess of the initial funding formula to be used to increase service and operating rates for existing projects executed prior to the 2025 RFP.

Community Access applauds the Governor's increase to **\$300 million** for ESSHI awards, which reflects **\$60 million** more than last year, showing a true commitment to supportive housing. However, this increase fails to address deep inequities facing earlier awardees. Many existing contracts were awarded with low starting rates and limited escalators, creating financial instability that contributes to staffing losses, deferred maintenance and heightened default risk, undermining the state's investment in supportive housing. These inequities threaten housing stability for domestic violence survivors, seniors, veterans, people with disabilities and others served by ESSHI.

Together these proposals would address program inequities and bring underfunded legacy projects like those operated by Community Access into parity with the current standard for ESSHI. We urge you to support this budget request to strengthen housing stability for New Yorkers. Thank you for the opportunity to submit testimony today. On behalf of the more than 4,000 tenants and program participants we support and our staff, Community Access thanks you for your commitment to sustaining supportive and affordable housing so that all New Yorkers can live with dignity.

Thank you,

Cal Hedigan
CEO
Community Access, Inc.