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**New York State Senate and Assembly
Joint Budget Committee on Human Services
February 4, 2015**

Assembly Ways and Means Committee Chair Herman D. Farrell, Jr. and Senate
Finance Committee Chair John A. DeFrancisco

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 nonprofit providers and developers who operate more than 48,000 supportive housing units throughout New York State. Supportive housing is permanent, affordable apartments linked to on-site services for individuals and families that are homeless, 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 their place in housing but our demand far exceeds our supply. According to HUD 2014 data, on any given night there are 80,590 New Yorkers homeless and approximately 427,000 people over the calendar year. I'm here today to testify to the importance of providing additional funding for supportive housing and other critical homeless housing programs.

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 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 now, 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. Its demonstrated effectiveness has made supportive housing an integral component in the State's plan to reduce Medicaid costs.

A Call for a New York State Supportive Housing Plan

The Executive budget supports an expansion of the NY/NY program, both in New York City and also, for the first time, to the rest of New York State. It seeds the effort with a commitment to produce 5,000 units of supportive housing. The Campaign 4 NY/NY Housing is asking for an agreement to create 30,000 units of supportive housing – including 15,000 new construction – over the next 10 years.

In order to make strides in ending homelessness, we need 15,000 new construction units in NYC and 5,000 units upstate over 10 years. As the last 17 NY/NY III units are awarded, the development pipeline is coming to an end. Each year in NYC, 20,000 applications for supportive housing are approved, but only one-in-six applicants receive a supportive housing unit. Tonight, there are 60,000 people in homeless shelters with another 20,000 outside of the city. The need is great and must be matched with a substantial supportive housing agreement. **We urge the Legislature to stand with us in our request for a commitment that helps meet the need, and for an official agreement to be reached with the localities this year.**

Homeless Housing Assistance Program

The Network is grateful that the legislature and the governor have recognized that supportive housing is the solution to homelessness. The Executive budget funds the Office of Temporary and Disability Assistance's Homeless Housing Assistance Program at \$63.5 million. The agency deserves praise for implementing a streamlined rolling Request for Proposals that allows it to expedite funding awards. In fact, we anticipate that almost all \$63 million will be committed by the end of business today, as the agency stopped accepting new applications last December. Total applications received annually exceed \$100 million.

Some recently funded projects include:

- Concern for Independent Living and Housing Visions Unlimited*, each developed 50 units each of supportive housing for homeless Veterans on Long Island and Syracuse
- Rehab of the YWCA of Rochester* , adding 14 new apartments and the YMCA of Schenectady, which allows 155 homeless men to move from 90 square foot rooms to 400 square foot studio apartments
- Volunteers of America's Creston Avenue and the Matt Urban Center's Hope Gardens*, new Medication Redesign Projects in the Bronx and Buffalo built to serve high Medicaid users; providing quality homes that save the state valuable health care dollars.

*need NYSSHP for services

Homeless Housing & Preventative Services Programs (HHPSP)

A one time commitment to build supportive housing must come with an ongoing commitment to provide for the services and operating funds necessary to make affordable housing truly supportive and successful.

The New York State Office of Temporary and Disability Assistance has been at the vanguard of addressing homelessness through three operating and services programs, funded in FY 14-15 at \$30.3 million. The 2015-2016 Executive budget proposes a slight increase of only \$400,000. This is far short of the real need for an additional **\$8 million**.

HHPSP consists of three programs:

- New York State Supportive Housing Program (NYSSHP);
- Solutions to End Homelessness Program (STEHP); and
- Operational Support for AIDS Housing (OSAH).

Increase NYS Supportive Housing Program (NYSSHP) by \$3.0 million

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 is the primary funding stream for the ongoing operation of supportive

housing in New York State – 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.

The Network recommends an increase to the program of **\$2.46 million** to fund 30 recently opened supportive housing that have not been able to access NYSSHP, due to a lack of growth in the program budget. About 1,200 tenants are at risk due to this shortfall. Here are a few examples of how these budget shortfalls will impact local non-profits:

In Rochester, Son House was the first Medicaid Redesign Team project to be completed with \$2 million in capital funding from the HHAP-MRT program. The project serves chronically homeless adults and is running a deficit while awaiting services funding.

Also in Rochester, the Eastman Commons Dewey Avenue supportive housing program opened in May of 2012. This project began as a local initiative, supported by a commitment for the Rochester/Monroe County Homeless Services Network to fund operations. New York State Housing and Community Renewal contributed over \$11 million in capital funding and tax credits and OTDA HHAP completed the capital funding with \$3 million. However the lack of just \$98,000 in NYSSHP jeopardizes this 80 unit project by severely limiting essential services for its chronically homeless residents. The agency is currently running an annual deficit of \$50,000. Moreover, without this state funding the City and County may lose its matching HUD funds.

In Buffalo, Lakeshore Behavioral Health's Safe Haven, an innovative low demand housing first response to chronic street homelessness, opened in 2010. The state invested \$1 million in this project. It currently is running an operating deficit that could be plugged by \$38,000 in NYSSHP, only if more funding is available next year.

YWCA of Brooklyn – A Brooklyn landmark containing of newly renovated single apartments, serves frail elderly tenants with increasingly complex medical needs. With a ratio of over 100 tenants for each staff person, the YWCA vitally needs NYSSHP services funding to provide tenants with the help they need.

The Anderson, an award winning project built in the Bronx by New Destiny to provide permanent supportive housing to 20 families that are survivors of domestic violence. This project was able to open because of private fundraising but the

residence needs a contract to provide long-term security for the organization but more importantly the families that reside there.

Additionally, we are recommending that the NYSSHP program be given a 2% annual rate increase totaling **\$531,000**. Other OASAS and OMH funded programs are slated to receive this rate increase in the executive budget, and NYSSHP deserves the same. More than 80% of the NYSSHP funds go to pay front line staff that provide direct care.

Services to End Homelessness Program (STEHP)

The STEHP funds 70 programs to provide homeless prevention services, including anti-eviction, legal representation, entitlement advocacy and emergency payments that keep at-risk families and individuals housed and out of emergency shelter. OTDA deserves praise for revamping its prevention services funding to incorporate rapid-rehousing, allowing for homeless individuals who do not need supportive housing to get one shot, short or medium term help to make their homeless episode as brief as possible.

Last year the legislature increased funding to the homeless bucket by \$1 million, which helped offset a \$1.3 million federal cut that partially funds STEHP. A new RFP was recently awarded, and because of the great demand for this program, all fundable programs received approximately 75% of their request. The Network strongly recommends that STEHP be increased by **\$5 million** to augment those shortfalls in the next budget and has great confidence that OTDA will continue to do a great job at targeting the funds where most needed.

OTDA deserves credit for seizing on the opportunity to align its efforts with HUD priorities by taking on an ambitious data warehouse project, requiring its grantees to report data to local homeless management information systems and now for the first time striving to gather that information from across the state to guide its policy and funding decisions.

Conclusion

New York State has steadily expanded its investment in supportive housing. Our state has led the nation in proving that supportive housing is the permanent solution for homelessness and other housing instability.

Supportive housing has allowed New York State to reduce use of shelters, psych 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:

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