



Testimony to NYC Council

Committee on Health Jointly with Committee on Mental Health, Disabilities and Addiction
FY24 Preliminary Budget Hearing
Submitted by Supportive Housing Network of NY
March 21, 2023

Hello Chair Lee, and members of the New York City Council General Welfare committee. My name is Joelle Ballam-Schwan, and I am the Associate Director of Engagement and Communications at the Supportive Housing Network of NY. The Network is a statewide membership organization representing the nonprofit developers and operators of supportive housing, a proven affordable housing model with wraparound support services for individuals and families with a history of homelessness who face additional barriers to obtaining and maintaining housing on their own. We are here today to with recommendations for how the City Council and the administration can improve outcomes for current and future residents of supportive housing, and the nonprofit human services sector. For this testimony we will focus on the recommendations outlined below.

Reimagining the NYC 15/15 Initiative

In 2015, New York City announced a new supportive housing initiative: NYC 15/15, a promise to create 15,000 units of supportive housing over 15 years. The 15,000 units were to be split evenly between new development of congregate, single-site residences, and scattered site units rented on the private market with mobile case management services.

Now in its seventh year, the city is almost halfway to its goal, with about 44% of total units having been awarded. However, according to a presentation given in 2022 at the Network's annual conference, the Human Resources Administration (HRA) reported the awards are not equally distributed among congregate and scattered site as originally intended. Instead, seventy percent of all congregate units have been awarded, compared to only 17% of the projected scattered site units, thus leaving the City with a surplus of un-awarded scattered site units. Due to this reality, we believe that the administration's recent pledge to accelerate production of the remaining units¹ will face significant challenges; nonprofits are simply not applying for scattered site contracts. Without a drastic change to the NYC 15/15 initiative, the City will not meet its target. We recommend the City immediately **redistribute three quarters of the un-awarded scattered site units into three groups: congregate (adding to the single-site stock) preservation of older stock, and "non-traditional" scattered site (identified units in city-owned affordable housing with homeless set-asides).**

¹ www.nyc.gov/assets/home/downloads/pdf/office-of-the-mayor/2022/Housing-Blueprint.pdf

Problems with Traditional Scattered Site

While the scattered site model is an important response to addressing homelessness, it is a difficult model to sustain. For a variety of reasons, including fluctuations in the private rental market, and staff burnout and turnover, nonprofits are hesitant to apply for traditional scattered site contracts. Moreover, the social services rate for NYC 15/15 scattered site is only \$10,000, compared to \$17,500 for the congregate program. While the justification for the discrepancy is the cost of security in congregate programs, the rate does not take into consideration the complexity of operating a scattered site program, including increased travel, navigating resources in various neighborhoods, and relationship management with multiple landlords. ***The City should immediately increase the service rate for scattered site contracts to \$17,500 per unit, and explore ways to meet unit targets while preserving older housing stock.***

NYC 15/15 Acceleration as Preservation

Of the approximately nearly 450 single-site supportive housing residences in New York City 160 with a total of 10,000 apartments opened before the year 2000 and many of those were only moderate rehabs of much older buildings. Many of these buildings need significant capital investment to continue to provide safe and healthy living environments for their tenants and to meet the City and State's ambitious mandates to reduce carbon emissions from buildings. Service and operating budgets must also be increased to modern standards after decades of stagnation. Some of these older buildings have combined service and operating contracts as low as \$2,400 per unit per year, compared to NYC 15/15 which boasts \$17,500 just for services with additional funding for rental assistance close to the Fair Market Rent (FMR) standard. ***The City should immediately reallocate a portion of the NYC 15/15 capital, services and operating funding to holistically preserve these supportive housing units.***

Preservation of these older single-site residences is critical not just because the City cannot afford to lose a single unit of supportive housing but also because it furthers fair housing goals. Many of the older supportive housing residences are converted hotels in wealthier Manhattan and Brooklyn neighborhoods, where new development is costly and rents are high. Existing supportive housing provides racial and economic integration in these neighborhoods that would be extremely difficult to recreate.

Complete Reallocation of Un-Awarded NYC 15/15 Scattered Site Units

Due to the current reality, the Network recommends that the un-awarded units be divided equally among the following models:

- ¼ of the remaining units should be allocated to new development of traditional congregate sites, with nonprofits applying through normal channels via HPD and HRA.
- ¼ of the remaining units should be allocated to traditional scattered sites, with nonprofits applying through normal channels via HRA. The City should increase service rates for these scattered site units to \$17,500 to match congregate service rates.

- ¼ of the remaining units should be allocated for preservation of older congregate residences with little or no service funding. The City should dedicate a flexible preservation fund for services and operating, to pair with capital resources.
- ¼ of the remaining units should be allocated for non-traditional scattered site, with HPD identifying appropriate city-funded affordable housing residences with homeless set-asides (e.g. ELLA + SARA). The City should increase service rates for these scattered site units to \$17,500 to match congregate service rates.

Streamline the NYC 15/15 Review and Approval Timeline for Nonprofits

Currently, nonprofits applying for NYC 15/15 services contracts are waiting up to a year before their approvals are in place. For congregate awards, this causes significant delays, as the Department of Housing and Preservation (HPD) requires these approvals before moving forward with capital financing.

Creating a streamlined application and approval process for nonprofits with contracts in good standing could help cut down the review timeline. Importantly, the city should also ensure sufficient staffing in the appropriate departments, and provide any additional resources necessary to streamline the NYC 15/15 application and approval process.

Expand the Eligibility for NYC 15/15

Eighty-five percent of NYC 15/15 units are targeted to people experiencing chronic homelessness, which follows HUD's definition² of chronic homelessness. HUD defines chronic homeless as an individual living on the street or in shelter for at least 12 months, who also has a disabling condition such as substance dependency or behavioral health condition. HUD's current definition prevent jail or prison stays longer than 90 from being counted toward homeless time, therefore excluding thousands of people with justice involvement from accessing supportive housing. An analysis of city jails' length of stay data conducted by the Corporation for Supportive Housing (CSH) stated that the average jail stay is 222 days, making it likely that most individuals would not qualify as "chronically homeless" once they leave. ***To ensure people with justice involvement have access to permanent, supportive housing, the administration should expand the eligibility of requirements of NYC 15/15 to allow jail or prison stays longer than 90 days to be counted as time homeless.***

Improve the Justice Involved Supportive Housing Initiative

The Justice Involved Supportive Housing Initiative (JISH) is a product of former Mayor de Blasio's Taskforce on Behavioral Health and Criminal Justice System. With a \$130 million commitment to reducing the number of people with behavioral health needs cycling through the criminal legal system, JISH was designed for individuals with high jail and shelter usage. Different from our recommendation to expand the definition of "chronic homeless" for individuals leaving long stay in jail or prison, eligibility for JISH does not require chronicity, however does require an individual have at least four shelter stays, four periods of incarceration in one year, and a behavioral health diagnosis.

² "Here's What You Need to Know About HUD's New Chronic Homelessness Definition." National Alliance to End Homelessness website, 16 December 2015, <https://endhomelessness.org/heres-what-you-need-to-know-about-huds-new-chronic-homelessness-definition/>

JISH builds upon the Frequent Users Systems Engagement (FUSE) piloted by CSH and the City approximately 12 years ago. The frequent user cohort is created through a data match between the NYC Departments of Corrections (DOC) and the Department of Homeless Services (DHS), and overseen by the Department of Health and Mental Hygiene (DOHMH). Therefore, referrals from DOCS into supportive housing were supposed to move quickly. However, due to the chronic underfunding, issues with the scattered-site model and other model design problems, JISH units remain unoccupied and a new RFP for JISH 2.0 has had no applicants in the four years since its release.

Several listening sessions with current and potential JISH providers resulted in the following recommendations to improve the initiative:

1. **Increase JISH service rates to at least \$25,600 to serve high-needs population**
2. Amend "jail stays" to include arrests/contacts with the criminal legal system
3. Prioritize JISH population for vacancies in existing supportive and licensed housing
4. Allow referrals from multiple sources, including:
 - a. MOCJ Reentry Transitional Housing and Hotels³
 - b. Mental Health Courts
 - c. Alternative to Incarceration / Supervised Release Programs
 - d. Internal referrals from existing JISH providers

#JUSTPAY HUMAN SERVICES WORKERS

We are proud members of the [#JustPay campaign](#), which is a racial equity and gender justice campaign committed to ending the government exploitation of human services workers by demanding employees under contract with the City and State be paid fairly for their labor. Chronic underfunding of our sector has led to a staggering staff vacancy rates within the supportive housing workforce. When our employees, who are predominantly women of color (serving predominantly Black and brown residents) are underpaid communities suffer. To address this crisis, we ask the City to immediately adopt three core reforms:

1. Establish, fund, and enforce an automatic annual cost-of-living adjustment (COLA) on all human services contracts. **For FY 24, the COLA should be at least 6.5%**
2. Set a living wage floor of no less than \$21 an hour for all City-funded human services workers.
3. Create, fund, and incorporate a comprehensive wage and benefit schedule for government contracted human services workers comparable to the salaries made by City and State employees in the same field.

Invest in Mobile Treatment Teams (IMT) for Supportive Housing Residents

The City has been contracting with nonprofits to provide supportive housing for more than 30 years. In most cases, these older contracts are underfunded, and rates have not kept up with the service needs of

³ MOCJ intends to put 950 transitional units online, and 3 MOCJ hotels are active with about 600 people who are experiencing homelessness

the population. Meanwhile, the State has been steadily disinvesting in community-based mental health housing that provides a higher level of care than supportive housing and includes services like medication management and psychiatric services. Because of the pandemic, the mental health and substance use services that our community needs have only intensified, and underfunded and understaffed supportive housing programs struggle to keep up. ***The administration recently announced a plan to invest in IMT to serve 800 more individuals. The City must expand this program and dedicate teams specifically for residents in supportive housing.***

Fully Fund the CCIT-NYC Mental Health Crisis Response Model

We are also proud members of the [Correct Crisis Response Today NYC \(CCIT-NYC\)](#) coalition fighting for a peer-led non-police mental health crises response. The city should fully fund a truly non-police mental health crisis response. The City should allocate \$190 million to fund the model proposed by Correct Crisis Intervention Today – not the current pilot B-HEARD with well-over 80% of responses continue to be handled by police. The CCIT-NYC model is peer-led, operates 24/7, utilizes a number other than 911 like 988, has independent emergency medical technicians, fast response times, is community operate and culturally response, non-of which are represented in B-HEARD.

Thank you again for the opportunity testify regarding these crucial investments into supportive housing and resources for current and future residents. We welcome questions.