



Testimony to NYC Council
Housing and Buildings Committee
FY25 Preliminary Budget Hearing
March 11, 2024

Hello Chairperson and members of the New York City Council Housing and Buildings Committee. My name is Pascale Leone and I am the Executive Director of the Supportive Housing Network of NY. Thank you for the opportunity to testify about the FY25 Budget. Today, I want to focus our testimony on improving the NYC 15/15 initiative, #JustPay for our human services workforce, and fully staffing critical city agencies associated with developing and operating supportive housing.

We're concerned that NYC 15/15, the city's primary mechanism for supportive housing development, is falling short of its goal to create 15k units by 2030. NYC 15/15 relies on the scattered site model, where nonprofits rent units on the private market and brings services to tenants. Yet, the private market units just aren't there, as evidenced by the recent Housing and Vacancy report that showed the rental vacancy rate at just 1.4%. This, along with inadequate service rates, has resulted in only 17% of scattered site units awarded after eight years, when the city should be at or above fifty percent.

This is not just about slow production; it's a racial equity issue. Black people are overrepresented in supportive housing applicants and make up the majority of tenants. Failing to cover the true cost of operating these programs means failing those the city has promised to support.

The Network has developed a comprehensive reallocation plan that would improve NYC 15/15 and ensure the city reaches its target- we seek to reallocate the unawarded scattered site units as follows:

1. Develop additional congregate units, above the original target of 7,500 – adding to the city's affordable housing stock
2. Develop only a limited number of scattered site units to be rented on the private market, accounting for the low vacancy rate and the instability of the model
3. Using 15/15 service and operating, develop a dedicated supportive housing preservation program at HPD
4. Investigate an **affordable housing overlay model**, where scattered site contracts can be paired with city-funded homeless set-asides

We are also seeking to increase and align all service Increase and align all NYC 15/15 service and operating to ensure parity across the program and all housing models, and expand NYC 15/15 eligibility to include individuals exiting jail or prison, and survivors of domestic violence. More details on this plan can be found in our written testimony.

Next, our workforce, predominantly Black and Brown women, deserve fair compensation. We join our colleagues and peers in the nonprofit human services sector calling for a **5% COLA for city-contracted human service workers in FY25, costing approximately \$150 million, with an additional 3% in FY26 and FY27, totaling 16% over five years, keeping pace with union workers.** Additionally, we urge streamlining the process for claiming COLAs to avoid bureaucracy and slow contract amendments.

Finally, **fully fund and staff City agencies building and filling affordable and supportive housing.** A recent report from the comptroller reveals that understaffing in city agencies is causing delays in affordable housing development. This creates a inefficiencies in filling vacant units at a time when the city is facing significant strain on the homeless service system. Cutting positions or hiring freezes does not create efficiencies—instead it creates more of a strain on a system in dire need of a reprieve.