

**New York State Senate and Assembly
Joint Session on
FY 2010-2011 Executive Budget for
Human Services/Social Services
February 10, 2010**

**Testimony of
Common Ground Community
Timothy E. Marx, Executive Director
Regarding SRO Support Services**

Introduction and Summary

Thank you Chairs Wright and Squadron for the opportunity to submit testimony on behalf of Common Ground Community concerning the impact of the Governor's proposed cut to SRO Support Services funding for the FY 2011 budget. Common Ground is one of the state's and nation's largest developers and providers of supportive housing for the formerly homeless and those with special needs. We own or manage nearly 2,200 units of housing – nearly all of which is permanent supportive housing - across New York City and on the Montrose campus of the Veterans Administration, and three more buildings are in rent-up or are scheduled to open in 2010 for an additional 525 units. (See attached overview of Common Ground housing.)

Common Ground recognizes the difficult fiscal circumstances the state is confronting and appreciates that hard choices must be made. We also are thankful for the significant leadership and support that state government has provided on a long-term and bi-partisan basis that has allowed the state to become a national leader in the development of supportive housing as a cost effective and compassionate solution to homelessness for our most vulnerable citizens. Supportive housing is a compassionate response to homelessness because it combines quality housing with support services that allows people to rebuild their lives; it is cost effective and less expensive than other alternatives such as mental health or medical facilities that rely on Medicaid. One study conducted by the University of Pennsylvania has demonstrated that supportive housing reduces reliance on crisis services by as much as \$16,000 per unit per year.

The state SRO Support Services program is a critical element to the success of supportive housing in New York. We and our social service partners utilize the SRO Support Services program to provide social services, education and employment/self-sufficiency programming, and security for our tenants and the communities surrounding our buildings. Without the program, homelessness and expenditures on crisis costs such as emergency rooms and mental health will increase, and hundreds of millions of dollars of capital investment by the state and others will not be fully utilized for its intended purpose. We urge you to maintain the state's investment in this critical program.

The remainder of this testimony provides more detailed information on how the program is used and the potential impact of the proposed cuts.

The Uses of and Results Achieved with SRO Support Services in Common Ground Buildings/Programs

Common Ground and our social service partners, the Center for Urban Community Services and BronxWorks (f/k/a Citizen's Advice Bureau), rely on SRO Support Services funding at six of our existing buildings/programs, and we are relying on it as well for three projects that are currently in development or in the process of being rented-up. The program funds three critical elements of supportive housing. The first is security. Maintaining high quality, trained security staff has resulted in almost no significant incidents of violence at any of our sites in our nearly 20 years of operation. The presence of security staff at our sites also results in increased confidence among our neighbors regarding the safety of our buildings located in their communities. The second are the social services such as intensive case management provided by our social service partners for tenants with special needs such as severe mental illness and chemical dependency. The third are tenant services for items such as financial literacy and employment/self-sufficiency services.

The SRO Support Service program is a key element of the success of Common Ground supportive housing:

- Average eviction rates of less than 1%
- Average rates of exits for any negative reason of 1.5%
- Housing stability of 95% (measured as the percentage of tenants who remain in our housing from year to year)

In addition, Common Ground and our partners have increased efforts to house people directly from the streets. These efforts have been a key contributor to the 47% reduction in the number of street homeless in NYC from 2005 to 2009 as documented by the 2009 Department of Homeless Services HOPE Count results.

These results are not an abstraction. For example, one of our residents at The Prince George, a Common Ground building that receives SRO Support Services funding, had been homeless on and off for twenty years including living in Prospect Park (Brooklyn) for the last two years of his homelessness. When Common Ground's Street to Home outreach team found him there, he was receiving no benefits and was suffering from debilitating medical conditions that compromised his ability to both walk and see. This individual moved into The Prince George in May 2008 and, through the support and services offered by our staff, is now receiving a stable source of income (SSI), regularly attends physical therapy, has been equipped with a cane and has even been fitted with a full set of dentures. Most recently, this resident reconnected with his five year old daughter, whom he had not seen in two years. Similar success, we believe, will be achieved by tenants of The Brook, our 190 unit development that is now just opening in the Bronx and accepting tenants. One such tenant, who also spent twenty years living on the streets, in drop-in centers and in safe havens in the Bronx, received the keys to his apartment at The Brook - his first real home in two decades - on January 20, 2010. We know that, with the support and services we offer there, this new resident can and will stabilize his life and reconnect to the community.

The Impact of SRO Support Service Cuts

Six Common Ground sites currently receive \$2,578,574 of SRO Support Services funding. We also anticipate receiving an additional \$607,920 of SRO Support for three sites that are currently in construction or in the rent-up phase – specifically, The Brook’s 190 units in the Bronx, The Lee’s 263 units on the lower East Side of Manhattan, and The Domenech’s 72 units in Brooklyn. Our understanding is that the proposed cuts to the SRO Support program include a 13% reduction for our six existing sites as well as *total elimination* of funding for The Brook, The Lee and The Domenech. Such cuts would result in \$943,134 total lost revenue to Common Ground and our partners.

The three projects in construction or in rent-up represent a total combined capital investment in construction and permanent capital of \$177 million from private, federal, state and city sources. Over \$32 million of this investment is from New York State sources. Additionally, New York State allocated tax credit private equity investment of \$19 million for these projects. These investments were made on the assumption that extremely low-income special needs and homeless populations would be housed. Failure to provide adequate support services would significantly frustrate these investor expectations.

If cuts to the program do occur, we would work with our partners to minimize the impact on our most vulnerable tenants and clients, the communities we serve and our staff who are so committed to this important work. However, the more severe the cuts, the deeper the impact would be on our tenants, the community and the staff that serve them. The positive and cost-effective results Common Ground has obtained for approximately 7,500 New Yorkers over almost 20 years demonstrate that the investments of the state and so many others in supportive housing has transformed people, buildings and communities. There are thousands more New Yorkers and communities that could benefit from supportive housing. Now is not the time to stop doing what is working for vulnerable New Yorkers and for taxpayers. Rather, now is the time to make tough decisions by maintaining and enhancing investments in what works.

Conclusion

I appreciate the opportunity to offer this testimony. We urge you to restore the SRO Support Services program and expand it to meet additional needs. I would be happy to respond to any inquiries that Committee members may have, and invite you to contact me to visit a Common Ground building or program. I can be reached at tmarx@commonground.org or 212.389.9318.

Thank you.

Attachment