



**New York State Senate Joint Committees on
Social Services & Children & Families**

**Roundtable Discussion on the current and future issues and concerns of
human services administrators, advocates and clients**

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**Supportive Housing Network of New York
Maclain Berhaupt, State Advocacy Director**

Good morning. My name is Maclain Berhaupt, and I am the State Advocacy Director of the Supportive Housing Network of New York. The Network represents over 200 nonprofit providers and developers who operate over 43,000 supportive housing units throughout New York State.

Supportive housing – permanent, affordable housing linked to on-site services – is the proven, cost effective and humane way to provide stable homes to individuals and families who have difficulty finding and maintaining housing. The people we house and serve – people with mental illness, HIV/AIDS, substance abuse, and other barriers to independence – are typically frequent users of expensive emergency services like shelters, hospitals, prisons and psychiatric centers. Because placement into supportive housing has been proven to reduce use of these services, 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.

I am here today to discuss the recent budget cuts that the on-site support services in supportive housing have endured over the past two years and to ask for the Senate's support in restoring the funding to the OTDA NYS Supportive Housing Program.

OTDA's NYS Supportive Housing Program (NYSSHP) is the mainstay of supportive housing – it pays for critical on-site services that make it possible to house multiply-disabled and vulnerable individuals, families and children in permanent affordable apartments. NYSSHP funds the housing-based support services for over 16,000

formerly homeless and at-risk single adults, families with children and youth throughout NYS.

NYSSHP supports three different services funding streams: support services for single adults, families and children and young adults.

The largest part of this funding is allocated for support services for single adults. For the past 30 years, every administration has steadily invested State capital dollars to build new supportive housing units, then provided these necessary funding streams to pay for essential services and operating costs when they opened. They did this because they understood that an investment in supportive housing saves them money. Supportive housing has helped us close thousands of inpatient psychiatric beds and has made a significant, measurable dent in the number of disabled individuals living on our streets.

However, in the FY 2010-2011 budget, the state cut services for single adults by 13%. Because of the Deficit Reduction Plan and various negotiations with the City, supportive housing residences in the city received a 17.2% cut. This led to the immediate layoffs of over 100 low-wage caseworkers – many of whom had lifted themselves out of homelessness with these jobs. It has greatly diminished how much support services these tenants now receive from the remaining caseworkers.

Equally chilling, not a single new building that opened in 2010 received an SRO Support Services contract. These buildings, 15 in all, received over \$300 million in public and private capital investment, only to lose their small service contract that makes all that investment work. Nonprofits use this funding to meet the needs of their population and neighborhood. Here are a few examples of how nonprofits had budgeted their funding, before they were told that they were losing 100% of their funding.

- A beautiful new mixed-income supportive housing residence in Harlem opened last year, housing 64 low-income families from the community and 50 formerly homeless individuals. This building lost their front desk security funding.
- In Brooklyn a wonderful new supportive housing residence for the frail elderly that was relying on support services. Not receiving a services contract means eliminating their daytime security staff and half of their overnight security.
- This year, in Rochester, the Eastman Commons Dewey Avenue supportive housing program is slated to open 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. Now, the lack of \$90,000 in NYSSHP jeopardizes this 80 unit project by eliminating services for its chronically homeless residents.

Today, OTDA support services funding is at the same level it was in 2010-11 – at \$17 million, fully \$6.6 million short of what is actually needed. The result is thousands of units operating without this funding, and nonprofits struggling to provide safe, secure housing with adequate services to formerly homeless tenants.

Most of these units are occupied by people living with a disability: mental illness, HIV/AIDS, substance abuse or mobility impairment. Many have more than one disability. More than a dozen national studies have measured just how important supportive housing is for people with disabilities.

For example, without these critical housing and services, these studies show that individuals with HIV/AIDS would:

- **quadruple** their use of **hospital care**
- **double** their use of **nursing home care**

Individuals with mental illness would:

- **double** their use of **psychiatric centers**
- **double** their use of **emergency room care**
- **double** their use of **inpatient hospital care**

If only 2% of the currently housed individuals revert to homelessness, the State 'savings' are wiped out.

The other piece of NYSSHP, support services for families and young adults, is the only statewide supportive housing service funding for formerly homeless families and at-risk youth. This funding currently pays for counseling, job placement and service linkages for families. It was historically a \$5 million program that was cut to \$2.5 million in late 2010.

This erosion of funding for families means that New York State is losing family supportive housing units at a time when we have record family homelessness in New York City. In the recently announced awards, 557 units that had been funded in past rounds were not funded this year. Nonprofits like Chances and Changes/Pathstone in Livingston County and Neighbors of Watertown in Jefferson County had been awarded family supportive services funding as part of an agreement to take over

struggling HHAP buildings serving survivors of domestic violence. These organizations stepped up to the plate, only to be summarily de-funded in 2011 due to budgetary cuts passed in April.

Any ‘savings’ from cutting these programs has been completely cancelled out by the resulting increase in the use of more costly emergency services by the families that had been served by this program. The annual cost of providing homeless families with shelter is \$38,405 in New York City and \$23,521 in Albany, far more than it costs to provide families with the dignity of their own home. If just 4% of the families currently housed by this program become homeless as a result of this budget cut, the increased cost in emergency shelter alone would eliminate any savings achieved by the reduction. Our nonprofits’ observations and the rising number of homeless families show that this is already happening.

One example of a local family in the Capital District demonstrates the cost savings that family services provided through the NYSSHP provides to the state explicitly.

Rachel, a single mother with two children, arrived at Support Ministries in 2004 with HIV/AIDS. She’d just spent eight weeks at the Albany Medical Center, where she cost New York State conservatively \$755 a day. Meanwhile, Rachel’s two daughters were sent to separate foster homes costing the state \$2,444. Because of her illness, Rachel wasn’t allowed to leave the hospital. She languished at Albany Med for an extra six weeks costing the state an additional \$31,710. Rachel’s family’s public costs for eight weeks while homeless was an astonishing \$34,154. However, everything changed when Support Ministries intervened.

Support Ministries offered Rachel an apartment for her family in Albany. State and federal housing covered her rent at \$600 a month, while the State paid for critical support services through the state program at a cost of \$3,300. Support Ministries helped Rachel get food stamps and public assistance, which she used for two months costing the state \$437 before the organization helped her find full-time employment. Within just a year of coming to Support Ministries, Rachel became 100 percent self-reliant. Her health stabilized and her children entered school. Today, six years later, Rachel is still working. Her oldest daughter has graduated from high school and the other remains on track to do so. Rachel hasn’t been hospitalized for HIV since.

Rachel’s family’s public costs for **eight weeks while homeless was \$34,154.**

Rachel’s family’s public costs **for one year in supportive housing was \$10,937.**

Rachel’s family’s public costs **after one year in supportive housing is \$0.**

There are other important fiscal reasons for fully funding NYSSHP. The State:

- **Puts more than \$500 million in state and local capital investment at risk.** The residences most at risk of losing their service contract were built with over \$500 million in New York State and New York City capital funding.
- **Will lose millions in federal operating and rental subsidy funding.** SRO Support Services is often the only state or local service funding nonprofits have to meet the 25% match required by their U.S. Department of Housing and Urban Development (HUD) grants. Eliminating just some of these SRO contracts puts up to **\$100 million in federal subsidies at risk.**
- **Jeopardizes private investment.** SRO Support helps secure Low Income Housing Tax Credit and other capital investments, already severely diminished by the economic crisis.

Conclusion

In all, the Network asks that the state fully fund **OTDA's NYS Supportive Housing Program at \$28 million**, enough to meet the needs of each of its component programs:

- Support Services for Single Adults - at \$23.7 million, covering the \$23.4 million needed to fund existing projects and the \$288,000 needed for all new residences coming opening in the State fiscal year.
- Support Services for Families & Young Adults – at \$4.3 million, covering services for existing programs that requested funding this year.

New York State has never wavered from steadily expanding its investment in supportive housing. Indeed, New York 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 psychiatric inpatient and shelter beds, and decrease spending on expensive emergency Medicaid spending. 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. And investment in supportive housing development creates jobs, business, growth 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.

Respectfully submitted by:

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