



Testimony of
Supportive Housing Network of New York
For the New York City Council's Committee on Housing and Buildings Hearing on the
New York City Council Fiscal Year 2015 Preliminary Budget
March 24, 2014

Good morning. My name is Nicole Branca. I am the Deputy Executive Director for the Supportive Housing Network of New York and I am here today to call attention to the need for a new city-state supportive housing agreement. Specifically the Network requests that the Council work with the Administration to ensure that at least 15,000 units of the 10-year, 200,000 unit housing plan be targeted for new construction of supportive housing, affordable housing tied to on-site services for homeless, disabled and at-risk individuals and families.

The Supportive Housing Network is a member organization representing over 220 nonprofit organizations that build, manage and provide services in more than 47,000 permanent supportive housing apartments throughout New York State, including 30,000 units in New York City. For the most vulnerable homeless individuals and families in the City's shelter system and on its streets, supportive housing is the most effective and cost-efficient intervention, providing both the permanent housing and the social services needed to enable individuals and families to find stability and begin rebuilding their lives.

While New York City leads the nation in the production and innovation of supportive housing – in large part thanks to HPD's continued commitment to the model, the demand far exceeds the current supply. With record homelessness we need to do more. Last night over 60,000 individuals and families slept in City shelters or on the street. Supportive housing isn't the solution for all 60,000 – the City must work across agencies to develop a continuum of housing and services to address the myriad of reasons why New Yorkers become homeless – but supportive housing must be central to that plan.

Over the last nine years the City has been creating supportive housing through a city-state agreement known as the New York/New York III Agreement (following two prior initiatives signed in the 90s). Together the City and State agreed to create 9,000 units of supportive housing over ten years, targeting specific vulnerable populations including chronically homeless individuals living with mental illness, HIV/AIDS and other disabilities, vulnerable youth including youth aging out of foster care, and homeless families where the head of household is medically disabled.

By almost every measure, NY/NY III has been a resounding success. The program:

- Reduced use of shelters, hospitals, psych centers and incarceration, for an average public savings of \$10,100/unit per year;
- Decreased chronic homelessness among single adults by 47% in first 5 years;
- Provided long-term housing stability with more than 75% of NY/NY III tenants remaining housed after two years and a shelter recidivism rate of only 5%;
- By using an integrated model and not just building residences for 100% supportive housing tenants, NY/NY III is generating the construction of over 2,000 additional units of affordable housing, all for people living in the community making less than 60% Area Median Income; and
- By the end of the agreement, NY/NY III will have created over 10,000 construction jobs – the majority of which at prevailing wage, and an estimated 1,500 property management and social service jobs, many of which have gone to people living in the community in which the buildings are built.¹

Supportive housing has also been proven to improve neighborhoods. An independent study by the New York University School of Law’s Furman Center for Real Estate found that the value of properties surrounding supportive housing rose higher and more quickly the closer those properties were to newly-developed supportive residences, which often replace of abandoned buildings, vacant lots and other neighborhood disamenities.²

The problem is that the NY/NY III initiative is coming to an end and without a capital commitment from the city and state housing agencies and operating contracts from the city and state human service agencies, the production of supportive housing will come to a standstill.

Getting to a new 15,000 unit City-State Supportive Housing Agreement:

Assuming the City and State continue to build integrated housing, split development costs 50/50, and that the city continues to leverage significant private funding through bond financing and tax credits, the estimated capital subsidy need for a new NY/NY initiative is \$165 million per year for HPD and HDC. We urge City Council to work with the Administration to ensure that the housing plan includes this 15,000 unit commitment and that HPD’s capital budget includes the funding to make it possible.

Thank you for the opportunity to testify.

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¹ Estimates based on calculations found in this presentation: <http://shnny.org/learn-more/what-is-supportive-housing/supportive-housing-slideshow/>

² http://shnny.org/uploads/Furman_Center_Policy_Brief.pdf