



**New York State Senate and Assembly  
Joint Public Hearing on the  
FY 2010-2011 Executive Budget for Mental Hygiene Agencies  
February 3, 2010**

**Supportive Housing Network of New York  
Ted Houghton, Executive Director**

Good morning. My name is Ted Houghton, and I am the Executive Director of the Supportive Housing Network of New York. The Network represents over 180 nonprofit providers and developers who operate nearly 40,000 supportive housing units throughout New York State, the largest supportive housing membership organization in the country.

Supportive housing – affordable apartments 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, physical disabilities 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.

The State Office of Mental Health was one of the first agencies – in New York State or anywhere else – to demonstrate the savings associated with supportive housing, and has wisely been investing in supportive housing for more than two decades now.

So it is no surprise that in this budget they have maintained their commitment to the New York/New York III Supportive Housing Agreement, the 10-year City/State commitment to create 9,000 new units of supportive housing in New York City. OMH leadership understands that it is a lot more expensive to leave people with disabilities homeless or in hospitals than it is to give them their own apartment.

Unfortunately, localities outside of New York City have seen OMH's investment in mental health housing come to a halt. In order to maintain funding for existing units across the state, while continuing to develop NY/NY III housing, the State was forced last year to “freeze” the statewide development pipeline of 1,600 OMH supportive housing units. This was a mistake. New York State has amongst the highest rates of

homelessness in the country, and at least one out of every two people who are homeless suffer from mental health issues. Moreover, countless people end up in expensive and restrictive nursing homes and adult homes each year, when they could be living in their own supported apartment at a fraction of the cost. As studies have shown, average Medicaid use plummets when people get housed.

In addition, supportive housing creates jobs. Freezing the statewide pipeline eliminates the need for thousands of construction jobs and hundreds of social service and property management jobs. No construction programs, especially ones where many of the sites are shovel-ready, should be frozen while our unemployment levels remain at record highs.

It is also important to note that the funding needed for these units are all in the out-years. OMH already has capital funding for these units, but since it takes an average of two to three years to build or rehab a supportive housing residence, the operating and service funding will not begin to appear in the OMH budget until FY2012, and mostly long after that.

We appreciate that OMH has managed to prioritize and protect supportive housing services in its budget. And we are heartened by OASAS's commitment to expanding supportive housing these past three years. We hope to work with OASAS to expand funding available for supportive housing for New Yorkers diverted from or leaving prison as a result of the Rockefeller drug reforms. We also hope that OMH is allowed to move more aggressively on new housing development and spend its allocated capital this year.

Thank you for this opportunity to testify.

*Respectfully submitted by:*

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