

Taking Stock of the New York/New York III Supportive Housing Agreement:

**A Community View of the
Achievements and Challenges
Implementing the Nation's Largest
Supportive Housing Initiative**



February 2014

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About the Network

The Supportive Housing Network of New York is a nonprofit membership organization with offices in New York City and Albany. The Network represents over 220 nonprofits that build, manage and provide services in more than 47,000 permanent supportive housing apartments across New York State. The Network maintains important relationships with federal, state and local government agencies essential to the ongoing operations of our members' programs and the development of supportive housing.

The Network serves as a voice for New York's provider community, which has created the largest, best-managed and most innovative supportive housing stock in the nation. Our relationship with our membership and government partners allowed the Network to engage in dynamic conversations about the success, impact, challenges and lessons learned thus far about the planning, implementation and ongoing operation of supportive housing under the New York/New York III Supportive Housing Agreement.

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Executive Summary

The New York/New York III Supportive Housing Agreement is well on its way to creating 9,000 units of supportive housing, fulfilling the largest and most expansive single commitment to supportive housing ever made by a city and state. It has also been a resounding success; NY/NY III reduced public spending on hospitals, shelters, and other expensive emergency interventions, even as it helped the most challenged individuals and families with extensive histories of homelessness reclaim their lives in safe, stable, attractive, and integrated housing that strengthened communities and created thousands of affordable apartments in one of the tightest housing markets in the country.

The Supportive Housing Network of New York conducted interviews and focus groups with more than 140 stakeholders to better understand the strengths and shortcomings of the agreement, in order to learn from the experience and provide guidance to future supportive housing initiatives.

Stakeholders, including providers, government partners, tenants, funders, and advocates shared an overwhelming consensus that, although not without its challenges, NY/NY III was successful in many ways:

- The sheer size, scope and scale of the agreement was unprecedented.
- The large number of agencies remained committed throughout the agreement, despite changes in leadership and reductions in resources.
- It housed and served a much broader group of vulnerable populations, leading to supportive housing's acceptance as a beneficial intervention for youth, families, and individuals with a range of disabilities and barriers to independence.
- It prioritized and successfully housed chronically homeless people, including individuals coming straight from street homelessness, and it proved that the housing first model works.
- The coordination of capital, service, and operating funding awards streamlined development, expanded the developer community, reassured investors, and facilitated the creation of new financing models.
- The initiative achieved measurable, replicable outcomes.

Respondents offered recommendations for improvements moving forward:

Who to House:

- Maintain targeting to chronically homeless people with mental illness and addiction, expand to formerly incarcerated

individuals and homeless youth, and broaden targeting to the general shelter population, including seniors, the medically frail, and families with multiple barriers to independence.

- Make eligibility criteria less prescriptive and/or adopt a vulnerability index or other centralized assessment tool.

Financing the Housing:

- Extend length of service and operating contracts, and link to rent increases.
- Improve coordination between capital and service agencies and their funding processes.
- Increase capital funding to meet the City and State's production commitments.
- Improve access to viable sites via increased efforts to combat NIMBYism and by providing additional acquisition resources.

Moving People Into and Maintaining the Housing:

- Streamline housing placement process.
- Broaden eligibility criteria.
- Increase rates to reflect rising rents, especially for scattered-site housing.
- Provide supports to help residents move on if and when they are able, especially for youth that are in time-limited housing.

Measuring Success:

- Continue tracking cost savings and housing retention and also measure:
 - Improved health outcomes
 - Community integration and social connectedness
 - Gainful employment and/or educational attainment
 - Consistent payment of rent
 - Positive exits
- Evaluation criteria should be population-specific.
- Cost-effectiveness and cost-savings should be publically and regularly documented.
- Current oversight committee is effective, but oversight meetings should be more public, meet more regularly, and allow for providers and advocates to participate, with progress shared regularly.

In conclusion, respondents agreed that the NY/NY III Agreement should serve as the foundation for a successor supportive housing development initiative, and that such an initiative needs to commence as soon as possible to maintain the momentum and success already achieved.

Introduction

This is the story of the New York/New York III Supportive Housing Agreement, an unprecedented commitment by a city and state to eliminate homelessness for its most vulnerable residents, as told by the extraordinary community of stakeholders who made it happen.

Supportive housing is permanent, affordable housing linked to onsite services that keep formerly homeless tenants with disabilities and other barriers to independence stably housed. Dozens of independent studies have proven that supportive housing is not only the most effective solution to the homelessness of vulnerable individuals and families, but also an extraordinarily cost-efficient one, reducing public spending on shelters, hospitals, psychiatric centers, and other expensive emergency interventions.

New York City originated the supportive housing model and continues to be the nation's supportive housing leader, with over 30,000 units in operation. New York boasts these numbers in large part because of three City-State development initiatives, the New York/New York Agreements to House Homeless Mentally-Ill Individuals I and II, and the NY/NY III Supportive Housing Agreement. Over the last 24 years, these initiatives together created 14,000 units of supportive housing for homeless people with special needs.

The NY/NY III Supportive Housing Agreement, signed in 2005, is larger and more comprehensive than its predecessors, with a ten-year goal of creating 9,000 units of supportive housing for nine distinct tenant populations with different disabilities and challenges. The agreement commits the City and the State to construct 6,250 units of new supportive housing and subsidize 2,750 scattered-site supported housing units in existing buildings. The nine populations served range from single adults who are chronically homeless with mental illness, substance abuse and/or living with AIDS, to youth aging out of foster care with multiple barriers to independence and homeless families with a disabled head of household, to name a few.

Now in its eighth year, 90% of the NY/NY III Agreement's units are open or in development, due in large part to the unprecedented commitment and coordination of 12 different government agencies, scores of supportive housing providers and developers, and the many private partners, intermediaries and others in the supportive housing community. This infrastructure must be maintained to continue the steady creation of supportive housing in New York City and beyond.

More importantly, NY/NY III helped reduce the number of chronically homeless single adults in New York City while

addressing the needs of people with an unprecedented diversity of disabilities. Moreover, it created dozens of attractive supportive housing residences that strengthen communities and provide housing not only to members of the target populations, but to thousands of non-disabled low-income tenants as well.

The NY/NY III Agreement has faced challenges along the way, from delays in capital development and contract procurements, to multiple leadership changes in the Governor's office and at State and City agencies, and to external disruptions related to the 2008 financial crisis and ensuing rounds of State and federal budget cuts. Nevertheless, the agreement quickly created all scattered-site units on schedule and capital development remains on track for completion just two years beyond its original end date. The success of the initiatives and its two predecessors legitimized supportive housing to the lenders, investors, and government officials critical to the model's further growth.

The goals and measures of success of the NY/NY III Agreement have shifted over the years. Originally conceived to reduce chronic homelessness, it was designed to also address the State's aim to decrease the number of long-term inpatients in psychiatric centers. A concentration on housing long-term shelter stayers soon gave way to efforts to place street-dwelling homeless individuals into housing. The State's desire to address the housing needs of high-cost Medicaid recipients added another focus to the agreement.

In general, NY/NY III has met all these challenges. And while doing so, greatly reduced the incidence of chronic homelessness – even as the overall number of homeless individuals and families increased in the City¹ – and created enormous cost savings for the City and State. The investment in NY/NY III has resulted in reductions in Medicaid spending, single and family shelter usage, jail and psychiatric hospital care.²

This report is the culmination of a series of interviews and focus groups with over 140 stakeholders. The goal of this research is to take a holistic look at the initiative and all its programs, systems, and policy elements in order to 1) allow stakeholders to offer feedback on the present initiative to expand what is working and improve what is not and 2) provide guidance to the design of future supportive housing initiatives.

Research Process

Throughout the summer and fall of 2013, the Network conducted 32 interviews and seven focus groups. All of the interviews took place in person or via video conference, with some interviews being one-on-one, while others were held with multiple representatives of an organization in a group setting. The focus groups were held as follows: four with residents of NY/NY III that represented housing seven of the nine populations served; one with NY/NY III supportive housing providers, who together represented all nine populations; one with shelter and street outreach providers; and one with policy and advocacy experts from the supportive housing community. In total, 144 individuals participated in the research process from 12 government agencies, 34 nonprofit organizations, and eight financial institutions – all of which have been, or continue to be, critical players in the formation and operation of the initiative.

Interviews followed a core list of 15 questions (see Appendix A), sent to participants in advance, that introduced topics such as: the most notable achievements of the initiative or the components that were less successful; the populations served or underserved and the criteria and process for enrollment; the metrics used now or to be used moving forward for measuring the impact and outcomes for NY/NY III housing programs, residents and funding agencies; the development process and its impact on the development team; the day-to-day operations of existing programs; and the oversight process of the agreement. Interviews were concluded with questions related to the current homelessness crisis in NYC, the impact of the New York State Medicaid Redesign Team's recent capital and service dollar subsidies, and an open question about what a future supportive housing initiative should look like.

Focus groups with NY/NY III supportive housing providers, shelter providers and policy advocates and experts were sent an abbreviated version of these questions ahead of time to be used as a guide for each interview.

Resident focus groups were asked a range of questions, which focused on what their experience to date as residents of supportive housing, and the difference between living in supportive housing, as compared to where they lived before (see Appendix B).

This qualitative report attempts to convey the expressed consensus and the major themes voiced in interviews and focus groups. These findings are supplemented by quantitative data from the Network's Statewide Supportive Housing Database and excerpted statistics from recent industry reports.



Diversity Works



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History of the New York/New York Agreements

In 1990, Governor Mario Cuomo and Mayor David Dinkins made history by signing the first New York/New York Agreement to House Homeless Mentally Ill Individuals, which pledged the City and the State to each contribute capital funding to build 3,314 units of supportive housing, with the State covering the costs of providing on-site services. The initiative measurably lowered the shelter census at the peak of housing production, and NY/NY tenants were the subject of a landmark 2001 study³ that, for the first time, precisely calculated individuals' use of health, mental health, homeless, and hospital services and compared them to randomized control groups. The study showed that supportive housing—as opposed to usual care—led to significant reductions in emergency care and costs.

The NY/NY II Agreement, signed in 1998, funded the creation of 1,500 units in five years for mentally ill and homeless individuals. In November 2005, Governor Pataki and Mayor Bloomberg signed the NY/NY III Supportive Housing Agreement – by far the most ambitious commitment to supportive housing in history. Signed by 10 City and State Agency commissioners, NY/NY III promised to create 9,000 units of housing for nine distinct populations, including, for the first time, units for youth and families with special needs and other barriers to stability. Of the 9,000 units, it was agreed that 6,250 of the apartments would be single-site, with the capital funding split 50/50 between the City and State, and the remaining 2,750 units would be scattered-site apartments funded by various City and State agencies through contracts that allowed nonprofits to rent and provide services to supportive housing tenants living independently in the community (see Appendix C for details on agency by agency commitments).

The NY/NY III Agreement includes the following 10 signatories from New York City and New York State government agencies:

- NYS Department of Housing and Community Renewal (now known as New York State Homes and Community Renewal, or NYS HCR)
- NYS Office of Mental Health (NYS OMH)
- NYS Office of Temporary and Disability Assistance (NYS OTDA)
- NYS Office of Alcoholism and Substance Abuse Services (NYS OASAS)
- NYS Office of Children and Family Services (NYS OCFS)
- NYC Department of Housing Preservation and Development (NYC HPD)
- NYC Human Resources Administration (NYC HRA)
- NYC Administration for Children's Services (NYC ACS)
- NYC Department of Homeless Services (NYC DHS)
- NYC Department of Health and Mental Hygiene (NYC DOHMH)

In addition to the signatories, New York State's Housing Finance Agency (NYS HFA – now part of NYS HCR) and New York City's Housing Development Corporation (NYC HDC) are considered unofficial but critical participants in the agreement that provide capital financing for the projects. The AIDS Institute at the New York State Department of Health (NYS DOH) also provides funding for operations and services of the HIV/AIDS units through NYC HRA.

The Bureau of Epidemiology Services at the NYC DOHMH is the primary evaluator of the agreement. The bureau determines whether NY/NY III residents use fewer public resources and have fewer instances of avoidable health care utilization (and, thus, more instances of preventative health care utilization) once housed. Many stakeholders interviewed alluded to the importance of this evaluation to the initiative's success and replication.

History of the New York/New York Agreements

NY/NY III Agreement - Nine Distinct Groups to be Served

Population Category and Description*	Single-Site Units	Scattered- Site Units	Total Units
A - Homeless, with Serious and Persistent Mental Illness (SPMI): Chronically homeless single adults who suffer from a serious and persistent mental illness (SPMI) or who are diagnosed as mentally ill and chemically addicted (MICA)	3,200	750	3,950
B - SPMI - Psychiatric Centers: Single adults who are presently living in NYS-operated psychiatric centers or State-operated transitional residences and who could live independently in the community if provided with supportive housing and who would be at risk of street or sheltered homelessness if discharged without supportive housing	500	500	1,000
C - SPMI Youth: Young adults, ages 18-25, who have a serious mental illness being treated in NYS licensed residential treatment facilities, State psychiatric facilities or leaving or having recently left foster care and who could live independently in the community if provided with supportive housing and who would be at risk of street or sheltered homelessness if discharged without supportive housing	200	-	200
D - SPMI Families: Chronically homeless families, or families at risk of becoming chronically homeless, in which the head of the household suffers from SPMI or a MICA disorder	400	-	400
E - Substance Abuse (Active)**: Chronically homeless single adults who have a substance abuse disorder that is a primary barrier to independent living and who also have a disabling clinical condition (i.e. a medical or mental health (non-SPMI) condition that further impairs their ability to live independently)	250	500	750
F - Substance Abuse (In Recovery): Homeless single adults who have completed a course of treatment for a substance abuse disorder and are at risk of street homelessness or sheltered homelessness and who need transitional supportive housing (that may include half-way houses) to sustain sobriety and achieve independent living	250	500	750
G - Medical Family: Chronically homeless families, or families at serious risk of becoming chronically homeless, in which the head of the household suffers from a substance abuse disorder, a disabling medical condition, or HIV/AIDS	750	-	750
H - HIV/AIDS***: Chronically homeless single adults who are persons living with HIV/AIDS (who are clients of HASA or who are clients with symptomatic HIV who are receiving cash assistance from the City) and who suffer from a co-occurring serious and persistent mental illness, a substance abuse disorder, or a MICA disorder	600	400	1,000
I - Youth Aging Out of Foster Care: Young adults (aged 25 years or younger) leaving or having recently left foster care or who had been in foster care for more than a year after their 16th birthdays and who are at risk of street homelessness or sheltered homelessness	100	100	200
Totals:	6,250	2,750	9,000

*Unless noted for families, unit designations are for singles.

**In 2009 there were two changes in eligibility criteria: Individuals who had been homeless 6 of the past 12 months were now considered eligible and clients were no longer required to have a disabling clinical condition.

***In 2013 the eligibility was changed to remove the chronic homeless requirement.

The Successes of NY/NY III

At the time of this analysis (year eight of the agreement), those interviewed often stated that the Agreement's scale and scope contributed to what has become a tremendously successful initiative. Supportive housing providers, government partners and funders alike heaped accolades on NY/NY III, not only for being the largest supportive housing agreement in the country, but also for being a comprehensive commitment that engaged a wide variety of participants. The increased interagency accountability was viewed as part of a sea change in how government agencies communicated and coordinated efforts that extended beyond the Agreement itself.

Interviewees tended to agree that the NY/NY agreements transformed the supportive housing community into a sophisticated service and housing development engine, unique in its ability to garner commitments and collaboration from a wide variety of stakeholders. Said one government partner, *"NY/NY III gave us the opportunity to push the paradigm in terms of how we provide social services to people in a new, positive way."*

Tenants currently residing in NY/NY III housing contributed some of the most eloquent anecdotal evidence on the importance of the agreement, and the need for more supportive housing. The majority of residents expressed gratitude for front desk security in their residences and the increased independence they had attained since moving in. Residents attributed this independence to the value of having their own apartment, their own door to lock, and also because of the security of knowing that building staff and support services were always available right downstairs if needed.

In sum, those interviewed consistently reiterated the importance of certain overarching themes:

- **Maintaining the commitment:** The very public nature of the NY/NY Agreement III and the sheer scale of the commitment created a kind of peer pressure among City and State budget divisions and all 10 of the agencies to maintain their commitments, despite budgetary, political, and policy challenges. As a result, the vast majority of units are on track to be completed on time.

- **Facilitating interagency coordination:** The agreement's interagency collaboration created a major cultural shift, as the participating government agencies were encouraged to work together to achieve their goals, facilitating increased coordination and communication and ultimately breaking down some of the silos that had prevented collaboration in the past.
- **Streamlining development:** The agreement was often (but not always) successful at coordinating capital, service and operating funding awards, streamlining project planning and development, and making supportive housing development easier to understand and more attractive to investors and lenders.
- **Expanding populations:** The third agreement's expansion of the pool of vulnerable populations housed was widely regarded as one of the Agreement's most notable successes, leading to supportive housing's acceptance as a beneficial intervention for youth, families and individuals *without* severe and persistent mental illness but other disabilities and barriers and finding and keeping housing.
- **Prioritizing the most vulnerable:** Despite serving a broader diversity of populations, the agreement successfully prioritized chronically homeless people, and demonstrated the active demonstration of the efficacy of the "housing first" approach, which provides permanent housing as quickly as possible, with services then provided as needed.⁴
- **Achieving measurable results:** This emphasis on chronic homelessness and housing first approaches contributed to measurable reductions in the number of street homeless and long-term shelter stayers.⁵

Throughout the interviews, the NY/NY III Agreement was often cited as a strong example of the impact that high quality housing with supportive services for some of New York's most vulnerable residents can make on communities. As succinctly said by one participant, *"NY/NY III created a lot of units of beautiful, quality housing that gave people a new sense of humanity."*

"My vocabulary, my way of thinking has changed since moving into [this residence]. I'm 41 years old and this is the most I've been at peace in my whole existence. I was tired of doing drugs, being in trouble. I have better friends now. I feel so grateful and blessed. It's an awesome feeling."

– NY/NY III tenant

Deciding Who to House

People Are the Priority: An Overview of Populations Served

The first two NY/NY agreements solely targeted homeless individuals with mental illness. The third agreement expanded the housing and services to tenant populations with a variety of special needs. New target populations include families with serious and persistent mental illness (SPMI) and medical disabilities, youth aging out of foster care or leaving psychiatric facilities, and individuals with substance abuse, both active and in recovery. Those interviewed saw this target population expansion as one of the most notable achievements of the initiative, helping to demonstrate the ability of supportive housing to be an effective intervention for multiple populations previously un-served.

In addition to expanding the housing to nine distinct populations, the agreement also reserves more than half of the units produced for people who are chronically homeless. The majority of the study's participants commented on the enormous impact this targeting had in reducing the city's rate of chronic homelessness.⁶

Of particular note, participants mentioned the resounding—and to many, surprising—success that providers had in housing “Population E” – individuals with active substance use, not in recovery. While harm reduction or housing first service models existed many years prior to NY/NY III, there had never before been a coordinated effort or dedicated funding stream for this approach to serving and housing the actively using population.

Results from the 2013 Homeless Youth Survey Conducted by the New York City Coalition on the Continuum of Care were alarming:

- The median duration of homelessness was 730 days
- 63% were disconnected (not in school and not employed)
- 47% had less than a high school diploma
- 66% ran away or lived apart from their parents before they were 18 years old
- 53% had contact with the criminal justice system

The majority of participants agreed that the number of units allocated to each of the agreement's target populations generally reflected the proportion of need across each group. However, respondents often acknowledged the lack of research regarding supply and demand by population, reasoning that this calculus was “close enough,” given the overwhelming need for housing for each of the populations. HRA – the agency responsible for determining applicant eligibility – noted that there were over 21,000 applications in 2013 alone. This statistic was presented at the 2013 New York State Supportive Housing Conference, along with the fact that 91% were found eligible for some form of supportive housing and 22%, or 6,000, were found eligible for NY/NY III.⁷ During that time, only an estimated 1,200 units of NY/NY III housing became available.

Moving forward, there was consensus to maintain an emphasis on homeless individuals living with mental illness and/or substance abuse. But there was also wide agreement that we must add to the stock of supportive housing for the other NY/NY III populations as well. In addition, most respondents advocated expanding eligibility to include certain other homeless and at-risk populations who were excluded or underserved by the NY/NY III Agreement.

Expanding Supportive Housing to Underserved Populations

In short, everyone agreed there needed to be more housing for a broader range of tenants. But when asked which populations underserved by the NY/NY III Agreement should be targeted in a successor initiative, the responses ranged widely. Some participants advocated for designating units for veterans, while others recommended more units for seniors. Others suggested a focus on survivors of domestic violence, and some suggested unit designations for people with developmental disabilities. Despite the varied responses, a consensus emerged that the following target populations should be prioritized:

1 Homeless youth - While NY/NY III included 400 units for youth, none were specifically for homeless youth; 200 were for youth exiting foster care, and 200 were for youth exiting state psychiatric institutions. Since NY/NY III was signed, a plethora of new information on youth homelessness has been released, garnering significant attention from providers, advocates, celebrities, and the media.

Deciding Who to House

Notably, the federal government prioritized ending youth homelessness in its 2010 plan to end homelessness,⁸ and has since worked with communities with the highest rates of youth homelessness, including New York, to identify strategies and resources for reducing homelessness for people aged 18-24.

2 Formerly incarcerated - While many supportive housing tenants have spent time in jail or prison, time of incarceration is not counted toward current measures of chronic homelessness. In effect, the chronic homeless requirement attached to most of the NY/NY III units excludes people exiting the criminal justice system to homelessness. A recent study showed that parolees without housing are seven times more likely to be re-arrested and mentally ill re-entrants who stay in shelter after release face a shocking 53% rate of re-incarceration in the first two years.⁹ There was broad agreement that this exclusion should be addressed in a subsequent agreement, with numerous respondents citing the enormous cost savings that could be achieved by reducing recidivism and pointed to the recent FUSE program in New York City, which piloted supportive housing for frequent users of the shelter and criminal justice system.¹⁰

3 Families - Even though 1,150 NY/NY III units were designated for families, participants across the board said more family units are needed. Once occupied, these family units rarely become vacant again – despite requirements that families be chronically homeless, disabled or have other significant barriers. In fact, NY/NY III families have a 95.5% occupancy retention rate, far higher than any of the agreement’s other target populations.¹¹ With more than 41,000 homeless family members in the DHS system each night,¹² the need for more supportive housing units

was presented as just part of larger need for more rental subsidies and services for homeless families.

4 Other homeless and housing needy populations -

Participants agreed that many individuals in the general shelter system with less severe medical or behavioral health issues who don’t currently qualify for NY/NY housing could benefit from supportive housing and should be included in a future agreement. Respondents identified in particular seniors who are minimally disabled, but chronically homeless and frail, and people who are high users of hospital emergency rooms.

Participants frequently cited the strictness of the agreement’s eligibility criteria as a barrier to entry for both individuals and families. For example, respondents proposed reducing the distinction between “actively using” versus “in recovery” when considering individuals with substance abuse, so that applicants do not end up “too sober” to qualify. Also mentioned were the limitations around the eligibility for families with the head of household suffering from mental illness: Domestic Violence survivors rarely meet the mental health criteria despite suffering Post Traumatic Stress Disorder (PTSD), and other parents resist accepting a diagnosis of mental illness for fear of losing their children.

Overall, consensus among participants appeared split, between whether additional population categories with specific eligibility criteria should be added, or whether existing eligibility criteria should be made more flexible to allow more homeless and housing-needy people to qualify for the housing. Respondents suggested that mechanisms like the vulnerability index, Chicago’s Centralized Referral System, or more robust information from other systems (like identifying high-cost Medicaid recipients) could be employed as part of the supportive housing referral process to capture individuals and families on the edge of the existing eligibility criteria.¹³



Deciding Who to House

Alberto: A True NY/NY III Success Story

“I used to get spit on,” Alberto says about the years he spent on the streets of New York. “I used to get beat up. I lost all my teeth. It was horrible.”

A shy, gentle man of slight build, Alberto grew up in the Bronx. But he hardly remembers those days. His father, a restaurant owner, died when Alberto was an infant. After that, the family scraped by on public assistance. Things went from bad to worse when his mother married a violent alcoholic. By his teen years, Alberto had fallen in with the wrong crowd. He committed a robbery and spent five years in prison. Upon release, he lasted only four days before he committed a crime simply to go back to prison.

“Up until then, the best time I ever had was in jail,” he says.

Alberto spent much of the following 14 years addicted, homeless and shuttling back and forth to Riker’s for petty crimes. He was arrested at least 60 times in those years. In 2008, Alberto kicked heroin and got into NY/NY III supportive housing run by Palladia, one of the few programs part of the Frequent User Service Enhancement (FUSE) initiative.

Alberto credits Palladia with saving his life. Today, Alberto is trained in building maintenance and boiler repair, is drug free, healthy and even has a new set of teeth.

Because of Palladia, Alberto says, “I have something to look forward to. There’s hope.”

Story courtesy of Palladia



CAMBA Gardens



Halletts Cove House



Navy Green

Financing the Housing

The NY/NY III Agreement's goal to develop and construct 6,250 supportive housing units over 10 years will ultimately result in more than 120 new residences across the five boroughs, a 50% increase in the number of supportive housing residences that existed prior to the agreement. Respondents agreed that the NY/NY III commitment jumpstarted and increased the volume of supportive housing development. In turn, the agreement's scope increased the supportive housing community's development capacity: more service providers embraced housing development as a core activity, and more private developers who had not previously built supportive housing entered into joint ventures to do so. These trends further increased interest in supportive housing production beyond the scope of the agreement.

1 The Emergent Expertise of the Nonprofit Development Community

Opportunity bred increased capacity. The agreement required a larger and more diversified field of nonprofit developers and service providers. Since NY/NY III was signed, 30 new nonprofits have begun to build supportive housing in the city – a 60% increase from the number of nonprofit developers who were actively building prior to the agreement.

Respondents observed that the diversity of populations housed by the agreement broadened the model and, in turn, expanded the pool of developers, service providers, and investors committed to developing and operating supportive housing. Providers who traditionally served

families in homeless shelters or with community-based programs adapted their service expertise to supportive housing. A similar shift to housing-based service provision occurred with substance abuse treatment and youth providers.

2 Coordination of Capital, Service, and Operating Awards

One remarkable NY/NY III goal was to create more of a “one-stop shop” to coordinate awards of the capital, service and operating funds of a supportive housing residence. Many interviewees heralded this as both a success and failure of the initiative. While respondents said that, in general, NY/NY III did coordinate funding better than in initiatives past (with the exception of OMH, which had always awarded capital, operating and service funds together), the complexity of the funding, and the number of new agencies involved, increased the amount of coordination necessary. To meet this higher standard, some agencies experimented with new procurement procedures, including:

- Capital procurements that also included awards of service and operating funds from another agency – In 2012, HCR's Unified Funding Round awarded capital resources to developers who could (alone, or in conjunction with their service provider development partners) also apply for OMH NY/NY III service and operating contracts in the same application.
- Conditional award letters for service and operating funds – DOHMH issued providers award letters



True Colors Residence ribbon cutting



1854 Cedar Avenue ribbon cutting

Financing the Housing

on a first come, first served basis, promising service and operating funds once the provider had secured capital funding, built and opened a residence. This allowed providers to assemble capital funding against a clear commitment that reassured investors that there would be sufficient rent subsidies and services to operate a building, despite having tenants with such low incomes. The HIV/AIDS Service Administration (HASA) at HRA attempted this during NY/NY III as well, with varying success.

- Rolling capital RFPs – Under this procurement structure, nonprofit developers could request capital funds from HPD (and later, OTDA's Homeless Housing and Assistance Program) any time in the year when all other capital, service and operating funding was assembled. Rather than have all developers submit project proposals at one annual deadline, nonprofit developers could consult with HPD informally and submit projects when they were ready.

Many of the agencies also instituted regularly scheduled meetings to share status information on the development pipeline, both internally and on an interagency basis. However, despite these improvements, there was consensus that there is still considerable room for improved coordination, as described later in this section.

3 Increased Investor Confidence

Most of the government and private funders interviewed commented on the sea change with investors that had taken place because of NY/NY III. First and foremost, the linking of dependable rental subsidies and service funding to support the capital investment created a name recognition with NY/NY III that allayed investors' concerns about housing extremely low-income, disabled tenants. Rather than starting from scratch with each deal, investors who had a successful NY/NY III deal were more likely to invest in a second, and then a third. When interviewed, all of the representatives from financial institutions praised the agreement for the reduced investment risk achieved by this capital and operating match.

"The stability and predictability of the subsidies was extremely helpful from the finance side."

4 Financing Innovations

When NY/NY III was signed in 2005, 10 agencies were

committed to funding the agreement. By midpoint in the agreement, two more were added: the NYS Housing Finance Agency (HFA) and the NYC Housing Development Corporation (HDC). Given the substantial cuts to federal capital subsidies, NY/NY III would not have built nearly as many buildings without these two housing finance agencies. They contributed additional capital subsidy but more importantly, used tax-exempt bonds to bring in significant private equity for these projects. Both the City and State were behind schedule in their NY/NY III unit production goals before HDC and HFA started to provide hard debt for these projects. Thanks to this commitment, the City was able to double its annual production of supportive housing.

5 More private/nonprofit joint ventures

In the 20 years prior to the signing of NY/NY III, only one private affordable housing developer collaborated with nonprofits to build supportive housing, resulting in a total of four projects. Since the agreement, six private affordable housing developers have participated in 18 joint ventures with nonprofit supportive housing providers. Some respondents expressed cautious optimism that this new model would increase the pool of developers and facilitate faster development of much needed housing for homeless New Yorkers. But many respondents had reservations about the risk that some of the buildings developed may not remain affordable after their regulatory periods ended. Many respondents emphasized the value of nonprofit ownership and control of supportive housing and the permanent affordability it engendered.

6 The Changing Model

Tenant mixes in the buildings also changed dramatically. For decades, the majority of HPD-financed supportive housing residences had reserved 40-50% of their units for low-income tenants who were not formerly homeless or disabled. But under NY/NY III, respondents reported that just about all HPD-funded residences met this standard. Further, other funding agencies began to also value this level of integration. Respondents noted the development of mixed population buildings that provided fewer than half of their units for individuals with special needs, and reserved most of their units for low-income people from the community, often families, who lived in apartments mixed in with those of individuals with mental illness and substance abuse histories.

Financing the Housing

7 A New Focus on Design

Interview participants remarked that because of the scale and scope of the agreement, the design community took a greater interest in the model, ultimately raising the quality of supportive housing. It was suggested that: the diminished supply of distressed Single Room Occupancy buildings available for gut rehabilitations forced supportive housing developers to turn to new construction; the number of interested developers increased as capital for supportive housing remained available, even as other capital programs shifted their focus to preservation; and as nonprofit developers gained more experience, they became more ambitious in their design standards, winning many awards for design.¹⁴ As one government partner remarked *“the scale, the cohesiveness, the zippy title, perked people up about developing Supportive Housing – it galvanized people and got them energized about [it].”*

While the majority of the feedback regarding the capital financing and development of NY/NY III was positive, the construction of residences have not been without a few persistent challenges. The following were the issues most often discussed:

- **Interagency coordination can be further enhanced.**

Respondents appreciated the signatory agencies’ considerable efforts to coordinate development and procurement across agencies and levels of government. But there was consensus that more could be done, in two areas:

- Increasing coordination between agencies awarding service and operating contracts and agencies awarding capital funds. The most common complaint was that some providers had service and operating awards, but were unable to secure capital funding to develop the housing in order to use them. At the same time, some nonprofit developers (often with development staff capacity, and even site control) did not have access to additional service and operating contracts, and therefore were unable to build. The inefficiencies created by this situation can be long-lasting when providers and developers have to wait years for new Requests For Proposals (RFPs) to be issued for funding for new units. Building on the nascent efforts to coordinate service and operating awards with capital awards mentioned in the second subsection above could speed creation of new units.

- Increasing coordination between capital funding agencies. Respondents said that securing multiple sources of capital subsidy, equity and debt took time, and often delayed development of new housing. With land prices, construction costs and soft costs all rising, respondents said they must combine capped subsidy sources in order to cover the additional expenses. Respondents suggested that regulatory agreements, development standards, and policies could be made more consistent across capital funding agencies and sources. They rarely mentioned a simpler solution: have each capital funding agency provide enough subsidies and other funding to cover total project costs, so that developers do not have to go agency to agency to fill financing gaps.

- **Operating funding commitments do not match the long-term commitment of the capital funding.**

Because the State and local service and operating contracts were short-term in nature – typically three years, with a series of one-year renewals – projects often could not close on capital financing until the providers also obtained scarce federal rental subsidies. Developers relying solely on short-term service and operating contracts were forced to set aside substantial operating reserves, ultimately locking up hundreds of millions of dollars over the course of the agreement. Some respondents suggested structuring the service and operating contracts to reflect the 15- or 30-year regulatory periods of the tax credits or bonds, and including funding increases to reflect

rising fair market rents over time, as a way to reassure investors. Federal rent subsidies provided the public and private investors assurance that the buildings would have sufficient funds to cover the regulatory agreement period. But use of federal resources also



Castle Gardens

Financing the Housing

delayed projects, increased providers' administrative burden, and, given the onerous federal Section 8 regulations, could create significant delays in the time it took to move people into the housing. The upside of Section 8 was the freedom it gave tenants to move on to more independent housing at a later date, if they so desired. This freedom was emphasized again and again as one of the most common responses during the tenant focus groups.

- **Agencies were not provided sufficient capital subsidy to match their commitments in the agreement.** Respondents frequently mentioned that the capital budget of HHAP – OTDA's sole source of capital funding for homeless housing – remained flat, despite its obligation to finance 1,000 of the 6,250 single-site units in the agreement (see Appendix for capital commitments by agency). As a result, HHAP was expected to fund the development of 100 units annually, even though it had only enough funds to build fewer than 70 units per year.
- **Supportive housing** providers noted the ongoing challenge of finding suitable sites and the lack of acquisition funding available to develop.
- **NIMBYISM** – Community opposition to new residences (NIMBYism, or “Not In My Back Yard”) was cited as a common, almost-perpetual hurdle for supportive housing developers. While respondents said that communities and their leaders almost invariably embraced supportive housing residences once they opened, community opposition can stop development from proceeding at a given site. More commonly, this opposition contributes to significant delays in the initial phases of a new construction project, as nonprofit providers must negotiate issues around size, tenant population, or service programming to meet the demands of the community.

Respondents acknowledged NIMBYism is not a new problem, but many felt it was exacerbated by not only the scale of the agreement, but also the lack of coordination between lead capital funding agencies. Participants said having multiple providers proposing sites at the same time in the same neighborhood contributed to NIMBYism, as did the different agency siting policies and requirements, which sometimes confused communities (certain funding streams require that projects receive Community Board approval, while others do not).¹⁵

Providers and developers were most concerned that agencies create clearer policies in this area.

“The neighborhood used to be really bad and was opposed to [this residence] being built here. Now the neighborhood embraces us, says hello, takes care of us. The Community Board actually meets in the [our] community room! On Wednesday nights, we do a cooking demo in the lobby and pass out vegetables and a ton of people from the community board regularly attend. It's funny how things can change.”

“The stability and predictability of the subsidies was extremely helpful from the finance side.”



The Hegeman

Operational Opportunities and Challenges

The interviews and focus groups also addressed issues related to systems and procedures that can be improved to make best use of the NY/NY III resource and best serve tenants. While generally perceived to be a successful system, three issue areas came up repeatedly:

- The eligibility and placement process to move people into housing should be streamlined.
- Some supportive housing payment rates are insufficient to cover both services and rent/operating costs.
- Longtime, stable supportive housing tenants are unable to move on to independent housing because of a lack of resources and programs to facilitate those moves.

The Eligibility and Placement Process

Proper targeting and swift placement of eligible homeless and housing-needy individuals and families is as important to the success of NY/NY III as streamlining development. The NY/NY III Agreement has helped systemize relatively efficient eligibility determination and housing placement procedures. But respondents from all sectors largely agreed that the referral process could be streamlined and eligibility criteria reassessed, to ensure that: the neediest applicants are prioritized; placement times are reduced; and people end up in housing models appropriate to their needs, increasing the likelihood of successful, stable placements.

Currently in order to be deemed eligible for NY/NY supportive housing, applicants must be assisted by an approved social service professional to complete an online HRA 2010e application package that contains identifying information, medical

and housing/homelessness histories, and the applicant's housing preferences. The package also includes a psycho-social evaluation, a tuberculosis test, and, for applicants seeking placement into NY/NY III housing for tenants with mental health needs, a comprehensive evaluation by a psychiatrist. The various components of the 2010e application remain

valid for only six months; if a person is not placed within that period, the application must be completed again with new evaluations, tests and updated information.

Clinical staff at HRA review submitted and complete applications; if they approve an applicant, they will determine within two business days what category of housing, and what level of services he or she requires. That decision and all other client specific data are forwarded to DHS and the referral source (typically a shelter), through a City-supported network called the Placement Assessment and Client Tracking (PACT) system. Most shelter workers also send the 2010e information or "Housing Packet" to an assigned worker at DHS's Placement Resource Facilitation Division (PRFD). This centralized service prioritizes applicants and matches them to available supportive housing vacancies, scheduling interviews and tracking outcomes.

Supportive housing and shelter providers reported that they found the housing placement process to be cumbersome, with delays and unnecessary complications prolonging placement and move-in times. These respondents reported that:

- With so many components, applications are difficult for caseworkers to complete.
- Application approvals are often delayed at DHS PRFD.
- DHS often refers applicants to housing placements inappropriate to their needs.
- Supportive housing providers often accept new residents with incomplete information on their clinical needs and case histories.
- Family referrals are often even more complicated and take more time than individuals.

Similar criticisms of New York's placement process were identified in the spring of 2013, when the "100,000 Homes Campaign Boot Camp" brought together representatives from the New York City Continuum of Care to examine the biggest roadblocks to rapidly housing chronically homeless individuals in the city. This bootcamp and the ensuing work were referenced directly or indirectly throughout many of the interviews. Participants at the boot camp and subsequent research determined that it can take anywhere from five weeks to over a year to place an eligible applicant into a NY/NY III unit.

Numerous participants reported that referral and placement of families into NY/NY III housing was particularly challenging. Given the demand for family housing and the additional family supportive housing units soon becoming available, it was emphasized how imperative it is to improve the family placement process quickly.



715 Soundview

Operational Opportunities and Challenges

Supportive Housing Rates

The NY/NY III Agreement provides a bundled, per unit contracted payment that pays for both on-site services and ongoing building operations and maintenance. For supportive housing in scattered-site apartments, this bundled payment pays for both services and rent. These rates vary by tenant population, based on the perceived level of service need of the individual or family (see Appendix D). The rates were negotiated in 2005 and have not been increased since.

Single-site residence rates: Most of the providers who spoke to this issue stated that the rates for most of the NY/NY III populations were sufficient to cover the costs of the service program and building operations in single-site residences, albeit with the caveat that they often needed to couple their NY/NY III contract with additional subsidy. This came in the form of either Section 8 vouchers for a portion of a building's units, and/or a supplemental service grant from the New York State Supportive Housing Program (NYSSHP), often referred to by its former name, SRO Support Services.

The only single-site residence contract rates mentioned as insufficient were DOHMH and OMH contracts for "Population A," chronically homeless people living with serious and persistent mental illness. These have lower payment rates than those of other tenant populations. Their inadequacy has become more apparent in recent years, as Section 8 and SRO Support Services funding have become less available.

Scattered-site apartment rates: While opinions about single-site rates were mixed, most respondents categorically emphasized that rates for scattered-site supportive housing did not meet the growing costs of the program. Many respondents stated that rising rents in the city consumed almost all of the relatively low bundled payments for Population A scattered-site apartments.

The Fair Market Rent for a studio apartment in New York City is currently \$1,163 per month or \$13,956 per year, and with a vacancy rate of 1%, there is little a provider can do to negotiate lower rents in the community.¹⁶ That leaves the provider with only \$1,000 per tenant for social services and with a typical award of 20-25 units, that is only \$20,000-\$25,000 to cover all the case management, administration of the contracts, and all the other remaining costs of running a scattered-site contract.

It was also noted that all of the rates have started to become more challenging as the costs to operate supportive housing have risen considerably since the NY/NY III Agreement was signed and the rates were locked in back in 2005.

Moving on from NY/NY III Supportive Housing

One challenge that was often mentioned was the lack of a mechanism to help tenants move on from supportive housing once they stabilized. Throughout the interviews and focus groups, participants brought up DHS's Moving On pilot initiative that occurred mid-NY/NY III Agreement. The Moving On pilot allowed providers to offer NY/NY III and other supportive housing tenants a federal housing subsidy to allow them to move into completely independent housing, if they were stable and interested. Respondents acknowledged the pilot had had mixed success, and had come to an abrupt halt as Section 8 subsidies evaporated. But those who brought it up were unanimous that, implemented effectively, such an initiative could offer tenants an opportunity to achieve further independence and stability. Many also pointed out that it was also good public policy, as it would free up much needed NY/NY III apartments to house more homeless New Yorkers.

While not mentioned frequently across the wide spectrum of people interviewed, one particular exit-related issue was the center point of one of the focus groups. During the focus group for NY/NY III youth who had aged out of foster care, the major issue discussed was the fact that, according to the NY/NY III Agreement and the contracts for this housing, the housing is only available until the youth are 26 years old. Respondents were frustrated that there was no mechanism or resources built into the agreement to help youth transition into the community when they reached 26. It was noted that this is compounded by the fact that youth who are living in NY/NY III housing are no longer deemed homeless, and therefore do not have access to other supportive or affordable housing options.



MacDougal Street Apartments

Measuring Success

What Defines Success?

According to participants, the sole source of data collected from providers for all NY/NY III residents is the rate of housing retention. While DOHMH and HRA are in fact capturing additional information, some participants – both government agency representatives and providers – were unaware of the formal evaluation being conducted by the DOHMH Epidemiology Bureau on cost-effectiveness, or of the data on retention and demographics that HRA collects.

Participants across all focus groups and interviews agreed that retention alone provides a limited reflection of the numerous positive effects that supportive housing has on the lives of individuals and families. Nor does it capture whether an exit might be positive, as in instances when a resident exits to a more independent apartment, or to reunite with family. Proud of their residences, the services provided in them, and the positive life changes that residents make once moved into supportive housing, nonprofit providers and government partners alike suggested the following metrics to better determine the full efficacy of NY/NY III supportive housing:

- **Improved health outcomes after placement,** including obtaining a primary care doctor and reduced hospitalization and emergency room visits.
- **Community integration and social connectedness,** within supportive housing and beyond. Many providers commented on the importance of breaking people out of their isolation and either reconnecting them with their family and friends or helping them to build a new support network. It was acknowledged that this is difficult to quantify, but was often noted as a critical indicator of success.
- **Gainful employment and/or education attainment.** While there was disagreement about employment and education goals, and whether they should vary by population, it was commonly mentioned as an important measure of success.
- **Consistent payment of rent.** This was frequently mentioned by providers as the best evidence of tenants' success in stabilizing in housing.

- **Positive move-outs.** Many commented that it was important to gather better information on where people go after they exit supportive housing.

Providers also noted that once stably housed, it is important to recognize what success means across the various populations served. Interview participants mentioned that it would be to the benefit of both providers and residents if certain criteria for success were adjusted, depending on the specific population served. It was suggested that success should be measured against the typical situation for that population before moving into supportive housing, and how that changed. The example most often used was the measure of success for retention and hospitalization rates for “Population B,” people living with mental illness who exited from psychiatric hospitals. “If they were unable to retain housing for more than a few days before being placed into supportive housing and now they’re staying six months, shouldn’t that be considered a success?” was a common remark by providers. Similarly, by definition, this population’s rate of hospitalization is much higher than other supportive housing tenants, and should be taken into account. Participants also singled out youth aging out of foster care as another population that would likely benefit from different measures of success. A young adult who has aged out of foster care and is living independent of the foster care system for the first time was recognized by interview participants to have different life goals and perceptions of success than a single adult who has been chronically homeless for a large portion of his or her life.



The Lenniger Residences

Measuring Success

Because supportive housing is proven to be cost-effective, participants suggested that a new agreement should be able to demonstrate its cost-effectiveness and cost-savings in a public way for tax-payers to see. Medicaid savings could be more closely measured to demonstrate savings among supportive housing providers, in addition to other systems frequently used by supportive housing residents, including public assistance, emergency rooms, and the criminal justice system. In the future, participants suggested establishing specific targets for shutting down institutions such as psychiatric centers, three-quarter houses, and shelters.

Concern for Independent Living, headquartered in Long Island, has become a prominent supportive housing developer in New York City under the NY/NY III Agreement. Staff there were proud of their success opening a Brooklyn residence for individuals exiting psychiatric institutions, which enabled the closing of an entire ward of Kingsboro Psychiatric Hospital. Concern was able to hire the former Kingsboro staff as employees at the supportive housing residence.

What is the Mechanism to Track It?

The NY/NY III Agreement created an oversight committee to ensure the objectives of the agreement were met. It was charged with identifying and overcoming obstacles to successful implementation of the agreement. The oversight committee has the authority to evaluate the needs of the target populations and periodically make changes to the agreement by unanimous consent. Representatives were selected from the five signatory NYC agencies (DHS, DOHMH, HRA, HPD, and ACS) and the five signatory NYS agencies (OMH, OASAS, OTDA, OCFS, and HCR). In addition to agency representatives, representatives from the NYC Office of Management and Budget and NYS Division of Budget also attend the meetings.

In the initial years of the agreement, the committee met each year on a quarterly basis. As fewer issues came up, meetings were cut back to bi-annual and, ultimately, annual occurrences. A subcommittee of program level staff from each agency still meets regularly, independent of the oversight committee.

Consensus on the efficacy and success of the NY/NY III Oversight Committee was mixed, although, overall, interview participants thought that the process was a necessary and helpful tool for convening participants and making mid-course adjustments. Participants across all government agencies commended the oversight committee's role in keeping all the parties on track throughout the agreement. Many interviewees noted that the Committee could be more effective if it allowed other key players – nonprofits, advocates, developers and financiers – to participate, even if only on an annual basis. Many interviewees used the Medicaid Redesign Team Affordable Housing Workgroup structure as a possible model to replicate for any future agreements.¹⁷

“The NY/NY III Agreement accelerated a cultural shift for all agencies to work together towards a tangible agreement.”

Lastly, there was consensus that having representation from the governor's office on the oversight committee could have further enhanced interagency cooperation and implementation of the agreement. It was recommended the governor's office be a part of any future agreements. In addition, creating a mechanism for a basic, periodic and public report on the status of the agreement on a website or reported at a meeting was also a frequent suggestion, to increase transparency and accountability across all agencies.

The Cost Effectiveness of Supportive Housing vs. Psychiatric Facilities

NY/NY III Population B Housing
\$40 per person per day

VS

New York State Psychiatric Hospital
\$802* per person per day

*Source: OMH Regional Centers for Excellence Plan, 2013, p.11, www.omh.ny.gov/omhweb/excellence/rce/docs/rceplan.pdf

Conclusion

NY/NY III has been the largest, most comprehensive supportive housing agreement on record in the United States. It will ultimately create 9,000 distinct units of single- and scattered-site housing for some of New York's most vulnerable residents. With this report, the Network sought to elicit from respondents the major successes of the agreement, and its challenges.

Foremost among the successes, respondents cited: the agreement's ability to serve a variety of needy individuals and families outside the previous norms of supportive housing; its collaborative approach amongst government agencies, supportive housing providers, and financial institutions to achieve such a comprehensive goal; its attractive capital and operations funding pool that primed both nonprofit and private partners to expand and enhance the supportive housing model; and its ultimate goal, allowing residents to feel as though NY/NY III housing has given them a new chance in life.

Amidst the successes, respondents were clear the initiative has not been without challenges: the need for an improved referral system for placement of residents into NY/NY III housing; the need for greater flexibility around eligibility or expanded populations to cover populations underserved in NY/NY III; the importance of government agencies awarding operating and cap-

ital funds in a more streamlined manner; the value of expanding metrics of success beyond retention and cost savings to capture quality of life measures and indicators of greater stability; the need for a more nuanced approach to analyzing metrics, with greater attention to appropriate measures of success for different tenant populations; the policy implications of including age-limited housing for youth; the need for access to tenant-based rental subsidies to allow NY/NY tenants to move on if and when they're ready; and the need for contract rates to adequately cover the escalating costs associated with the rental housing market and cost of living for both residents and staff.

Despite the collapsed economy, changing leadership and myriad other challenges, the City and State agencies followed through on their NY/NY III commitments by funding the construction, services and operations of scores of beautiful new buildings and independent apartments for thousands of homeless and low-income New Yorkers. In response, more nonprofits learned to develop, more developers and providers alike chose to house and serve vulnerable people, and when called upon, everyone worked together to target the most disadvantaged. In the end, NY/NY III set a new precedent for creating and maintaining the commitment to serve and house some of our neediest neighbors in supportive housing.



left: Mosholu Gardens, middle: Fox Point, right: Huntersmoon Hall

Notes

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11 Lipton, p. 15.

12 Data from NYC Department of Homeless Services Daily Report, Feb. 2014

Available at: <http://www.nyc.gov/html/dhs/downloads/pdf/dailyreport.pdf>

13 Chicago Central Referral System Assessment Tool available at: <http://www.chicagocrs.org>

14 For example, Pratt Area Community Council's Navy Green Residence received accolades from in Interior Design Magazine. See <http://www.interiordesign.net/projects/detail/2247-2013-boy-winner-budget-apartment-building/> for listing of award.

15 Community Boards are local representative bodies. There are 59 community boards throughout the City, and each one consists of up to 50 unsalaried members, half of whom are nominated by their district's City Council members. Additional information available at: <http://www.nyc.gov/html/cau/html/cb/about.shtml>.

16 Data from NYC Dept. of Housing Preservation and Development Housing Vacancy Survey, 2011

Available at: <http://www.nyc.gov/html/hpd/downloads/pdf/HPD-2011-HVS-Selected-Findings-Tables.pdf>

17 The NYS DOH Medicaid Redesign Team (MRT) is a gubernatorial effort to change the course of and rein in Medicaid spending while improving quality. The MRT Affordable Housing Workgroup was convened to assess and create supportive housing initiatives. For more information on the NYS MRT, visit the NYS DOH's website, available at: http://www.health.ny.gov/health_care/medicaid/redesign/.

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Coalition for Behavioral Health Organizations	New York State Homes and Community Renewal
Common Ground	New York State Housing Finance Agency
Comunilife	New York State Office of Alcohol and Substance Abuse Services
Concern for Independent Living	New York State Office of Children and Family Services
CSH	New York State Office of Mental Health
Empire State Coalition	New York State Office of Temporary and Disability Assistance
Enterprise Community Partners	Nixon Peabody International
Forsyth Street Advisors	Palladia, Inc.
Goddard Riverside/Manhattan Outreach Consortium	Postgraduate Center for Mental Health
Good Shepherd Services	Project Renewal
Harlem United	Richman Housing Resources
HELP USA	The Bridge, Inc.
Homeless Services United	The Fortune Society
Housing Plus Solutions	The Lantern Organization
Housing Services, Inc.	The Salvation Army
Jericho Project	Urban Pathways
JP Morgan Chase & Co.	Volunteers of America - Greater New York
Lenox Hill Neighborhood House	West End Residences
National Equity Fund	West Side Federation for Senior and Supportive Housing
New Destiny Housing Corporation	

Appendix A

Taking Stock of NY/NYIII – Interview & Focus Group Core Questions

I. NY/NY III as an Initiative:

1. What are the three most notable achievements of the NY/NY III initiative?
 - a. What contributed most heavily to each of these achievements?
2. Which components of NY/NYIII were least successful?
 - a. What are your recommendations for improvements?

II. Eligibility Criteria/Populations Served:

1. If you knew then what you know now, would you have designated the same number of units for each of the populations?
2. Who if anyone was left out or underserved in the initiative? Is there anything you would change about the eligibility criteria/targeting of the units? If yes, what would you like to see changed and why?
3. Do you think the initiative has been more successful for some populations than others? If yes, for whom and why?

III. Metrics:

1. What do you think are the measurements of success for NY/NY III - for the tenants and for the city and state?
2. What specific data are we collecting now and/or what additional data should we be collecting to assess our success?

IV. Operations:

1. While the NY/NY III initiative has been incredibly successful in many ways, the initiative has not been without obstacles. What do you think have been the most persistent challenges/bottlenecks and what would you recommend as solutions moving forward?

V. Development:

1. How has NY/NY III impacted the supportive housing model/industry?
2. What have been the biggest challenges to supportive housing financing and production and what steps should we take to mitigate these issues?

VI. Oversight:

1. How would you describe the oversight process of NY/NY III? What has worked and not worked?
2. How would you structure the oversight process if there was to be a new city-state supportive housing initiative?

VII. Moving Forward:

1. How has the NY/NY III initiative impacted the homelessness crisis in New York? Could NY/NY III housing be used as a tool to do more to end homelessness in the city and if so, how?
2. How has MRT influenced NY/NY III supportive housing development and how do you foresee it impacting supportive housing development in the future?
3. What do you think the next supportive housing initiative should look like?

Taking Stock of NY/NY III – Resident Focus Group Questions:

1. What do you like the most about your apartment and living at [insert residence name]?
2. Is there anything you would like to see changed?
3. What is different for you now that you are living in supportive housing, compared to when you did not have your own home or where you lived before?
4. On a scale of one to ten (1 being the most difficult, 10 being the easiest), how difficult or easy was the application process and moving into this apartment for you?
 - a. If appropriate/time permitting, follow up and ask: Were you aware that you were moving into a building with supportive services?
5. How long do you foresee living in Supportive Housing? If you would like to eventually move out, where would you like to move to?
6. What would you like to be doing in five years? Do you feel like the building staff and your case manager are supportive of your needs to meet this goal?
 - a. Probe: Would you like to have a [new] job? Reunite with family? Move into a new apartment?
7. NYC and NYS created a goal to build 9000 units of housing like this across NYC over the course of 10 years and we are now close to reaching this goal. If you were the next mayor of New York City, would you build more housing like this? If yes, why? If no, why not?
8. Is there anything else you would like to share with us that we haven't talked about today

If time permits, ask participants:

9. Do you feel a sense of community in this building?
10. Do you feel safe in your building and neighborhood?
11. If appropriate/time permitting, follow up and ask: Do you think the rules and policies make sense where you live?

Appendix C

Division of Units

Four of the City and State agencies involved in the NY/NY III Agreement are doing the procurement and contract management for the units. The breakdown is as follows:

Procurement Responsibility by Agency

Population Group	Procurement Agency (City/State)	NYC Units	NYS Units	Total NY/NY III Units
A	DOHMH/OMH	1,750	2,200	3,950
B	OMH	-	1,000	1,000
C	OMH	-	200	200
D	DOHMH	400	-	400
E	DOHMH	750	-	750
F	DOHMH/OASAS	375	375	750
G	DOHMH/OASAS	375	375	750
H	HRA/DOH	950	50	1,000
I	DOHMH	200	-	200
Totals:		4,800	4,200	9,000

The City and State also split the responsibility of capital funding for the 6,250 single-site units in the Agreement. The breakdown is as follows:

Capital Commitments by Agency

Agency	# of Units	% of units
NYC Department of Housing Preservation & Development (HPD)*	3,125	50%
NYS Office of Mental Health (OMH)	1,125	18%
NYS Homes and Community Renewal (HCR)**	1,000	16%
NYS Office of Temporary Disability Assistance (OTDA)	1,000	16%
Totals	6,250	100%

* NYC Housing Development Corporation was not part of the original agreement but worked with HPD to finance the City's share of the units.

** NYS Housing Finance Agency (now part of HCR) was not part of the original agreement but worked with the other State agencies to finance the State's share of the units.

NY/NY III Government Agency Participation

In total there are thirteen different government agencies that have an established role in the NY/NY III Agreement. Together they provide the funding; procure and manage the operating and service contracts; finance the construction; determine eligibility; and make referrals into the new and vacant NY/NY III units. The following is a list of the agencies and their role(s) in NY/NY III:

Agency	Agency Acronym	Funding for Operating & Services	Procurement/ Contract Management	Capital Financing	Referrals	Eligibility Determination
NYS Department of Health	DOH	X				
NYS Homes and Community	HCR			X		
NYS Housing Finance Agency	HFA			X		
NYS Office of Alcoholism and Substance Abuse Services	OASAS	X	X			
NYS Office of Mental Health	OMH	X	X	X	X	
NYS Office of Temporary and Disability Assistance	OTDA			X		
NYS Office of Children and Family	OCFS	X				
NYC Administration for Children's	ACS				X	
NYC Department of Health and Mental Hygiene	DOHMH	X	X			
NYC Department of Homeless	DHS				X	
NYC Department of Housing Preservation and Development	HPD			X		
NYC Housing Development	HDC			X		
NYC Human Resources	HRA	X	X		X	X

Appendix E

NY/NY III Contract Rates per Unit

The City and State negotiated the following rates for the various populations in the Agreement. Unless otherwise noted the rates for single-site and scattered-site are the same.

Population	Total # Units	Total Rate	State Share	City Share
A - SPMI/Homeless* - Single Site	3,200	\$ 16,009	100%	0%
A - SPMI/Homeless - Scattered-Site	750	\$ 14,493	100%	0%
B - SPMI/PC* - Single Site	500	\$ 16,009	100%	0%
B - SPMI/PC- Scattered-Site	500	\$ 14,493	100%	0%
C - SPMI/Youth	200	\$ 38,619	100%	0%
D - SPMI/Family**	400	\$ 25,000	100%	0%
H - HIV/AIDS - Single Site	600	\$ 25,444	50%	50%
H - HIV/AIDS - Scattered Site	400	\$ 24,000	50%	50%
G - Medical Family	750	\$ 25,000	50%	50%
E - SA - Recovery	750	\$ 16,000	50%	50%
F - SA - Active	750	\$ 18,000	50%	50%
I - Youth	200	\$ 22,000	50%	50%

*This rate varies from \$14,493 to \$16,009 depending on the model of the housing and the procurement agency.