



**New York State Senate and Assembly
Joint Session on the
FY 2012-2013 Executive Budget – Human Services
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**Supportive Housing Network of New York
Ted Houghton, Executive Director**

Good afternoon. My name is Ted Houghton, and I am the Executive Director of the Supportive Housing Network of New York. The Network is the member association representing over 200 nonprofit providers and developers who operate more than 43,000 supportive housing units throughout New York State.

Introduction

Supportive housing is the solution to homelessness. Permanent, affordable efficiency 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 their place in housing. Supportive housing achieves miracles in the lives of its tenants, allowing disabled individuals who have spent years living on the streets, or locked away in institutions to live full, rewarding lives integrated into our communities. Supportive housing gives them the stability, support and sense of community they need to reunite with their families, become healthier, and in many cases secure employment. Supportive housing changes and saves lives every day.

For these reasons alone, the State is justified in spending precious public dollars to provide services in supportive housing for the most vulnerable and disabled New Yorkers. But the case for supportive housing becomes even more compelling when we measure how much money this intervention saves.

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. These publicly funded interventions can be very expensive, with hospitals and psychiatric centers costing upward of \$1,000 a day. Placement into supportive housing stabilizes tenants and has been proven to reduce use of these expensive services. As a result, 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. A focus on chronically homeless individuals

has allowed New York's supportive housing to often achieve measurable savings of tens of thousands of dollars per person, particularly when the housing is targeted to people with chronic health conditions. Its demonstrated effectiveness has made supportive housing an integral component in the State's plan to reduce Medicaid costs.

Last year, the state consolidated several supportive housing and homelessness prevention programs into one homeless housing and prevention services budget line. This funding stream supports three programs that fund innovative community-based nonprofits that have had proven success ending and preventing homelessness among individuals and families:

1. **The New York State Supportive Housing Program (NYSSHP)** pays for essential housing-based services and supports, including 24-hour building security and case management for individuals, families and youth, in 231 supportive housing residences containing 16,296 units throughout the state.
2. **The NYS Solutions to End Homelessness Program (STEHP)** funds 37 programs in all areas of the state to provide homelessness prevention services, including anti-eviction services, legal representation, entitlement advocacy and emergency payments that keep at-risk families and individuals housed.
3. **Operational Support for AIDS Housing (OSAH)** funds housing-based services similar to NYSSHP at 10 residences housing over 235 people living with HIV/AIDS.

I will be addressing one of these programs today, the NYS Supportive Housing Program (NYSSHP), formerly known as two separate supportive housing programs: *SRO Support Services* and *Supportive Housing for Families and Young Adults (SHFYA)*. While the two programs are now consolidated into one, there has been no change in the populations served: formerly homeless adults, families, children and at-risk youth.

NYSSHP is the primary funding stream for the ongoing operation of supportive housing in New York State – 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. This funding ensures that supportive housing residences built by the three celebrated New York/New York Agreements have adequate front desk staff; it ensures that residences upstate have case managers for all the tenants; it provides critical matching funds that draw down millions of dollars in federal funding.

Based on last year's NYSSHP awards and the 2012-13 Executive Budget, we can estimate that NYSSHP as currently laid out in the Executive Budget will be funded at \$21.1 million, which is \$7.2 million short of what is actually needed to fund all open residences and new residences opening this year. The budget shortfall causes over 12,000 multiply disabled tenants to have inadequate services and over 1000 single adults and nearly 700 families to have NO NYSSHP services. This year's underfunding endangers the stability of fragile tenants living in more than 200 residences around the state as well as sending a bleak message to nonprofit providers, investors and communities.

NYSSHP Single Adults

One component of NYSSHP pays for essential support services for single adults living in permanent supportive housing. Today, support services funding for single adults is at the same level it was in

2010-11, \$17.6 million, \$5.2 million short of what is actually needed, leaving over sixty existing residences without adequate services funding and an additional 12 residences ready to open in this fiscal year also without services funding.

The result is nonprofits struggling to provide safe, secure housing with adequate services to formerly homeless tenants. Here are a few examples of how these budget cuts are impacting local non-profits.

- This year, a residence for 71 seniors-28 of whom are mentally ill-located in Brownsville Brooklyn won't have promised 24/7 building security threatening the safety of the elderly, disabled residents and the surrounding neighborhood.
- In Rochester, a supportive housing program with \$14 million in state capital funds slated to open in May won't have promised support services for the 80 chronically homeless tenants, jeopardizing the tenants, the state investments and the surrounding neighborhood.
- In Queens, an employment program that helps women returning from prison into real jobs may have to close its doors.
- In Kingston, forty high-need residents will have no services to keep them safely housed.

Families and Youth

NYSSHP also funds family supportive housing. This funding currently has \$2.8 million less to invest and is now housing and helping 600 fewer families than we were a little more than a year ago. Some of examples of how this underfunding is impacting local communities include:

- A residence for grandparents raising grandchildren in a gang-heavy section of the Bronx won't provide afterschool programs to the 40 at-risk teens and tweens that live there. This program has been lauded in the New York Times, New York Daily News, CBS Evening News and 60 Minutes.
- In Brooklyn, a unique new program keeping high-risk families together-the head of household out of prison and the kids in school – lost its family psychologist due to NYSSHP cuts.
- In Livingston and Jefferson Counties, nonprofits has been awarded family supportive services funding as part of an agreement to take over residences built with OTDA capital funding that were struggling socially and financially due to a lack of services funding. Intent on providing supportive housing to survivors of domestic violence, these organizations stepped up to the plate to save these buildings, only to be summarily de-funded in 2011 due to the budget 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 shortfall, 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.

The growing need for housing among poor New Yorkers, coupled with the need to spend and leverage our dollars efficiently are reasons enough to increase funding for these programs. But most of the single adult 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.

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

- **Puts more than \$140 million in state capital investment at risk.** The unfunded and pipeline residences that have lost services funding were built with over \$140 million in New York State capital funding. If funding isn't restored, the state's capital investment is severely at risk.
- **Will lose millions in federal operating and rental subsidy funding.** NYSSHP is often the only state or local service funding nonprofits have to meet the 25%-100% match required by their U.S. Department of Housing and Urban Development (HUD) grants. Earlier budget cuts are already having an effect on the amount of federal dollars the State can draw down.
- **Jeopardizes private investment.** NYSSHP helps secure Low Income Housing Tax Credit and other capital investments from private investors. These investors need assurances that services, security and rental supports will be maintained by the nonprofit provider, or they will not invest in new supportive housing construction.

Conclusion

Throughout New York State, nonprofit developers are re-evaluating the advisability of continuing to develop and operate supportive housing residences in the face of what now appear to be deliberate systematic underfunding of support services. These relatively minor but now chronic cuts are undermining the financial viability of supportive housing for nonprofit providers and investors alike. \$7.2 million – the difference between the Executive Budget's proposed NYSSHP funding and the actual minimal need will simultaneously ensure the successful tenancy of 16,000 high-risk formerly

homeless New Yorkers, leverage federal and City matches, reassure nonprofit providers that the State intends to continue its time-honored practice of providing basic support service funding for all viable supportive housing residences, reassure communities that necessary supports will always be available, and reassure private sector investors that the State will make good on its promise of paying for the 'support' in supportive housing.

The Network asks that the state fully fund OTDA's NYS Supportive Housing Program (NYSSHP) within this bucket at \$28.3 million. Restoring an additional \$7.2 million to NYSSHP will restore all of last year's cuts to 163 existing NYSSHP programs, reinstating standard 1:30 caseload ratios and 24-hour security at all existing residences that are serving approximately 15,000 tenants statewide. It will also provide services to the other 62 residences that are currently open and not receiving ANY services funding and the 12 residences opening this year serving over 2400 homeless adults and families across the state.

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.

Respectfully submitted by:

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