



**Testimony to the New York City Council  
Committee on Mental Health, Disabilities and Addiction  
Submitted by the Supportive Housing Network of New York  
March 9, 2022**

Hello Chairpersons Lee and Schulman, and members of the New York City Council Committees on Health and Mental Health, Disabilities, and Addiction. My name is Rebecca Sauer, and I am the Director of Policy and Planning at the Supportive Housing Network of NY. The Network is a statewide membership organization representing the nonprofit developers and operators of supportive housing, a proven affordable housing model with wraparound support services for individuals and families with a history of homelessness who face additional barriers to obtaining housing on their own. We are here today to respond to the Mayor's Preliminary Budget for fiscal year 2023.

The City has long struggled to effectively meet the needs of people experiencing homelessness, and although we have seen a decrease in homelessness over the last few years, the most recent annual Point-in-Time count estimates more than 65,000 people in our shelter system, with nearly 2,400 people living on the streets and subways of New York City. <sup>1</sup> Too many of our neighbors are without safe, stable, homes.

The Network represents a hundred nonprofits operating supportive housing in New York City, with the help of tens of thousands of city-contracted human service workers. Collectively, our members serve more than 35,000 formerly homeless individuals and families. They show up daily to ensure folks are able to live stably in the community. But, too often, our nonprofits face significant budget gaps because the City has either not paid on time, not paid enough, or both. Budgets are a statement of priorities, and we are here now asking the Council to prove its dedication to the most marginalized. We would like to see the following in the Council's response:

**First, support our workforce.** We are proud members of the [#JustPay campaign](#), which is a racial equity and gender justice campaign committed to ending the government exploitation of human services workers by demanding employees under contract with the City and State be paid fairly for their labor. Chronic underfunding of our sector has led to a staggering 20% staff vacancy rate within the supportive housing workforce. When our employees, who are predominantly women of color (serving predominantly Black and brown residents) are underpaid, they, their families and their communities suffer. To address this crisis, we ask the City to immediately adopt three core reforms:

1. Establish, fund, and enforce an automatic annual cost-of-living adjustment (COLA) on all human services contracts. For FY 23, the COLA should be 5.4% to match the state's current commitment, totaling approximately \$108 million.
2. Set a living wage floor of no less than \$21 an hour for all City –funded human services workers.
3. Create, fund, and incorporate a comprehensive wage and benefit schedule for government contracted human services workers comparable to the salaries made by City and State employees in the same field.

<sup>1</sup> [https://files.hudexchange.info/reports/published/CoC\\_PopSub\\_CoC\\_NY-600-2021\\_NY\\_2021.pdf](https://files.hudexchange.info/reports/published/CoC_PopSub_CoC_NY-600-2021_NY_2021.pdf)

**Second, fully fund our contracts.** Providers operating scattered site supportive housing, housing on the private market with mobile services, are struggling. Their contract rates are not keeping up with private market rents, and their service budgets are grossly inadequate. Earlier scattered site contracts under the Department of Health and Mental Hygiene (DOHMH) have total combined funding as low as \$16,000 per unit, which would not even cover a studio apartment at the current Fair Market Rent, with \$0 available for services. The consequences of low scattered site contract rates were documented in a City Limits article last week, which describes how providers need to “scrape the bottom of the barrel” to find apartments to rent within the contracted rates.<sup>2</sup>

The Governor’s proposed budget recognizes the crisis of low rates for older supportive housing contracts, especially for scattered site programs, and includes funding to increase rates. The State Office of Mental Health (OMH) received a proposed increase of \$104 million over two years, starting with \$65 million in FY 23 for mental health housing programs, on top of the 5.4% COLA. Additionally, OMH has proposed extending property pass-through provisions to OMH’s unlicensed residential programs – including scattered site programs – to offset rising property costs. The City needs to at least match the State’s investment in these old, underfunded contracts in order to ensure that these tenants can receive the quality services they deserve and live in higher quality, accessible housing.

NYC 15/15 scattered site rates also have to align with the current FMR to remain competitive with other rental assistance programs like Housing Choice Vouchers, CityFHEPS and Emergency Housing Vouchers (EHV). The last council recognized this need and increased the value of CityFHEPS to align with the fair market rent<sup>3</sup>, and adjust annually. We implore this Council to follow their lead to ensure people seeking supportive housing have access to the same quality housing options.

Additionally, NYC 15/15 scattered site service rates are well below the congregate rate, at \$10,000 as opposed to \$17,500 for single adult households. Scattered site supportive housing is an inherently more difficult model for case managers; they’re traveling frequently throughout the city, have to familiarize themselves with various communities and resources, serve as a liaison with private landlords, as well as provide case management. Scattered site contracts rates should be raised to meet FMR and service dollars should match that of NYC 15/15 congregate housing.

**Third, support the agencies and systems responsible for referrals and placements.** The city has doubled its supportive housing production over the last five years, yet the Human Resources Administration (HRA), the department responsible for timely referrals and placements into those units, have not increased their internal capacity to keep up with production. In a fall 2021 survey conducted by the Network, respondents reported a 10% vacancy rate within their portfolio. Extrapolating across the number of units on city-funded supportive housing, this means there are at least 2,500 units of supportive housing sitting empty, Meanwhile, there are at least 8,000 shelter residents who have been approved for these units. *This is unconscionable.* HRA should be empowered through the budget to increase their staff capacity immediately, and engage in activities necessary to reduce the vacancy rate to three percent. Under the new leadership at DSS, the administration should assemble a team that is working specifically to reduce vacancies, and move people from homelessness to housing as quickly as possible.

Another thing the City can do in the FY23 budget and beyond is match the federal investment into the Coordinated Assessment and Placement System (CAPS). This web-based system currently determines client eligibility for various housing options, centralizes data, pulls documents from various systems and recommends housing placement types. If the city invested in building out the system, work that is currently being done manually—confirming vacancies, scheduling

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<sup>2</sup><https://citylimits.org/2022/03/02/dilapidated-apartments-lousy-landlords-plague-nycs-sprawling-scattered-site-supportive-housing-network/>

<sup>3</sup><https://www1.nyc.gov/office-of-the-mayor/news/533-21/new-york-city-raises-value-rental-assistance-programs-help-more-new-yorkers-secure-permanent>

interviews and getting people placed—could speed the process exponentially. Hiring freezes in this team, as well as glacial contracting processes, are also slowing progress. In the drive for greater efficiency, this is low hanging fruit.

Homelessness is not a personal moral failure. It is a policy and fiscal failure that is preventable and solvable with the right amount of resources and political will. We ask that the Council take all of these recommendations into consideration when crafting their response, and advocate on behalf of the people who need the most support.

We will happily answer any questions you may have, and look forward to working together to solve this crisis.