



**Testimony to the NYC Council**  
Committee on Finance  
FY26 Preliminary Budget Hearing  
Wednesday, March 5, 2025  
Submitted on Behalf of the Supportive Housing Network of NY

Good afternoon, Chair Brannan and members of the Committee. My name is Tierra Labrada, and I am the Policy Director with the Supportive Housing Network of NY. We are a membership organization representing over 100 nonprofits operating more than 40,000 units of supportive housing in New York City. Thank you for the opportunity to testify. Today, I will focus NYC 15/15, the city's primary mechanism for supportive housing development.

First, we want to thank the Council for its ongoing support of the reallocation proposal, which we have been advocating for over several years. The Council has initiated a sign-on letter, included reallocation in the FY25 budget response, and pressed the administration on progress. We ask that you continue to work with the Network and the administration to ensure this plan is codified and funded in this budget cycle.

According to our data, the city has exceeded its 7,500-unit target for congregate housing, but scattered site is still severely underperforming, with only 1,410 units awarded—leaving over 6,000 units unawarded. Our proposal calls for reallocating the majority of these units to new congregate housing and preserving existing supportive housing, ensuring we do not lose a single unit in pursuit of new development.

Now more than ever, the city must invest in supportive housing. NYC nonprofits have already lost \$7 million in federal funding for rental assistance under the Continuum of Care program, and further losses may be imminent. HPD is scrambling to cover these shortfalls. If the city had a codified reallocation plan that included supportive housing preservation, we would have a clearer path to ensuring households do not return to homelessness.

We sincerely thank the Council for securing \$115 million in capital for NYC 15/15 through City of Yes—this is a critical step. However, without a codified reallocation plan, the city's development goals may not be realized. To reach the desired 15,000 units, we recommend developing and preserving 944 units per year, requiring just \$307 million in capital funding for FY26.

Service and operating funding are essential to making supportive housing work. For the proposed 944 new units, the cost is \$45 million in FY26.

Additionally, aligning service and operating rates across the program is critical. Currently, congregate operating rates, in the form of rental subsidies, are well below fair market rates and insufficient to keep up with rising maintenance and operational costs. We urge the Council to increase congregate rates for all current units to match HPD's rent payment standards, which would require \$27.2 million this budget cycle.



In short, we are seeking **\$307 million in capital** to develop and preserve congregate units and **\$72.6 million** for the service and operating for both new and existing units operating under the program.

Finally, we ask the Council to continue supporting:

- The Justice-Involved Supportive Housing program, with an additional \$4.8 million in funding.
- B-HEARD crisis response teams, by baselining \$4.5 million to ensure well-paid peer responders remain part of the program.

We urge the Council to ensure that reallocation is not just supported but fully implemented this year. Without it, NYC risks failing to meet its commitments under NYC 15/15. Thank you for your time and leadership.