



**New York State Assembly Standing Committee on Housing  
Public Hearing**

**Testimony Submitted by Laura Mascuch, Supportive Housing Network of New York  
December 14, 2017**

My name is Laura Mascuch and I am the Executive Director of The Supportive Housing Network of New York, a membership organization of approximately 200 nonprofit developers, owners, and providers of supportive housing statewide. Collectively, there are 50,000 units of supportive housing in the state and 32,000 in New York City. Supportive housing represents a critical tool to end homelessness, offering permanent housing solutions with wraparound social services for homeless individuals and families with special needs. As you know, we are currently experiencing the worst crisis of homelessness that New York State and specifically New York City has ever seen. Across the state, there are 89,000 people including nearly 30,000 children living in shelters or on the streets on any given night. In New York City, over 60,000 vulnerable New Yorkers are currently sleeping in City shelters, because these individuals and families cannot secure a permanent home.

In order to combat this crisis, as well as to help other New Yorkers facing similar housing insecurity, the state has made a historic commitment to invest in a five year affordable housing plan that includes funding for 6,000 units of permanent supportive housing, which is the first tranche of the Governor's 20,000 unit commitment slated to be developed over the next 15 years. This initiative, the NYS Empire Supportive Housing program (ESSHI), is the largest supportive housing commitment in the country, ensuring New York's place as the leader in investing in a proven solution to homelessness, and for that we are extremely grateful for the Legislature's support.



The Empire State Supportive Housing Initiative (ESSHI) is truly historic. It marries together the services and operating funding with capital funding largely from Home & Community Renewal's (HCR) new capital program, the Supportive Housing Opportunity Program (SHOP), and other state capital resources including the Homeless Housing Assistance Program (HHAP). This marks the first time that New York State is providing a services and operating subsidy matched with state capital not just in New York City, but throughout the entire state. Additionally, the service contracts awarded through ESSHI are appropriately funded at up to \$25,000 per unit to acknowledge the true cost of providing services to chronically homeless individuals and families suffering from serious disabilities and life challenges. Currently, the state is making great strides in getting this program up and running: within the first year, nearly 1,000 units are already fully funded.

Despite the unprecedented level of support from the state, our members still face significant challenges in creating supportive housing. On the federal level, on top of the constant looming threat that HUD will cut important housing programs, like Section 8 and McKinney Vento, there is also the threat of tax reform. Congress expects to vote on a tax bill next week that may eliminate the ability to use Private Activity Bonds for housing, which generate 4% Low-income Housing Tax Credits. The bill would also lower the corporate tax rate to 21%, which will greatly decrease the value of the 9% Housing Credit. This federal program provides equity for the vast majority of new affordable and supportive housing units in New York State. At the same time, developers of supportive housing face rising labor, construction, and land costs. These high costs place a heavy burden on nonprofit developers who are already trying to compete with for-profit developers that have greater access to private equity. In light of the significant investment the State has made in supportive housing, it is essential that state government ensure



mission-driven nonprofit organizations are able to get the guidance and tools they need to gain access to the market.

Rolling out a new program often comes with some bumps in the road, but we at the Network have been extremely impressed with how committed and focused HCR and all of the “O” agencies have been, ensuring that deals come together and the appropriate services are matched with the capital and in place when opening. Success of such an ambitious goal as the state’s supportive housing program requires interagency collaboration to accomplish it. We at the Network are deeply invested in facilitating cooperation between agencies at all levels of government and aim to act as a resource throughout this collaboration.

In cooperation with the State, this past year, the Network launched a multi-year capacity building initiative to ensure our providers have the tools needed to build 20,000 units of supportive housing over the next 15 years. Over the past year we hosted multiple panels on ESSHI to get the word out to providers and help them connect with the ESSHI Interagency Workgroup members and our government partners at Homes & Community Renewal (HCR), the Office of Temporary and Disability Assistance (OTDA), the Office of Mental Health (OMH), the Office of Alcoholism and Substance Abuse Services (OASAS) and the Department of Health (DOH) to ensure this program’s success. We also piloted two hands-on trainings in NYC and Rochester on how to structure a joint venture and in Albany partnered with HCR to help educate nonprofit providers about accessing Low Income Housing Tax Credits to build supportive housing. Throughout the spring, we presented at various forums to help faith-based organizations partner with affordable and supportive housing developers and at the conference the Network hosts in June attended by more than 1300 people, three of our annual conference workshops were aimed at helping the supportive housing community implement ESSHI.



Additionally, through our website and funding guide, we communicate current and valuable information from the State to our members and the public. We look forward to continuing to play this role as facilitator and convener and to working with the Legislature and Administration on implementation of this ambitious supportive housing plan.

The Legislature plays an especially invaluable role in helping our providers engage with communities. One of our deepest concerns about the State's ability to meet the housing plan's supportive housing goals is the fracturing of communities that often occurs as bitter debates emerge around the construction of new supportive housing residences. All too often, a few vocal opponents in a community are able to spread unfounded information about a proposed project and slow or even stop desperately needed supportive and affordable housing. In reality, numerous studies prove that supportive housing actually improves property values including an exhaustive study of 123 residences in New York City. We look to members of the legislature to help inform community residents about the proven positive impacts of supportive housing on safety and property values.

As legislators, you already know about supportive housing's demonstrated positive impact on taxpayer-funded services, since supportive housing reduces the immediate utilization of hospitals, shelters, psychiatric centers and corrections. Locally, you also know that visible homelessness has negative impacts on local communities and businesses.

We need to rally around proven solutions to tackle the homelessness crisis, and for that, we need the Legislators help to engage with their communities. We need to work together -- the administration, the legislature, providers, and the community -- to create solution-oriented housing that works not only for the most vulnerable but for neighborhoods and the State as a whole.