



**Testimony to the  
New York City Council  
Committee on General Welfare  
Submitted by the Supportive Housing Network of New York  
April 24, 2018**

Good afternoon. I would like to thank Council Member Levin and the General Welfare Committee for this hearing today and their recognition of the importance of supportive housing in the homeless service continuum.

My name is Laura Mascuch and I am the executive director of the Supportive Housing Network of New York. I also serve as the Co-Chair of the New York City Coalition on the Continuum of Care (CoC), the planning body that serves to allocate HUD funding for homelessness and permanent supportive housing programs.

The Supportive Housing Network of New York is a membership organization representing approximately 200 nonprofit developers and operators of supportive housing statewide, as well as other professionals who contribute to the advancement of this important model. Supportive housing is permanent affordable housing with embedded social services for vulnerable individuals and families, people who are homeless and living with disabilities and/or other barriers to maintaining stable housing. There are thousands experiencing mental illness and substance use disorders who rely on supportive housing. At the same time, thousands more languish on waiting lists or on the street, until more units of supportive housing become available. We are extremely grateful for NYC 15/15, the City's commitment to build 15,000 new units of supportive housing over the next 15 years. We look forward to working with the Council and our agency partners to execute this plan.

I would like to emphasize that supportive housing is permanent affordable housing. It is not to be confused with emergency shelter or transitional housing. Supportive housing is a critical component of the City's multi-pronged effort to emerge from the homelessness crisis in which we find ourselves.

People are homeless for a variety of reasons and the City has many initiatives to address these diverse needs. Supportive housing is specifically targeted to meet the needs of people who require the unique marriage of housing and services – those who without housing would not be able to access the services they need and without services would not be able to maintain their housing.

If you are concerned about our growing shelter census, supportive housing will stem that growth. Providing a permanent housing option for a chronically homeless individual will open up a shelter bed other individuals can cycle through. When long-term shelter stayers have the opportunity to find a permanent home, the shelter can return to what it was meant to be – a short-term emergency option of last resort.

If you are concerned about people living on our streets and our subways, supportive housing is the answer. Street outreach teams and Safe Havens, specialized shelters with low barriers to entry, are the routes to the permanent supportive housing destination.

NYC 15/15 comes at a specific moment in our City and State's political history. Prior to the announcement of this initiative in 2015, the City and State had jointly developed supportive housing under the aptly named *New York/New York* agreements. In 1990 the first agreement was signed by Governor Mario Cuomo and Mayor David Dinkins. Over the course of three agreements, 14,000 units of supportive housing have been created. The NY/NY III Agreement is currently winding down, but units that have been in the pipeline are still coming online.

At the end of 2015, without prospects for a NY/NY IV Agreement, and facing the end of NY/NY III, Mayor de Blasio announced the City's commitment to create 15,000 units of supportive housing over the next fifteen years, an initiative that is known as NYC 15/15. NYC 15/15 is a two-part initiative. Half of the units (7,500) are planned as part of congregate, or single-site, residences and the other half are planned as scattered site apartments in the community.

Shortly thereafter, Governor Andrew Cuomo announced the State's commitment to create 20,000 single-site units of supportive housing over the next fifteen years, an initiative that is known as the Empire State Supportive Housing Initiative (ESSHI). While this is a statewide commitment, a large portion of the units are expected to be created here in New York City.

In order to generate recommendations for NYC 15/15, the Mayor convened a Supportive Housing Task Force, which I co-chaired with DSS Commissioner Steven Banks and then-HPD Commissioner Vicki Been. The Task Force was staffed by more than two dozen industry veterans who generated 23 recommendations, released in December 2016.

The first of the 23 recommendations was to "target units to three broad populations – adults, families, and youth – and incorporate a vulnerability index to target housing to those most in need." The NYC 15/15 RFPs reflect this recommendation. The majority of units are to be created for chronically homeless individuals – meaning homeless for one year or more – with substance use disorder and/or serious mental illness. Another 2,640 are for families where head of household meets the same criteria. The remaining 1,687 will be devoted to homeless youth, including singles and those who are pregnant and parenting. Both homeless young adults and those who are pregnant or parenting are new populations for supportive housing and their inclusion in NYC 15/15 was the direct result of the City's following Task Force recommendations.

The financial model for the NYC 15/15 congregate program provides critical funding to sustain a residence, at levels we have not seen in any other supportive housing program to date. The program incorporates both a rental assistance contract and a separate service contract, both funded by City Tax Levy dollars. The rental assistance contract between the building owner and HPD is 15 years and funds rents up to the HUD standard, Fair Market Rent (FMR). The service contract between the service provider and DOHMH is five years (with four-year renewals), and funds services at rates ranging from \$17,500 to \$28,738 per household per year, depending on the population. We are truly grateful to the Council and the Administration for allocating sufficient funding to provide the range and breadth of services that are needed to help chronically homeless and vulnerable people stabilize their lives.

NYC 15/15 also incorporates Task Force recommendations concerning supportive housing for families and young adults. For families, 15/15 services are intended to serve the entire family, not just the head of household; for young adults, supportive housing is no longer offered on a time-limited basis.

Congregate supportive housing grows the supply of affordable housing both for chronically homeless people and low-income families and individuals. In single site residences, 60% of apartments are typically dedicated for tenants eligible for support services, while the remaining 40% are affordable apartments for other members of the community, with eligibility mirroring HPD affordable housing lotteries.

A 2008 city-wide study conducted by NYU Furman Center found that single site residences led to higher than average property values. Additionally, congregate residences provide community benefits including community space that is available to local organizations, support for local businesses, and partnerships with health, safety and arts organizations. Single site residences also create jobs for local residents both during and after construction.

It should be noted, however, that, apart from the dearth of affordable appropriate land on which to build supportive housing, the single greatest impediment to developing new residences is local opposition, often based in misinformation and fear. We look to the City Council for leadership in this area.

The NYC 15/15 scattered site program is facing tougher odds. While there are many benefits to a scattered site model – such as shorter timeframes from contract award to tenant leasing, community integration, and an increased sense of independence for tenants who are more stable – the current market and regulatory environment impose serious challenges. As market rents rise and rent stabilization is lost in neighborhoods that have traditionally been affordable, landlords are losing interest in scattered site programs.

Furthermore, there are approximately 14,000 units of scattered site housing in New York City that predate NYC 15/15. The majority of these units are funded by the New York State Office of Mental Health, though some are funded by other state and city agencies such as NYS OASAS, NYC HASA, and NYC DOHMH. Many of these existing scattered site contracts are in danger due to stagnant rates and landlords who refuse to renew leases. Unit turnover in existing contracts means nonprofits are looking to rent new units every year, creating more competition in the market for the new NYC 15/15 scattered site program. Additional competition comes from other subsidy programs, such as LINC, SEPS, and CITYFEPS, which offer incentives such as rent up-front and signing bonuses that the scattered site programs do not.

For all of these reasons, my assessment of the current market is that it is unlikely to absorb another 500 units per year for the duration of the NYC 15/15 program.

In my role as Co-Chair of the Coalition for the Continuum of Care, I should mention that as a result of HUD requirements, HRA has created and begun to implement a vulnerability assessment, with input from a steering committee of the CoC and broad stakeholder input. Individuals and families will be assessed on their Medicaid service utilization and number of systems they have come into contact with, including corrections, hospitals, domestic violence services, and foster care. Prioritizing the most vulnerable people for permanent supportive housing will transform lives, reduce future harm, and mitigate trauma, but it will also limit utilization of these expensive services.

The vulnerability assessment is one part of the Coordinated Assessment and Placement System (CAPS). Regarding Intro 147, while we appreciate the efforts of the Council to increase transparency, fairness, and equity in the supportive housing placement process, we believe that the introduced bill is duplicative of CAPS. Under CAPS, applicants who are rejected by --or reject -- multiple programs will be moved to a case review process. CAPS will also implement a comprehensive evaluation process and provide annual reports. The Network would, therefore, recommend that City Council wait until the CAPS system is implemented before moving forward with passing legislation such as Intro 147.

While land is expensive and creates a challenge for developing new supportive housing residences, the benefits that these residences bring to neighborhoods are many. We must leave no stone unturned regarding City and State-owned sites, partnerships with business, landlords and local nonprofits. As the Council is aware, supportive housing is not only the most effective intervention for addressing chronic homelessness, it is cost-effective as well: According to a 2017 report from the New York State Department of Health, targeting people with high Medicaid utilization for supportive housing reduces substance use rehab admissions by 44%, reduces inpatient psychiatric admissions by 27% and reduces inpatient days overall by 40%. A 2017 study from Los Angeles found that permanent supportive housing for a population that was largely chronically homeless led to 60% reduction in use of public services.<sup>1</sup>

We appreciate the Council's abiding interest in addressing homelessness in New York City and its long-standing support of supportive housing. We look to the Council's leadership to assist the nonprofit community find and site supportive housing. Thank you for this opportunity to testify.

*Respectfully submitted by:*

*Laura Mascuch  
Executive Director  
Supportive Housing Network of New York  
247 West 37<sup>th</sup> Street, 18<sup>th</sup> Floor  
New York, NY 10018  
646-619-9641  
[lmascuch@shnny.org](mailto:lmascuch@shnny.org)*

---