



**Testimony to the
General Welfare Committee
on Recent HASA Policy Changes
February 8th, 2012**

Good afternoon. My name is Edline Jacquet and I am the Policy Analyst at the Supportive Housing Network of New York. The Network represents over 200 nonprofit developers and social service providers who collectively operate over 43,000 supportive housing units throughout New York State, including over 28,000 units in New York City.

Supportive housing is permanent affordable housing linked to onsite services. It is a proven, cost effective, and humane way to provide stable homes for formerly homeless, disabled and low-income individuals and families, including tenants with mental illness, substance abuse, HIV/AIDS and other barriers to independent living. By offering tenants onsite case management services, supportive housing reduces the use of expensive emergency services like shelters, hospitals, prisons, and psychiatric centers.

According to the latest data from the Human Resources Administration (HRA), there are 4,524 HASA clients living in supportive housing in New York City.¹ The case management and other supportive services that HIV/AIDS Services Administration (HASA) clients receive in supportive housing are essential to maintaining their stability which has been shown to dramatically improve health outcomes. Housing is an essential component to individuals living with HIV/AIDS particularly those who are low-income.

My testimony addresses the recent policy changes on brokers' fees and security deposits enacted by HASA and the potential impact of these new policies on the thousands of New Yorkers living with HIV and AIDS who are in need of stable and affordable housing.

Recent Policy Changes

As part of the FY 2011-2012 budgets cuts to several HASA programs by HRA last year, HASA now only pays fifty percent of the brokers' fees and no longer provides an actual cash payment of security deposits but instead now issues vouchers that owners can redeem at the end of a lease to compensate for any damages that can be proven by the landlord. This primarily affects clients who are trying to get out of transitional and emergency housing as well as those trying to move on from supportive housing to a more independent setting. It also adversely impacts the ability of nonprofit supportive housing providers who offer scattered site apartments for HASA clients. Both of these policies, particularly the reduction

¹ New York City Human Resources Administration, HIV/AIDS Administration. HASA Facts, December 2011.

in the brokers' fee have had a negative impact on the ability of HASA clients to find permanent housing. It has made it exponentially more difficult for both clients and supportive housing providers to find and secure apartments. These policies have created barriers to greater independence for HASA clients.

In addition, in a recent blog on the *Huffington Post* on World AIDS Day, HRA Commissioner announced a change in its approach towards drug treatment. In an effort to encourage substance abuse treatment and drug rehabilitation, HASA will no longer offer emergency rental assistance to those who refuse a Certified Alcohol and Substance Abuse Counselor (CASAC) or refuse substance abuse treatment. Clients who do not take this offer have three choices: lose their ability to receive enhanced rental assistance, have their request for emergency rental assistance for arrears denied or be offered a supportive housing placement. Due to the lack of available supportive housing beds for those living with HIV/AIDS, it is unusual that HASA would offer supportive housing for those who may not need or do not want these services. The demand for supportive housing far exceeds the supply and it is unrealistic for HASA to offer this as an option and it frames supportive housing as some type of penalty. This policy also goes against years of research that has shown forced substance treatment does not work. It also does not align with the harm reduction and housing first models that many supportive housing providers now employ in their programs.

Impact of Policy Changes on HASA Clients

HASA clients living with HIV/AIDS already face a variety of challenges finding affordable housing. According to the findings in a recent survey of community-based case managers working with HASA clients, 94% of the respondents report that the brokers fee change is significant barrier, with half of them noting that it has prevented placement for one or more clients.² In addition, 61% report that it takes significantly longer to find and secure an apartment compared to this previous time period last year. Case managers and providers are all reporting these changes are having a negative impact on a client's ability to find a stable living situation.

Despite HASA's official policy that brokers cannot ask clients to cover the other half of the brokers' fee, they often do and this has resulted in several troubling emerging patterns. HASA clients, who are often desperate to find permanent, affordable apartments, are paying these fees as well as the security deposits themselves. Some borrow money from friends and families but some have also resorted to other more dangerous behaviors like borrowing from loan sharks, selling their medications, going into credit card debt or in some cases prostitution or commercial sex work. This is particularly risky behavior for those in this population but often the only way that clients can obtain the funds they need. In addition these policies could have a broad range of unintended consequences. Historically, it was often difficult for those with HIV/AIDS to locate housing because there was a stigma attached to those living with the disease. These policies could potentially return to those bad old days since many brokers now longer want to serve HASA clients because of the disincentive that has now been created by these policies.

The Impact of These Policies on Supportive Housing Providers

These policy changes have led to have to a substantial reduction in the number of brokers willing to work with supportive housing providers. Many brokers, including those with long

² The Impact of Recent HRA/HASA Rental Assistance Policy Changes on New Yorkers Living with HIV/AIDS – Findings from a Survey of Community-Based Providers. Shubert Botein Policy Associates. July 2011.

relationships with some of our providers will no longer work with HASA clients. Several of the Network's members, such as Harlem United, has seen its list of brokers willing to work with its HASA clients reduced from eighty-five to five. These types of dramatic decreases makes it infinitely harder for providers to locate affordable housing for its clients and increases its costs as clients spend longer periods of times in expensive emergency housing options like shelters, commercial SROs and hotels or institutional settings. Nonprofit supportive housing providers are also being forced to bear the brunt of the costs of these changes at a time when they are already facing growing budget deficits from continual cuts to their budgets. As market rents increase in their scattered site apartments, a growing share of their operations funding is now going towards rents as opposed to supportive services and these policies only exacerbate the problems. To prevent clients, who are often on fixed and very low-incomes from having to pay the brokers fees themselves, our members have been covering these additional costs. This has resulted in significant costs – in one case, a provider has spent over \$27,000 on brokers fees since March 2011 when these policies went into effect. These types of costs are unsustainable over the long-term and create program deficits which inevitably affect services.

HASA should return to its previous policies of providing the full brokers fees and an actual security deposit

HASA has been successful in providing stable, permanent housing and valuable services for thousands of its clients and should continue to use its resources to better serve this vulnerable population. Providing the full brokers' fees and the security deposits allows HASA clients to compete on an even playing field in securing market-rate apartments. Finding an affordable apartment in New York City is a formidable challenge for anyone but even more so for low-income New Yorkers living with HIV/AIDS which represent the vast majority of HASA clients. The Network recommends that HASA discontinue these policies and again provide the full brokers fee and a real security deposit.

Supportive housing has been shown to be an effective model for addressing the varied and complex needs of individuals living with HIV/AIDS. It is critical that the city continue to support the efforts of providing more supportive housing to this vulnerable population. These recent policy changes have led to fewer HASA clients getting placed in both affordable and supportive housing apartments. HASA should return to its previous policies of providing the full brokers fees and security deposits which worked well. While we understand the reality of budget deficits, it should not come at the cost of client stability. Thank you for this opportunity to testify.

Respectfully submitted by:

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