



**New York State Assembly
Standing Committees on Social Services & Mental Health
and Developmental Disabilities
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**Supportive Housing Network of New York
Laura Mascuch, Executive Director**

Good morning. My name is Laura Mascuch, and I am the new Executive Director of the Supportive Housing Network of New York. The Network is the member association representing over 200 nonprofit providers and developers who operate more than 48,000 supportive housing units throughout New York State. Of course, these supportive homes are so valuable that they fill up instantly. According to HUD 2014 data, this leaves 80,590 New Yorkers homeless on any given night; approximately 427,000 people over the calendar year. I'm here today to testify to the importance of adequately funding specific homeless programs at the Office of Temporary & Disability Assistance as well as to discuss the dire need for a new statewide NY NY supportive housing initiative.

Introduction

Supportive housing is the solution to homelessness for those New Yorkers who are chronically homeless due to disabling conditions. Permanent, affordable apartments linked to on-site services – is the proven, cost effective and humane way to provide stable homes to individuals and families who have difficulty finding and maintaining their place in housing. Supportive housing achieves miracles in the lives of its tenants, allowing disabled individuals who have spent years living on the streets, or locked away in institutions to live full, rewarding lives integrated into our communities. Supportive housing gives them the stability, support and sense of community they need to reunite with their families, become healthier, and in many cases secure employment. Supportive housing changes and saves lives every day.

The Network is extraordinarily grateful that the legislature and the governor have recognized that supportive housing is the solution to homelessness. This

commitment was again demonstrated by the doubling of the Office of Temporary and Disability Assistance's Homeless Housing Assistance Program to \$63 million in last year's budget. Thank you.

However, a one time commitment to build supportive housing must come with a ongoing commitment to provide for the services and operating funds necessary to make affordable housing truly supportive and successful.

The people we house and serve – chronically homeless individuals and families living with HIV/AIDS, mental illness and/or substance abuse; individuals leaving prison or other institutions; youth aging out of foster care; and now, veterans returning from combat - are typically frequent users of expensive emergency services like shelters, hospitals, prisons and psychiatric centers. These publicly funded interventions can be very expensive, with hospitals and psychiatric centers costing upward of \$1,000 a day. Placement into supportive housing stabilizes tenants and has been proven to reduce use of these expensive services. As a result, supportive housing saves State taxpayers' money, often far more than what was spent building, operating and providing services in the housing. This has been proven, time and time again, by dozens of peer-reviewed academic studies. An emerging best practice of prioritizing the most vulnerable chronically homeless individuals has allowed New York's supportive housing to often achieve measurable savings of tens of thousands of dollars per person. Its demonstrated effectiveness has made supportive housing an integral component in the State's plan to reduce Medicaid costs.

With an infusion of resources from the Federal government, we recently proved that this targeted approach works for homeless Veterans, by reducing Veterans homelessness in NYC by 50% Westchester by 90% and eliminating it entirely in Binghamton. This approach should be brought to scale for all homeless people, both individuals and families coping with disabling conditions. Because our supportive housing interventions are now targeted to particularly challenging, homeless individuals, services funded cannot be shortchanged without putting programs and agencies at risk.

The New York State Office of Temporary and Disability Assistance has been at the vanguard of addressing homelessness through three operating and services programs, funded in FY 14-15 at \$30 million:

- New York State Supportive Housing Program (NYSSHP),
- Solutions to End Homelessness Program (STEHP)
- Operational Support for AIDS Housing (OSAH).

NYS Supportive Housing Program (NYSSHP)

The Office of Temporary and Disability Assistance's (OTDA) NYS Supportive Housing Program (NYSSHP) is one of the State's most important funding sources for innovative and effective solutions that actually keep people from becoming or remaining homeless. It is the primary funding stream for the ongoing operation of supportive housing in New York State – it pays for critical on-site services that make it possible to house multi-disabled and vulnerable individuals, families and children in permanent affordable apartments.

NYSSHP funds the housing-based support services for over 18,000 formerly homeless and at-risk single adults, families with children and youth throughout NYS. This funding ensures that supportive housing residences built by the three celebrated New York/New York Agreements have adequate front desk staff; it ensures that residences upstate have case managers for all the tenants; it provides critical matching funds that draw down millions of dollars in federal funding.

This past year, the SFY 2012-13 budget funded NYSSHP at \$26 million; approximately \$20 million from the general fund and \$6 million from the Medicaid Redesign Team's Supportive Housing Program. Of course this is premature, as we have not seen the Executive's budget for the upcoming year, but if there is no increase from last year's funding level, it will be \$2.46 million short of what is needed to fund all existing programs and pipeline programs opening up in SFY 2013-14. This means that 30 programs will not receive funding putting at risk approximately 1200 homeless single adults, families and youth across the state.

Here are a few examples of how these budget shortfalls will impact local non-profits.

In Rochester, the Eastman Commons Dewey Avenue supportive housing program opened in May of 2012. This project began as a local initiative, supported by a commitment for the Rochester/Monroe County Homeless Services Network to fund operations. New York State Housing and Community Renewal contributed over \$11 million in capital funding and tax credits and OTDA HHAP completed the capital funding with \$3 million. The lack of \$98,000 in NYSSHP jeopardizes this 80 unit project by severely limiting essential services for its chronically homeless residents. As a result, the building may be converted to straight affordable housing, unable to serve its mission. The agency is currently running an annual deficit of \$50,000. As a result, the City and County may lose HUD funds, and miss out on the Medicaid savings inherent in the project.

In Rochester, Son House was the first Medicaid Redesign Team project to be completed with \$2 million in capital funding from the HHAP-MRT program.. The project serves chronically homeless adults and is running a deficit while awaiting services funding.

In Buffalo, Lakeshore Behavioral Health's Safe Haven, an innovative low demand housing first response to chronic street homelessness, opened in 2010. The state invested \$1 million in this project. It currently is running an operating deficit that could be plugged by \$38,000 in NYSSHP, only if more funding is available next year.

YWCA of Brooklyn – A Brooklyn landmark containing of newly renovated single apartments, serves frail elderly tenants with increasingly complex medical needs. With a ratio of over 100 tenants for each staff person, the YWCA vitally needs NYSSHP services funding to provide tenants with the help they need.

The Anderson, an award winning project built in the Bronx by New Destiny to provide permanent supportive housing to 20 survivors of domestic violence and their children, opened last year. They are in urgent need of services funding so that staff can be located on site, and not shared across multiple buildings.

The Network recommends that NYSSHP funding levels increase to meet the demand as new programs open. OTDA does an outstanding job managing these programs, and needs to be provided with annual funding increases to make this program work more efficiently. We also encourage the state to increase flexibility in the program, so that new programs do not have to wait until the next RFP to gain access to services funding. Additionally, we are recommending that these programs be included in an annual rate increase along with other similar programs operated by the other agencies. More than 80% of the NYSSHP funds go to pay front line staff that provide direct care, and the NYSSHP program is funded much less generously than the other agencies. (\$3600/year compared to as much as \$20,000/year)

Services to End Homelessness Program (STEHP)

Another best practice in the homelessness field is rapid rehousing. OTDA deserves praise for revamping it's prevention services funding to incorporate this practice, allowing for homeless individuals who do not need supportive housing to get one shot, short or medium term help to make their homeless episode as brief as possible.

Last year the legislature increased funding to the homeless bucket by \$1 million, which helped offset a \$1.3 million federal cut that partially funds STEHP. A new

RFP was recently awarded, and because of the great demand for this program, all fundable programs received approximately 75% of their request. The Network strongly recommends that STEHP be increased by upwards of \$5 million to augment those shortfalls in the next budget and has great confidence that OTDA will continue to do a great job at targeting the funds where most needed.

OTDA deserves credit for seizing on the opportunity to align its efforts with HUD priorities by taking on an ambitious data warehouse project, requiring its grantees to report data to local homeless management information systems and now for the first time striving to gather that information from across the state to guide its policy and funding decisions.

Operating Support for AIDS Housing (OSAH)

OTDA invests \$5 million annually in building AIDS housing, while the OSAH program has eroded to under \$1 million. Thus the program is only able to address a few of the critical infrastructure needs of a growing and aging housing stock. The Network recommends that this program begin to grow again to better sustain those investments in supportive housing for people living with AIDS. At least \$3 million is needed to correct this shortfall.

A Call for a New York State Supportive Housing Plan

The Network supports the creation of a new New York/New York Agreement. New York/New York III, which will create 9,000 units of supportive housing in New York City, ends next year. The governor has indicated his support for a new agreement and expanding it statewide. As we are now in the ninth year of the NY/NY III agreement, there is urgent need to achieve a new agreement soon to prevent the supportive housing pipeline from drying up.

The New York/New York agreements have successfully spurred consistent supportive housing development in New York City. The first agreement also demonstrated that supportive housing is cost effective by saving the state and local government money spent on higher cost emergency care, hospitalizations and incarcerations. Those results have been replicated over 40 times across the nation since the first NY/NY based study.

The Governor has indicated that he supports an expansion of the program, both in New York City and also, for the first time, to the rest of New York State. The Network strongly supports the creation of new and scatter-site units for a total of 40,000 state-wide. bot

Conclusion

New York State has never wavered from steadily expanding its investment in supportive housing. Indeed, New York has led the nation in proving that supportive housing is the permanent solution for homelessness and other housing instability.

Supportive housing has allowed New York State to reduce use of shelters, psych centers and incarceration, for a net public savings of \$10,100/unit per year. It reduces public spending on emergency interventions without decreasing the quality of life for disabled people and the neighborhoods in which we live. State funds also leverage substantial private and federal funding in the fight to end chronic homelessness in New York State. Lastly, the investment in supportive housing and services creates jobs, business and increased tax revenues. For all these reasons, I hope you will work with us to protect and increase the state's investment in supportive housing this year and in the future.

Respectfully submitted by:

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Supportive Housing Network of New York