



Joint Legislative Public Hearing
2016-17 Executive Budget Proposal: Human Services
February 9, 2016

Good morning. My name is Maclain Berhaupt and I am the State Advocacy 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 50,000 supportive housing units throughout New York State. Supportive housing is permanent, affordable housing linked to on-site services for individuals and families that are homeless, disabled and at-risk. It is the proven, cost effective and humane way to provide stable homes to individuals and families who have difficulty maintaining housing due to disabling conditions.

NYS is currently facing a homelessness crisis. According to HUD 2015 data, on any given night there are now 88,250 New Yorkers homeless, an increase of 10% over 2014. This exceeds 15% of the national total. Over 31,000 of those homeless New Yorkers are children.

My testimony today is about the need to continue to invest in supportive housing as a way to combat this current homelessness crisis. Specifically, making sure we adequately support our existing supportive housing units by providing the necessary funding for the “support services” part of the model that is essential to keeping people housed.

Introduction

Supportive housing allows disabled individuals who have spent years living on the streets or in institutions to live full, rewarding lives integrated into our communities. It 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 people who come to live in supportive housing – 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 the cost of developing,

operating and providing services in supportive housing. This has been proven, time and time again, by dozens of peer-reviewed academic studies, the most recent of which found that taxpayers saved more than \$10,000 per person per year once vulnerable tenants are housed in supportive housing over and above the cost of housing.

Support 20,000 New Units of Supportive Housing Statewide

The Network is grateful that the Legislature and the Governor have recognized that supportive housing is the solution to ending chronic homelessness for our most vulnerable.

The Network strongly supports the Executive budget's proposal for 20,000 new units of supportive housing statewide over the next fifteen years. This long-term supportive housing program is part of the Governor's proposed \$20 billion five year affordable housing and homelessness plan. The five year program is set to invest \$2.6 billion for 6,000 new units of supportive housing over the first 5 years of the 15 year commitment. The Governor has said that over 15 years, the plan will result in 20,000 new supportive housing units. We urge the Legislature to stand with the Governor and continue to support the need for the state to commit to funding these 20,000 units over the next 15 years and support the Governor's plan to build the first 6,000 units over the next five years. This plan is exactly what the Legislature and the Campaign 4 NY/NY envisioned when we stood together asking the state to support 35,000 units statewide.

Adequately Fund Existing NYS Supportive Housing Programs

A one time commitment to build supportive housing must come with an ongoing commitment to provide for the services and operating funds necessary to make affordable housing truly supportive and successful. And while we are overjoyed with the long-term commitment to build 20,000 new units over the next fifteen years, we must not forgo a commitment to fund the state's existing units that are housing formerly homeless persons today. Otherwise, we are not expanding the pipeline to address the crisis, rather replacing old units with new units. Adequate funding for units that are open now is just as critically important to funding new units.

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 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. Eligible services include: case management, counseling and crisis intervention, employment and vocational assistance, parenting skills development and building security services.

The SFY 16-17 executive budget proposes flat funding the NYSSHP program at \$29.1 million. This is \$4.8 million short of what is needed to adequately fund all existing supportive housing

residences and all new residences opening in SFY 2016-17. This funding shortfall jeopardizes the housing stability of over **6,300** homeless individuals, families and children across the state.

Without this additional funding:

- **40 OPEN** residences have been cut by 10%, jeopardizing services for **over 4,600** formerly homeless persons and families
- **44 OPEN** residences currently serving over **1,500** formerly homeless single adults and families do not have any NYSSHP funding, forcing nonprofits to choose between safety, case management services or in some cases closing their doors
- **8 NEW** residences scheduled to open in 2016 that will serve over **200** formerly homeless persons have no NYSSHP funding in place for when the doors open

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

Sojourner House at Pathstone, located in Rochester, helps over 50 homeless women achieve residential stability and meet their personal goals, most often related to employment, education, and sobriety. The loss of NYSSHP funding for this program will be absolutely devastating for families that require services to remain stably housed. In the immediate term, it will mean a loss of case management services for 37 families, including sobriety support services, mental health services, employment services and navigation services for higher education. It will also mean a loss of mentoring and academic tutoring services for over 30 children. In the long-term, this will affect the community's most vulnerable children—causing the cycle of poverty and homeless to continue for another generation.

Breaking Ground's 96 bed housing program located on the grounds of FDR campus in Montrose New York, serves homeless Veterans. It is the only veteran specific transitional housing in the Hudson Valley that serves women. They serve approximately 200 veterans a year from the five counties that comprise the Hudson Valley and the five boroughs of New York City. This program was cut by \$23,400 (10%) this year. The Montrose Veterans program provides onsite supportive case management and 24-hour staffing; The staff that are funded through OTDA have assisted residents by working with them on effective utilization of their medications, developing skills to stay sober and preventing relapses as well as skills for time management, follow-through with outpatient appointments family reunification, medication, vocational support, and money management. If NYSSHP is not restored, Breaking Ground will have to cut one direct care staff person responsible for the safety and security of the residents.

Lastly, Finger Lakes Addictions Counseling and Referral Agency will be opening an innovative rural supportive housing program this May. The program will serve people in recovery from addictions, including opioid abuse in small settings scattered across a four county area: Ontario, Schuyler, Seneca and Wayne. This program is right sized for its region, but needs a small amount of NYSSHP funding in place to help ensure that tenants will be successful.

At a time when the state is facing record homelessness, we need to ensure that the programs currently serving some of our most vulnerable, maintain minimal but critical support services to keep high-risk tenants safely housed.

Include the Non-profit Sector in the Minimum Wage Increase

Human services workers, including supportive housing case managers funded by NYSSHP do essential jobs every day to keep New York State running. It is crucial that this sector be included in a \$15 minimum wage increase, and that the increase be funded through amended State contracts. NYSSHP has not been included in past COLAs, but needs to be included going forward. More than 80% of NYSSHP funding supports salaries of direct care workers.

Conclusion

New York State has steadily expanded its investment in supportive housing and this year, the state is making a critical long term commitment to ensuring an adequate expansion is realized over the next 15 years. This extraordinary commitment solidifies New York's position as the national leader in proving that supportive housing is the permanent solution for homelessness and other housing instability. We must ensure that while we are expanding this critical model to address the state's homelessness crisis, we must not underfund existing supportive housing units that are serving this population today.

Supportive housing has allowed New York State to reduce use of shelters, psych centers and incarceration, for a net public savings of \$10,100 per 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.

Thank you for this opportunity to testify.

Respectfully submitted by:

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