



**New York State Senate Task Force
On the Delivery of Social Services in New York City
Public Hearing
April 16, 2015**

Good Afternoon. My name is Edline Jacquet and I am the Policy Analyst of the Supportive Housing Network of New York. The Network is a statewide membership organization that represents over 200 nonprofit developers and social service providers who run over 48,000 supportive housing units throughout the state.

Supportive housing – permanent, affordable rental housing linked to on-site services – is the most cost-effective and humane way to provide a safe, stable home for homeless individuals and families living with disabilities or other barriers to finding and maintaining housing on their own.

The people who come to live in supportive housing – chronically homeless individuals and families living with HIV/AIDS, mental illness or other disabling conditions; individuals leaving prison or other institutions; youth aging out of foster care; and now, veterans returning from combat – when left homeless, cycle in and out of expensive emergency services like shelters, hospitals, prisons and psychiatric centers. These publicly funded interventions are significantly more expensive, with hospitals and psychiatric centers costing upward of \$1,000 a day, 20 times the cost of supportive housing. Placement into supportive housing stabilizes tenants and has been proven in dozens of studies from across the country to reduce the use of these expensive services. Among the more recent studies is the NYC Department of Health and Mental Hygiene's evaluation of supportive housing, showing a net public savings of \$10,100 per person per year. This well documented cost effectiveness has made supportive housing an integral component in the State's plan to reduce Medicaid costs.

My testimony today is about the homelessness crisis in New York and how supportive housing can help fight this battle.

Last night there were more than 80,000 New Yorkers that slept in shelters or on the street. While not everyone who is homeless needs supportive housing, it is the proven long-term solution for individuals who are chronically homeless living with mental illness and chronic health conditions and other vulnerable populations that need access to services in order to rebuild their lives.

New York has been at the forefront of supportive housing since the model began over 30 years ago but we suddenly have fewer resources and at a time of record need.

Over the last twenty years, the majority of supportive housing in New York City has been funded through a state-city agreement known as NY/NY. The most current initiative, NY/NY 3, a 10-year agreement that began in 2006, is rapidly coming to an end, with the final 17 units being awarded this year.

Because of that, this year's final state budget supported an expansion of the NY/NY program, both in New York City and also, for the first time, to the rest of the State. However it only seeds the effort with a commitment to produce approximately 5,000 units of supportive housing statewide over five years. This is a minor commitment compared to what the Campaign 4 NY/NY Housing – of which the Network is an active member - is asking for: an agreement to create 35,000 units of supportive housing across the state; 30,000 units in NYC (including 15,000 new construction) and an additional 5,000 in the rest of the state over the next 10 years.

In order to make strides in ending homelessness, we need at least 15,000 new construction units in NYC and 5,000 units upstate over 10 years. Each year in NYC, 20,000 applications for supportive housing are approved, but only one-in-six applicants receive a supportive housing unit.

That is why we urge the Senate to stand with us in our request for a commitment that helps meet the need, and for an official agreement to be reached with the localities this year.

Why should the state continue to invest in supportive housing?

In addition to reducing homelessness and saving tax-payer dollars, supportive housing:

- **Creates jobs** – when the final unit is built, NY/NY 3 will have created an estimated 20,000 construction jobs. While all affordable housing development creates jobs, supportive housing also creates permanent jobs in the buildings for the case management and property management staff. In total NY/NY 3 will have created 2,000 of these jobs with most going to people in the community where the building is built.
- **Grows the stock of affordable housing in our communities** - most supportive housing projects are developed with an integrated model of supportive and low-income housing. Therefore in addition to adding thousands of supportive housing units for New York's poorest residents, the NY/NY 3 agreement is also producing an estimated 2,400 units of affordable housing for working poor families making 60% of AMI.
- **Increases property values** - According to a comprehensive study by the Furman Center at NYU University, neighborhoods that have supportive housing experience an increase in property values thanks to the advent of these properties to their block.

- **Leverages private investment** – With at least a dollar in private investment leveraged for every dollar of subsidy, the state and city have generated nearly \$1 Billion in private financing with their respective capital subsidies. Supportive housing has proven decade after decade to have the return on investment that investors are looking for. As a clear sign of this commitment, the Campaign 4 NY/NY Housing has been joined by almost 50 corporate partners – one quarter of all the co-signers asking for a new agreement.

Conclusion

New York State has steadily expanded its investment in supportive housing. Our state 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 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 increase the state's investment in supportive housing and echo the need for a new supportive housing agreement.

Thank you for this opportunity to testify.

Respectfully submitted by:

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