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**New York State Senate and Assembly**

**2022-23 Joint Legislative Budget Hearing-Human Services**

**February 2, 2022**

On behalf of the 200 nonprofit providers that provide housing and supports to over 55,000 formerly homeless persons and families, we thank Senate Finance Chair Krueger, Assembly Ways and Means Chair Weinstein, Assembly Social Services Chair Rosenthal and Senate Social Services Chair Persaud for the opportunity to testify today at the State's Joint Legislative Budget Hearing on Human Services.

My name is Laura Mascuch and I am the Executive Director of the Supportive Housing Network of New York, a membership organization of over 200 nonprofit developers, owners, and providers of supportive housing statewide. Collectively, there are 55,000 units of supportive housing in the state and 35,000 in New York City. Supportive housing represents a critical tool to end homelessness, offering permanent housing solutions with wraparound social services for people who have experienced homelessness and who have the greatest barriers to obtaining and maintaining housing.

Over six years ago, NYS remained committed to continuing to invest in this critical model by announcing a plan to develop 20,000 units of supportive housing over fifteen years. This commitment was significant because it was New York's first statewide supportive housing long term commitment and also the largest in the country. We are currently in the sixth year of this commitment with over 17,000 affordable housing units open or under construction, of which over 6,200 are supportive. This is a grand achievement, one that we are proud to be a part of and one that we had strongly advocated for then and continue to today.

Governor Hochul continues this commitment by proposing funding the next five years of this plan in her executive budget. The executive budget is proposing to fund \$1.5 billion for the development of the next 7,000 units and preserving an additional 3,000 units, as part of the state's five year affordable housing plan. We are deeply supportive of this commitment and look forward to working closely with both the legislature and the administration to ensure this commitment is realized.

***Support \$128 million for the Homeless Housing Assistance Program***

As part of this commitment to develop another 7,000 units, the executive budget includes critical funding for the Homeless Housing Assistance Program.



Enacted into law by the New York State legislature in 1983, the Homeless Housing and Assistance Program (HHAP) was the first program in the country to dedicate substantial financial resources for the development of homeless housing. Administered by the New York State Office of Temporary & Disability Assistance (OTDA), HHAP provides capital grants and loans for the acquisition, construction or rehabilitation of housing for persons who are homeless and are unable to secure adequate housing without special assistance. HHAP funds many different types of supportive housing including for example, a \$5 million annual HIV/AIDS set-aside, housing for homeless vets, and for those with justice-involvement. HHAP is the main source of capital for nonprofit owned homeless housing outside of NYC with 50% of its funding dedicated for those communities. To date, it has helped build over 18,000 units of supportive housing throughout New York State.

The Network strongly supports this appropriation in the proposed budget, as it's a critical piece of supportive housing development in the state.

### ***Support \$110 million for the Empire State Supportive Housing Initiative***

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. That is why we support the proposed executive budget including \$110 million for the Empire State Supportive Housing Initiative (ESSHI).

The Empire State Supportive Housing Initiative (ESSHI) marries together the services and operating funding with capital funding largely from Homes & Community Renewal's Supportive Housing Opportunity Program (SHOP) and HHAP. It marks the first time that New York State is providing a services and operating subsidy matched with state capital not just in New York City, but throughout the entire state. Additionally, the service contracts awarded through ESSHI are funded at up to \$25,000 per unit with half of the funding being used for rent and the other half for services.

In the past six years there have been 234 projects encompassing 6240 units that have received permanent awards and in this most recent round of the ESSHI RFP, there were an additional 192 conditional awards made (proposing to serve 7,874 persons) which are currently working on securing the state and local capital needed to progress forward. These units are serving various homeless populations including homeless persons with serious persistent mental illness and substance use disorder, individuals diagnosed with HIV, survivors of domestic violence, veterans, chronically homeless persons and families, youth aging out of foster care, other homeless young adults, individuals who are high cost Medicaid users and frail or disabled seniors.

The Network strongly supports the executive budgets proposal to fund ESSHI at \$110 million.



***Increase Funding for the NYS Supportive Housing Program – Add an additional \$100 million***

While we are encouraged to see the executive budget support the continued development of new units, 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 pays for critical on-site services that make it possible to house multi-disabled and vulnerable individuals and families 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 current NYSSHP budget is funded at \$39.8 million. The executive budget does include a minor increase of \$2.8 million to the appropriation line that funds this program, the Solutions to End Homelessness Program and the Operational Support for AIDS Housing (OSAH) program. We support this increase but feel strongly that more needs to be done to increase rates, specifically for NYSSHP.

In hundreds of supportive housing residences across New York State, the NYS Supportive Housing Program (NYSSHP) has been the only services funding keeping formerly homeless people stably housed. Nearly 10,000 units depend almost totally on subsidies that have remained nearly unchanged for twenty years, namely \$215/month (\$2,580 a year) for a single homeless, disabled adult and \$290/month (\$3480 a year) to serve a homeless family.

In comparison, ESSHI referenced above, provides FOUR TIMES the NYSSHP rates for services to the same formerly homeless individuals and families (\$12,500 for services).

Nonprofit providers across the state have been struggling for years with this inadequate funding; should the units that are almost all solely funded by NYSSHP be lost, the state would have to pay nearly \$2 billion dollars in capital to create 9800 ESSHI units to replace them.

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.

The Network strongly urges the final budget to include an additional \$100 million for the New York State Supportive Housing Initiative (NYSSHP). This will adjust the current rates to align with today’s ESSHI services rates of \$12,500.



**Include the NYS Supportive Housing Initiative in the 5.4% Cost of Living Adjustment – Add \$2.2 million to support a NYSSHP COLA.**

Human services workers, including supportive housing case managers funded by NYSSHP do essential jobs every day to keep New York State running. However, this program was left out of the executive’s proposal to provide a 5.4% cost of living adjustment (COLA) across a number of human services programs funded by OTDA, OMH, OASAS, OCFS and OPWDD. With more than 80% of NYSSHP funding supporting salaries of direct care workers, this program should also receive a 5.4% COLA.

The Network strongly urges the final budget to include an additional \$2.2 million for a COLA for the NYSSHP program. We also urge the legislature to modify the COLA statute language to include this program moving forward and for the COLA to be extended, as it is currently slated to expire on March 31, 2022.

Thank you for this opportunity to testify today.

*Respectfully submitted by:*

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