



Testimony before the New York City Charter Revision Commission

March 4, 2025

Good evening, my name is Pascale Leone and I am the executive director of the Supportive Housing Network of New York, a membership organization representing 200 nonprofit developers, owners and operators of supportive housing statewide. Thank you for the opportunity to testify about the important opportunities to revise New York City's Charter.

The need for supportive housing – permanent, affordable housing with onsite services – has never been greater. The Department of Housing and Urban Development's (HUD) recently released 2024 Point-in-Time (PIT) Count, an annual one-day census of homelessness nationwide, [revealed the highest number](#) of unhoused individuals in more than a decade – with New York City experiencing a 59 percent increase in just one year.

Supportive housing is an evidence-based model that interrupts the cycle of homelessness with individualized case management to address serious mental illness, substance use disorder, domestic violence, chronic health conditions and other barriers to housing stability. New supportive housing residences are beautiful, state-of-the-art buildings that meet strict environmental and energy efficiency standards. Supportive housing promotes community integration and provides at least 40% of the units in a given residence as affordable housing for low-income members of the community.

For nearly a decade, our community has been working toward the creation of new supportive housing under the City and State's plans, NYC 15/15 and the Empire State Supportive Housing Initiative (ESSHI), respectively. In 2024, 1,072 supportive housing units opened across the City, in residences containing 933 low-income affordable units for the community. That brings the total number of supportive housing units in New York City to just over 42,000 – 25,000 units in purpose-built residences (known as congregate) and 17,000 in apartments rented on the private market (known as scattered site).

Land Use

City of Yes streamlined zoning regulations and density bonuses for supportive housing, while also opening up more opportunities for affordable and supportive housing development in lower density areas. However, to meet this moment, we need to collectively do more to ensure that we are creating the amount and type of housing that keeps communities stable and healthy and keeps individuals and families out of shelters and off the streets and subways.

Our City's land use policies, from the Environmental Quality Review process (SEQRA or CEQR) to the Uniform Land Use Review Process (ULURP), are focused on a site by site review. This creates a framework where the impact of doing nothing is considered neutral. However, we know that the impact of not developing supportive and affordable housing is dire. Homelessness comes at a great cost to our City and our communities – from the financial impact of paying for costly shelters to the quality of life, public health and safety concerns it brings.



A typical supportive housing residence can take 3-5 years of development, before a shovel even enters the ground. ULURP itself often takes 1-2 years. ULURP precertification, which often includes closed-door negotiations and lengthy review from an understaffed Department of City Planning, can stretch the process out even further.

As the Charter Revision Commission considers improvements for the City's land use processes, it is important to reach a better balance for Citywide and neighborhood priorities. While the current ULURP process is intended to function this way, with consultation from community boards and borough presidents, followed by approvals from the City Planning Commission, City Council, and Mayor, there are not enough structures and incentives encouraging land use decisions that benefit our City as a whole. One option to explore is fast tracking development proposals that meet Citywide objectives, such as 100% affordable housing, deeper affordability, or meeting Fair Housing goals.

We must ensure the voices of historically marginalized groups, including people with disabilities and experience of homelessness are included. Too often at Community Boards and other public meetings, discussions are dominated by a few voices, which may not be representative of the community. Anyone affected by a project yet absent from the hearing is excluded from consideration, including the people who are homeless, future residents of the project in question, and evening workers, among others.

City Agency Coordination

Additionally, development is slowed by a lack of coordination between City agencies. A revised City Charter could update the roles and responsibilities of the various agencies, ensuring that HPD and DCP are not duplicating efforts on planning processes, and that the buildings oversight and inspections functions across FDNY, HPD, and DOB are centralized. Clarifying and streamlining these roles will expedite development, as well as free up desperately needed staff capacity at City agencies to project manage affordable and supportive housing and to process rental assistance.

Procurement

The City is currently putting unprecedented resources into homeless services and permanent housing for people experiencing homelessness, including supportive housing. It is critical to acknowledge that nonprofit organizations are at the heart of the response. Many of the Network's members operate both supportive housing and homeless services and make their budgets out of a patchwork of State and City government contracts, with emphasis on those from DHS, HRA and DOHMH. Because of this reliance on City funding, the Network has serious concerns about the rates of late contract registration and payments.

We hear from nonprofit members that they have millions of dollars of outstanding receivables on their books and fiscally unhealthy reliance on lines of credit due to late contract registration and delayed payments. Outstanding receivables can lead to audit findings. Nonprofits can spend tens or hundreds of thousands of dollars on interest on lines of credit, which is not reimbursable. The negative financial impact left by late payments can make nonprofits appear to be a risky investment partner or borrower, hindering their ability to access the financing required to develop permanent supportive housing. In their fiduciary capacity, nonprofit boards of directors are also increasingly and understandably reluctant



to approve new real estate development while their organizations are supporting structural deficits and bridging late payments from existing human service contracts.

Nonprofit organizations are on the front lines of the homelessness crisis, providing a continuum of services from street outreach, drop-in centers, safe havens, and shelters, to permanent supportive housing. The City will not turn the tide of the crisis without the dedicated work of these organizations. Fair contract rates, timely contract registration, and timely payment are crucial to the fiscal health of these organizations, as well as to the pipeline of permanent supportive housing that the City so desperately needs. Therefore, we echo the testimony by the Human Services Council (HSC), including:

- **Timeframe for Contract Packages Submitted to Comptroller.** The City Charter creates a timeframe for the Comptroller to register a contract (30 days) and we believe a timeframe should also be created for City agencies to deliver the contract package to the Comptroller. There are many steps from the announcement of the award to registration, and we would be open to working with the City to identify the best timeframe. City agencies should also be prohibited from asking any vendor to perform any services without a registered contract.
- **Interest on Late Payments.** There must be a mechanism to hold the City to a timeframe for registration and payment. We also suggest amending the Charter so that nonprofits can actually collect interest when the City pays late. While the goal is that no contracts should ever start before payments are made, nonprofits should not bear the cost of any late payments. According to a moment in time survey of HSC members, 48% of respondents had to take out loans or a line of credit, valued at \$87 million and almost \$6 million in interest payments.¹ Current City policies around the payment of interest simply do not work; providers are almost never granted interest for late payments. Therefore, we recommend that Section 332 (payment procedure) include a requirement that the City is responsible for interest on late payments, including late payments due to late contract registration. This could be implemented by requiring appropriations for interest on late payments to be included in agency contract budgeting. If the agencies do not spend the allocated reserves, the money could be spent to support other agency initiatives for instance in cases of PEGs, which would incentivize agencies to pay invoices on time.
- **Transparency.** Solving this late registration problem requires public access to information about which City agencies have the longest contract delays, and which types of contracts are delayed the most. The City Charter should be amended to require the Mayor to include in the Mayor's Management Report a statement of the number and percentage of client services contracts that are registered before the contract's start date and at designated intervals after.
- **Procurement Policy Board.** The Procurement Policy Board (PPB) is a critical regulatory body for contracting, and ensuring that regulations are relevant and effective. Yet there is no guidance on how often the PPB must meet, or any mechanism for transparency of PPB decision-making. Therefore, we recommend adding to the Charter a requirement that the PPB meet four times per year and hold public hearings.

¹ (Human Services Council of New York, 2024)



The Network supports efforts to create more transparency and efficiency in the contracting process and we look forward to working with the Commission toward that goal. Thank you for the opportunity to testify.