



**New York State Senate and Assembly
Joint Legislative Budget Hearing on
SFY 2017-2018 Executive Budget Proposal for Housing
February 17, 2017**

Good Afternoon. My name is Laura Mascuch and I am the Executive Director 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 50,000 supportive housing units throughout the state.

Supportive housing – permanent, affordable 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 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.

My testimony today is about the urgent need to continue to invest in supportive housing as a way to combat the current homelessness crisis facing New York State.

Statewide, there are roughly 83,000 men, women and children staying in shelters at any given time. In New York City alone, over 70,000 people, including 44,000 people in families and at least 24,000 children sleep in a homeless shelter each night. An additional 13,000 people stay in a shelter outside New York City. Thousands of uncounted others sleep on the streets or in abandoned buildings and makeshift campsites while thousands more exit foster care, hospitals, and other institutions each year without a home. While not everyone who is homeless needs supportive housing, it is the proven long-term solution for people who are chronically homeless living with mental illness and chronic health conditions, as well as other vulnerable populations that need access to services to retain affordable housing and rebuild their lives.

In response to this crisis and the fact that the supportive housing pipeline drastically slowed from past long term supportive housing commitments, the Governor announced last year in his State

of the State speech that the state would be creating 20,000 units of supportive housing across New York State in the next fifteen years, a historic commitment of epic proportions that not only recognizes the need in downstate but upstate communities as well.

This long-term supportive housing program was part of the Governor's proposed \$20 billion five year affordable housing and homelessness plan. The five year program was set to invest over \$1 billion to build the initial 6,000 units of supportive housing in his budget proposal. The Governor has said that over 15 years, the plan would result in 20,000 new supportive housing units.

Why am I here today talking about last year's commitment and budget you might wonder? Very good question.

Last year, when the Governor proposed this large-scale multi-year commitment to fund and create the first 6,000 supportive housing units and an additional 100,000 units of affordable housing over the next five years, the final 2016 budget included \$1.97 billion to fund the proposal. However, the actual allocation of the funds was subject to a Memorandum of Understanding (MOU) to be negotiated among the leaders of the Senate and Assembly and the Governor.

A year later, homelessness is rising to record levels and the affordable housing crisis continues to grow. And we still don't have a signed MOU or a long term funding commitment that will allow the supportive housing units to be built.

There was a small MOU signed to allow \$150 million of the \$1.97 billion to be appropriated for the first 1200 units of this supportive housing commitment, which we were grateful for. But, supportive housing developers, investors and service providers need long-term financing commitments for future development of safe, permanent housing for the most vulnerable New Yorkers. Without long-term, state-committed capital and operating subsidies, it is impossible to attract private investment for the acquisition of land and predevelopment financing, which can together cost millions of dollars. That is why a 15 year plan with at least the first 5 years of funding appropriated is so critical.

In the past, New York/New York Agreements between New York City and New York State attracted investors because they diminished risk by providing long-term commitments upfront to fund a set number of units. A fully funded five-year plan is critical to creating the robust pipeline of supportive housing needed to address New York State's homelessness crisis.

The vast majority of the legislature has supported this with 159 state legislators – 75 percent of the Legislature -- signing letters from their respective chambers demanding that the state fund this long term commitment of supportive housing. We are extremely thankful for that support.

What we need now is for the Governor and the Leaders of the Senate and Assembly to sign off on the MOU *today*. With skyrocketing homelessness and an affordable housing crisis that continues to worsen, we can't afford to wait another day and there really is no reason to. We ask the Legislature to support this effort by communicating the urgency to the Governor and the Legislative Leaders and ask them to release the funds now.

Giving us some comfort is the fact that the 2017-18 proposed Executive Budget does re-appropriate this funding and adds an additional \$526 million, bringing the total 5 year capital commitment for this supportive and affordable housing plan to \$2.5 billion. That said, we were optimistic at this time last year too, and the funding was not released. We urge the Governor and Legislative leaders not to wait another day, but to release last year's funding *now* and support it in the final 2017-18 budget.

While this funding is so critical to ending chronic homelessness in New York State, it also does so much more to help our communities flourish and experience neighborhood and economic revitalization. In addition to reducing homelessness and saving tax-payer dollars, supportive housing:

- **Creates jobs** – when the final unit is built, the last supportive housing program in NYC, NY/NY 3, will have created an estimated 20,000 construction jobs. While all affordable housing developments create 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 individuals and 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.

I would like to conclude my testimony with some real examples of how the state's critical funding helps create something that is so much more than the sum of its parts.

CAMBA Gardens II in Brooklyn provides supportive housing opportunities to 182 New Yorkers and their families who have an HIV/AIDS diagnosis or serious mental health challenges. This is one of the final supportive housing developments built under the New York/New York 3 agreement. Additionally, 110 community affordable units are part of this large project, built on the grounds of the former King's County Hospital. It was built with funding from NYS HCR and HFA, including 4% Low Income Housing Tax Credits. New York City and New York State resources are pooled to provide ongoing operating support.

On Long Island, the new Liberty Landing in Ronkonkoma provides supportive apartments to 59 homeless veterans and their families. Half of the apartments are supportive housing serving our vets who have a variety of service related disabling conditions, including PTSD, with ongoing

support from NYS OMH. This is Concern for Independent Living's second project for veterans on Long Island. Funding includes Low Income Housing Tax Credits, Homeless Housing Assistance Program (HHAP), NYS OMH and a local grant from Suffolk County.

In a two block area of Niagara Falls, Housing Visions Unlimited has rehabilitated and built 41 infill homes that include 12 units of supportive housing for homeless families who have escaped domestic violence. The YWCA of the Niagara Frontier is the service provider. The YWCA's first tax credit project which opened around the block ten years ago, Carolyn's House anchors the project, testimony to how supportive housing creates positive change in a neighborhood. The new project, Walnut Avenue Apartments, is the second partnership between HVU and the YWCA. The first, in Lockport, was so successful that the Mayor of Niagara Falls advocated for one in his struggling city. The project was built with 9% tax credits, Housing Trust Fund and HOME funding from HCR along with and HHAP from NYS OTDA.

As demonstrated through these three examples, supportive housing meets the needs of the local communities. Homelessness among our most vulnerable is a statewide problem, in both urban and rural settings. By working together we create housing that addresses the needs of this population and also helps to redevelop our communities.

Thank you for this opportunity to testify.

Respectfully submitted by:
Laura Mascuch, Executive Director
Supportive Housing Network of New York
247 West 37th Street, 18th floor
New York, NY 10018
(646) 619-9641
lmascuch@shnny.org