



**New York State Senate and Assembly Joint Budget Hearing on
Human Services**

**Testimony Submitted by Rebecca Zangen,
Supportive Housing Network of New York
February 12, 2025**

Thank you, Chair Pretlow and Chair Krueger. My name Rebecca Zangen, the Chief Policy Officer at the Supportive Housing Network of New York.

I'm here today to focus on the state's homelessness and housing crises, and where we need to increase our investments in the coming fiscal year to address them.

The Network is a membership organization that represents more than 200 nonprofits that develop and operate supportive housing. It was established in 1988 alongside the birth of the supportive housing movement. Thanks in part to our advocacy, the state is now home to approximately 62,000 supportive units

We are New York's only supportive housing membership organization, and as such, we serve as a voice for the provider community, which has created the nation's largest, best-managed, and most innovative supportive housing stock.

Supportive housing is a critical and proven tool in the fight against homelessness, which is increasingly urgent, as the number of unhoused people in our state continues to rise. According to the [U.S. Department of Housing and Urban Development](#), there was a 53% annual increase in people experiencing homelessness between 2023 and 2024 in New York State, with 158,019 total people without a permanent place to sleep on a given night in January 2024.

When we talk about how to best ensure the supportive housing community is in the strongest possible position to meet New Yorkers' needs, we need to focus on two tracks – both building new units to meet the expanding need and ensuring that the existing stock remains safe and stays open.

Toward that end, I would like to discuss the first program to provide services in permanent housing - the New York State Supportive Housing Program (NYSSHP) – the funding for which has not significantly increased since its creation almost 40 years ago. Under the Office of Temporary and Disability Assistance (OTDA) budget, NYSSHP touches over 20,000 units of

supportive housing; 9,000 of those units are dangerously underfunded: they receive just \$2,964 per unit per year to serve individuals and \$3,900 to serve families, compared to modern programs that start at \$25,000 for services and operating funding.

We are grateful that the governor has acknowledged the need to invest in NYSSHP by including an additional \$17.8 million in her executive budget. However, that is not enough to meet the significant need at hand. We are asking the Senate and Assembly meet that need at a more impactful scale by including \$32 million in their One House budget resolutions, and passing the Supportive Housing Modernization Act (Senate 136/Assembly 2134).

This legislation calls for a five-year plan to save the state's most underfunded NYSSHP programs, funded at \$32 million in year one.

It would also enable a new request for proposals to specifically target the neediest programs. Without this mechanism, we risk spending precious funds in an uncoordinated way, with the most imperiled programs receiving insufficient increases that ultimately won't save them, and stable programs with other resources receiving increases that they don't need. The Supportive Housing Modernization Act would give OTDA a pathway to ensure new funds are spent in the most appropriate and impactful way.

Systemic underfunding of NYSSHP puts our essential supportive housing stock at risk. Across the state, NYSSHP programs are struggling to retain staff and make crucial building repairs and upgrades. For example:

- A 40-year-old building in St. Lawrence County with 32 units for formerly homeless families with children has ongoing operating challenges and a State regulatory period that recently ended. Without a preservation plan, they will be forced to contemplate conversion to market rate housing.
- A 120+ year-old building in Cattaraugus County, with 22 single-room occupancy units for tenants who were homeless and are aging in place is in desperate need of rehabilitation and modernization, has no reserves, and does not have an elevator.
- Facing underfunded staffing and dangerous building conditions, 96 units of housing for formerly homeless adults across two 100-year-old buildings in a prime downtown location of Albany are at risk of being sold at market rate.
- A 121-year-old building with 290 units for low-income and formerly homeless seniors in NYC has an untenable case management ratio of 1 to 48, significant capital needs and dwindling reserves.
- Five buildings in New York City for survivors of domestic violence, housing 177 households, are unable to provide 24-hour front-desk security, leaving women and children to fear daily for their safety.

Who suffers when the State continues to leave this program behind? 65% of NYSSHP tenants are over the age of 55. 51% are Black or African American. 22% are Hispanic or Latino. 30% are living with a serious mental illness and 22% with a substance use disorder. Ten percent are veterans and 13% are survivors of domestic violence. These New Yorkers have been neglected by the State for too long and they deserve better.

Human service workers, predominantly women and people of color, are drastically underpaid and forced to juggle multiple jobs or leave the sector entirely. Statewide, supportive housing staff vacancy rates are between 20 and 30%. One NYSSHP building in Ulster County had a single case manager for 40 elderly and disabled tenants. When she received a promotion, the agency did not receive a single application for the low-paid job he had previously held, leaving her to cover both positions.

Since 2003, one third of nonprofits that provide NYSSHP have had to close down, merge with another agency, or stop providing supportive housing all together. With exploding homelessness and ambitious goals to expand our supportive housing stock, we can not afford to lose one more unit.

Bringing underfunded NYSSHP programs up to modern rates would not only provide staff and tenants with the resources needed to provide adequate social services, but would also unlock capital funding to renovate and upgrade the dilapidated housing stock for the next several decades. The governor and the Legislature had the foresight to create a Supportive Housing Preservation Program three years ago, under New York Homes and Community Renewal (HCR). Unfortunately, this resource is woefully underutilized.

To access the funding, a project must provide a 30-year budget showing positive cash flow and a sustainable social service plan. As mentioned earlier, 9,000 NYSSHP units have no additional service funding. Of those, 7,000 have no dedicated rental assistance. Most of these programs operate with a skeleton staff, at a deficit, while elevators and boilers routinely break, roofs leak and basements flood. Ironically, these projects don't "pencil out," leaving them with no hope of accessing the capital funding for preservation. The Supportive Housing Modernization Act would fix this problem.

Of course, we fully support the state's efforts to increase the amount of supportive and affordable housing. We agree with the governor's proposal to increase the current rates for the Empire State Supportive Housing Initiative (ESSHI) to \$34,000 per unit per year in the New York City metropolitan area and \$31,000 in the rest of the state. These are the first proposed rate increases since the program began in 2016.

7.8% Contract Increase

Along with several coalitions including the Human Services Council and a broad coalition of behavioral health organizations, the Network is calling for a 7.8% contract rate increase to compensate for shortfalls that have occurred since the governor took office, compared with the Consumer Price Index.

We commend Senator Persaud and Assemblyman Hevesi for including NYSSHP in their legislation that calls for this increase. The exclusion of NYSSHP from past COLAs is one reason why the program funding has lagged. Fixing this, after correcting the historic inequities by

passing the Supportive Housing Modernization Act, will ensure that the NYSSHP program remains stable into the next generation.

Increase Capital Funding in the Homeless Housing Assistance Program to \$256 Million

Since 1983, the Office of Temporary and Disability Assistance's (OTDA) Homeless Housing Assistance Program (HHAP) has provided capital for emergency shelter, transitional, and permanent supportive housing. HHAP is often the sole funding source on emergency shelters and smaller supportive housing projects in rural areas. It also serves as the first funding source catalyzing a larger suburban or urban project, or as the last piece of a complex funding puzzle.

In 2024, with need at an all-time high, HHAP ran out of funding in four months, pushing hundreds of potential supportive housing units another year away from opening. As construction costs have increased, the maximum per project HHAP award has gone up from \$10 million to \$15 million, enabling fewer overall projects. And as communities, especially upstate, try to move away from costly motels for providing emergency shelter, there is more demand on the funding.

The Network calls for a doubling of the Homeless Housing Assistance Program to \$256 Million. While we are grateful again to the Governor for adding \$25 million in her Capital Executive budget, this falls short of the demand for this invaluable program.