



New York State Senate and Assembly  
Joint Legislative Public Hearing on  
2020-21 Executive Budget Proposal: Topic Housing  
February 5, 2020

My name is Laura Mascuch and I am the Executive Director of The Supportive Housing Network of New York, a membership organization representing over 200 nonprofit developers, owners, and providers of supportive housing statewide. Currently there are over 52,000 units of supportive housing in the state including 32,000 in New York City and 20,000 throughout the rest of the state. Supportive housing represents a critical tool to end homelessness, offering permanent housing solutions with wrap-around social services for homeless individuals and families with special needs.

Supportive housing – affordable apartments linked to on-site services – is the most cost-effective and humane way to provide stable, permanent homes for formerly homeless individuals and families who often have great difficulty remaining housed. Supportive housing residents are typically frequent users of expensive emergency services like shelters, hospitals, prisons and psychiatric centers. Because placement into supportive housing has been proven to reduce use of these services, supportive housing saves the state taxpayer dollars. And for many of the populations housed, it can save more money than it costs to build, operate and provide services in the housing. This has been proven, time and time again, by dozens of peer-reviewed academic studies.

We continue to experience the worst crisis of homelessness that New York State and specifically New York City have ever seen. Across the state, there are over 92,000 people including nearly 30,000 children living in shelters or on the streets on any given night. In New York City, over 63,000 vulnerable New Yorkers are currently sleeping in shelters, because these individuals and families cannot secure a permanent home. Simultaneously, the demand for supportive housing remains very high. Presently, there are five approved supportive housing applications for each vacancy.

That is one reason we were very pleased to see the doubling of the Homeless Housing Assistance Program (HHAP) in the executive budget from \$64 million to \$128 million. Administered by NYS Office of Temporary & Disability Assistance, 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 a \$5 million annual HIV/AIDS set-aside, and now another \$5 million set-aside for housing for homeless veterans. HHAP is the main source of capital for homeless housing outside of NYC too, with 50% of its funding dedicated for those communities. To date, it has helped create over 16,000 units of supportive housing throughout New York State. On average, the demand has been three times the size of the previous funding amount, so we are confident that \$128 million will better address the needs of the state and help us develop more housing at a faster pace.

But that commitment alone, will not solve this problem. Almost five years ago, the Governor and the Legislature recognized the need for a long term plan to tackle this crisis and enacted a 5 year affordable housing and homelessness plan which included funding for 6,000 supportive housing units. This funding commitment was Phase I of the Governor's commitment to develop 20,000 units of supportive housing over 15 years.

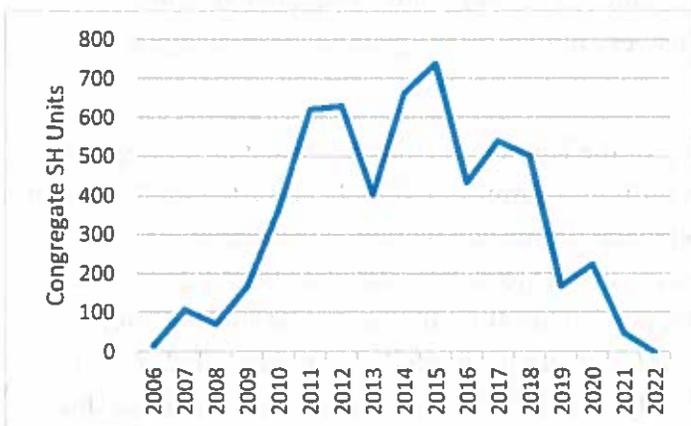
We applauded this long term commitment then and continue to today. In fact, we strongly encourage the state to continue this long term planning approach and enact a requirement that a statewide affordable and supportive housing plan be developed and funded every 5 years similar to other state agency capital plans.

Having a long-term commitment for capital, services, and operating funding, for supportive housing in particular, is critical to attracting investors and developers. It diminishes risk by setting a long-term target to fund a specific number of units, thereby boosting investor confidence.

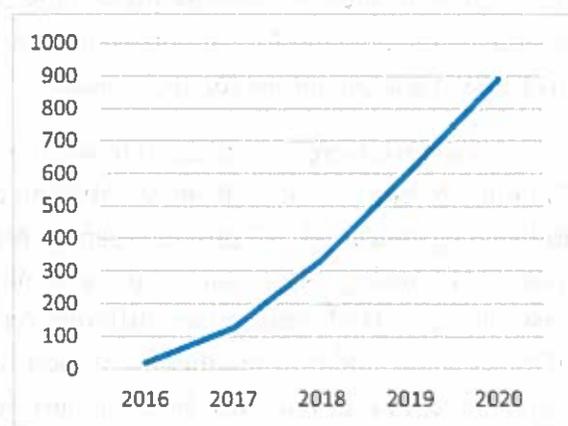
Four years into the five year commitment, the state has made significant progress, funding approximately 4,000 permanent Empire State Supportive Housing Initiative (ESSHI) awards. There are another 163 projects encompassing 5,400 units in the pipeline that have received conditional awards, which are 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.

As we enter the fifth year of the Empire State Supportive Housing Initiative, there is currently no funding commitment in the executive budget that indicates the program will continue to fund the remaining 14,000 units. Without a commitment in this year's budget, there will be another halt in production like the one that took place between NY/NY III and ESSHI in 2015 and 2016 due to the absence of a long-term supportive housing commitment. Nonprofits and developers will stop buying sites and many investors as well as syndicators will be unwilling to invest without concrete assurances that the program will continue.

NY/NY III Units by Open Year



ESSHI Units by Open Year



It's critical that the SFY 2020-21 enacted budget authorize the continuation of the program by statutorily committing funding for the next five years, beginning in SFY 2021-22. This will signal to investors, developers, syndicators and service providers that the commitment is real and the state will finance the remaining 14,000 units of the ESSHI commitment over the next 10 years.

ESSHI has been a successful supportive housing program because of the long-term funding outlined in the state budget. A commitment in this year's budget will prevent history from repeating itself and ensure ESSHI's continued success.

Thank you for this opportunity to testify.

*Respectfully submitted by:*

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