



New York State Senate and Assembly
Joint Legislative Budget Hearing on
2021-22 Executive Budget Proposal: Topic Housing
February 2, 2021

My name is Laura Mascuch and I am the Executive Director of the Supportive Housing Network of New York, a membership organization representing over 220 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 outside the five boroughs. Supportive housing is a critical tool to help end homelessness, offering permanent housing solutions with wrap-around social services for homeless individuals and families.

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

This year has been a year like no other. We knew before, and COVID-19 confirmed, that housing is not just healthcare, it's a matter of life and death. The pandemic exacerbated the housing crisis and hit low-income and communities of color hardest.

Sadly, the New York City shelter system continues to see a shocking number of homeless people - more than 53,000 families and individuals sleeping in shelters on any given night because they cannot secure a permanent home. The single adult census in New York City shelters topped 20,000 this winter for the first time in history.

Simultaneously, the demand for supportive housing remains very high. Of the individuals and families that have been assessed and approved for supportive housing there are currently five approved applications for each vacancy.

While the state faces a significant budget shortfall as a result of the economic crisis caused by the ongoing pandemic, failing to invest in a long-term supportive housing plan will in fact cost taxpayers more **in the years ahead. And continuing to invest in supportive housing can help the state in its ongoing economic recovery effort.**

Supportive housing development creates jobs: a recent analysis found that a 50-unit residence creates 100 construction and 14 permanent jobs.

New supportive housing also leverages billions in private sector investment through the Low Income Housing Tax Credit program.

Finally, supportive housing residences improve neighborhoods and raise property values.

For all these reasons, we were deeply gratified to see the Governor continue his commitment to supportive housing creation, especially in this extraordinarily difficult year.

In 2016, the Governor announced the state's commitment to developing 20,000 units of supportive housing statewide over fifteen years. This was a historic commitment, the largest of its kind in history and the first time that the state would invest in a multi-year plan to build supportive housing outside of New York City.

The administration funded the first 6,000 units in the first five years of the Governor's landmark commitment. April 1 will mark the start of year 6.

The proposed SFY 2022 Executive Budget includes \$250 million to fund the sixth year, including \$186m for capital funding at Homes & Community Renewal and an additional \$64 million in capital at the Office of Temporary & Disability Assistance (OTDA) Homeless Housing Assistance Program, which is fully funded again this year at \$128 million

Both capital programs support the development of supportive housing for 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.

Without a commitment in this year's budget, there will be another gap in production like the one that took place between the end of the last long-term supportive housing commitment, NY/NY III and the beginning of the state's new long-term program. Nonprofit organizations 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.

Having this funding in place allows the pipeline to continue at a pace of 1,200 units a year and bridge us to next year when we would like to see another five-year affordable housing plan

enacted. We strongly support the Senate and Assembly's proposal to codify a five-year housing plan, similar to other state agency capital plans.

In closing, we fully support the proposed budget to fund HCR capital at \$186 million and HHAP capital at \$128 million and respectfully ask the Legislature to support both capital programs as proposed in the Governor's budget so we can continue this successful and desperately needed program.

Now more than ever, this long-term commitment is vital to New York. As stated earlier, the pandemic has exacerbated the housing crisis. Now is not the time to stop building supportive housing. Instead, we should be developing as fast as possible to address the crisis while also helping to rebuild the state with creating jobs, improving neighborhoods and creating housing opportunities across New York State.

Thank you for this opportunity to testify.

Respectfully submitted by:

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