



**New York State Assembly Standing Committee on Housing
Public Hearing**

**Testimony Submitted by Laura Mascuch, Supportive Housing Network of New York
October 27, 2021**

My name is Laura Mascuch and I am the Executive Director of The Supportive Housing Network of New York, a membership organization of over 200 nonprofit developers, owners, and providers of supportive housing statewide. Collectively, there are 55,000 units of supportive housing in the state and 35,000 in New York City. Supportive housing represents a critical tool to end homelessness, offering permanent housing solutions with wraparound social services for homeless individuals and families with special needs.

Over six years ago, NYS remained committed to continuing to invest in this critical model by announcing a plan to develop 20,000 units of supportive housing over fifteen years. This commitment was significant because it was New York's first statewide supportive housing long term commitment and also the largest in the country. We are currently in the sixth year of this commitment with over 15,000 affordable housing units open or under construction, of which nearly 5600 are supportive. This is a momentous achievement, particularly given the impact the pandemic has had on the development pipeline over the past 18 months.

While that initial pledge has proven successful, more needs to be done. Facing a historic rise in homelessness, New York needs additional units of supportive housing and a firm promise to preserve

those that already exist. As such, it's critical that the state re-commit to this effective and cost-effective intervention with what we are branding as "**NYS 20K**," through which the state will promise to **create 14,000 new units and preserve 6,000 existing units of supportive housing in the next ten years**. This would add an additional year of development to the state's current 15 year commitment and add a preservation component to the state's supportive housing program.

An estimated 9,000 units – some over 30 years old – are at physical and fiscal risk, with crumbling buildings and decades-old service and operating contracts. A preservation fund would address both the capital and services and operating needs of the older housing stock. Amid a homelessness and affordable housing crisis, we cannot afford to lose any of these residences that are currently homes for our most vulnerable neighbors. Absent a long-term preservation program, we will just be replacing older existing supportive housing residences with new units and not increasing the state's supportive housing stock.

We also think it's critical at this time for the state to increase the services and operating rates in supportive housing. The current Empire State Supportive Housing Initiative (ESSHI) rate rests at up to \$25,000 per unit statewide. High property costs in NYC and metropolitan areas are diminishing providers' service budgets. Property costs are increasing and, in turn, shrinking service budgets. In NYC, the rate to adequately cover both the cost of rent and services is \$35,000. We recommend that ESSHI increase the rate to \$35,000 per unit in NYC and \$30,000 in the rest of the state and that the program build in a 2% annual increase to keep up with inflation

As the state begins to envision what a new five-year affordable housing plan will look like, it's critical that supportive housing remain a cornerstone element of the plan. Funding the first half of **NYS 20K** in the upcoming SFY 2022-23 budget would include a capital appropriation and a services and operating appropriation for 7,000 new units and 3,000 preservation units. This would allow the pipeline to

continue moving and the state to continue meeting its long term supportive housing goals. Without a commitment in this year's executive budget for another five years of funding, production will come to a halt as nonprofits and developers will stop buying sites and many investors as well as syndicators will become wary of making investments in the absence of concrete assurances that the program will continue. A long-term commitment of resources for capital, services, and operating for supportive housing is critical to attracting investors and developers. State funding commitments investor diminish risk by setting a long-term target to fund a specific number of units, thereby boosting investor confidence.

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

We look forward to continue to working with the Legislature and Administration on the continuing implementation of this ambitious supportive housing plan.

Thank you for this opportunity to testify today.

Respectfully submitted by:

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