



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

**Testimony Submitted by Pascale Leone, Supportive Housing Network of New York
December 18, 2023**

Good day. Thank you Chair Rosenthal and Chair Braunstein and the members of the Housing and Cities committees for the opportunity to testify today. I'm here to discuss the status of the ongoing effort to address the state's housing and homelessness crises, and where we need to increase our investments in the coming fiscal year.

My name is Pascale Leone, the Executive Director of the Supportive Housing Network of New York.

The Network is a membership organization that represents more than 200 nonprofits that develop and operate supportive housing. The Network 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 58,000 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.

Of course, we fully support the state's efforts to increase the amount of supportive and affordable housing, but today we want to also focus on the preservation of the existing portfolio, centered on the first early efforts to provide supportive services through the New York State Supportive Housing Program (NYSSHP). This program touches over 20,000 units of supportive housing including more than 10,000 through a direct contract with New York City Department of Homeless Services. In 2023, with essentially the same per unit budget available as in 1987, NYSSHP is the sole services funding source for 9,000 households in supportive housing.

In 2016, the state made an historic commitment to fund 20,000 more much-needed units of supportive housing over a 15-year period and created a new statewide program to accomplish this ambitious goal: The Empire State Supportive Housing Initiative (ESSHI). ESSHI embedded

important lessons learned during the evolution of supportive housing in New York, allocating up to \$25,000 per unit to cover both social services and rental assistance. We have also identified that about 7,000 of the 9,000 units that depend solely on NYSSHP to fund services, lack a dedicated source of rental assistance.

Unfortunately, NYSSHP has been left behind. NYSSHP provides annual service funding of just \$2,736 for individuals and \$3,672 for families. As a result of this chronic and severe funding disparity, NYSSHP is in trouble.

Thankfully, there is a simple solution: Convert the 9,000 at-risk NYSSHP units to ESSHI through a five-year, phased-in approach that will eventually create fiscal parity among supportive housing units across New York. This proposal would modernize an antiquated funding model, delivering results for thousands of tenants and overstretched staff.

The conversion of NYSSHP to ESSHI would cost an additional \$32 million in FY 2024-25 – an incredibly small portion of the multibillion-dollar annual state budget that will more than pay for itself over time by avoiding the high cost of adding to New York’s homelessness population.

Systemic underfunding of NYSSHP has put vulnerable individuals and families – disproportionately Black people and people of color with disabling conditions: often more than one. They have survived domestic violence, served in our military, returned from incarceration, cope with trauma. A significant proportion struggle with complex mental health challenges and the often-deadly consequences caused by the increase of fentanyl in the illicit drug supply. Chronic underfunding has also exacerbated an already significant staffing shortage, as supportive housing programs are unable to compete with higher wages available at big box stores and fast-food restaurants. Across our sector, supportive housing staff vacancies hover between 20 and 30%. Low wages and related staffing issues have left one NYSSHP-funded residence for survivors of domestic violence with a single case manager for 56 adults and children.

One reason we must raise this issue with the Housing Committee today relates to the Supportive Housing Preservation capital funding under NYS Homes and Community Renewal. Currently, NYSSHP-funded programs are struggling to access this funding to make repairs and upgrades to existing, mostly state-funded older buildings– many of which are decades, if not centuries, old. In fact, only one residence has received funding to date, almost a year after HCR released the terms sheet. Both tenants and staff pay the price of leaky roofs, faulty elevators, and outdated facilities that are not handicapped accessible.

Without this conversion from NYSSHP to ESSHI rates, the long term operating and services budgets for buildings that should be top priority for preservation are untenable. We need to do more to ensure that existing supportive housing – especially the ‘first generation NYSSHP’ does not fall by the wayside, so that all our new construction adds to the existing portfolio instead of replacing it.

The Network, along with 94 organizations, sent a letter to Governor Hochul on October 30th calling for a \$32 million investment in NYSSHP in the next fiscal year. Today, we are re-sending the letter with a total of 146 organizations signed on. These organizations represent 70% of the NYSSHP portfolio statewide along with critical allies working on housing, health and homelessness issues in New York and nationally.

Finally, it is imperative that the state ensures that existing supportive housing is well run and well maintained as it embarks on expanding supportive and affordable housing. A reputation for quality housing is vital in efforts to work with communities on new development.

Thank you for the opportunity to testify.