



Housing and Services, Inc.

**Testimony of Jim Dill
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**New York State Assembly
and
New York State Senate
Budget Hearing
Wednesday, February 10, 2010**

Thank you Senators and Members of the Assembly for receiving my written testimony for this year's budget hearing and regarding proposed cuts to SRO Support Services.

HSI develops and manages programs for lower income households and New Yorkers with special needs. We were founded in 1987, and we are a pioneering organization in supportive housing. Our units throughout Manhattan at Kenmore Hall, The Narragansett and Cecil Hotel, and a Scatter Site I Program in the Bronx are 535 in total. Each program provides affected populations customized services to maintain them in safe, suitable and affordable housing. Clients include the elderly, people who live with HIV/AIDS, the mentally ill, people with physical disabilities and those who struggle with addiction. On-site programming includes medical care, mental health counseling, educational/vocational training, and other comprehensive services designed to promote housing stability and greater independence.

SRO Support Services pays for the Case Management, Front Desk personnel and 24-hour, 7-day-a-week on call HSI staff at The Cecil Hotel and Kenmore Hall; services vital to our clients.

The Cecil in Harlem was one of the country's first supportive housing residences. HSI leases the Cecil and the land beneath it from Harlem Community Development Corporation (Harlem CDC), a subsidiary of the Empire State Development Corporation. The Cecil is currently under much-needed rehabilitation construction thanks to a \$9.4 million NYC Department of Housing Preservation & Development (HPD) Supportive Housing Loan. Harlem CDC provided HSI with a \$100,000 predevelopment loan to get the project started.

The Cecil is home to 89 mostly African American, mostly elderly, and mostly formerly homeless men and women.

The Kenmore was established in 1999 when HSI was selected by the New York City Office of the Mayor and the federal government to take over this federally-seized SRO, which was a bane on its community. Verizon invested in Kenmore's rehabilitation as a low income housing tax credit investor and NYC HPD also helped fund the rehabilitation of this once-renowned SRO hotel. In its conversion to supportive housing, the monument was restored to dignity, contributing to HSI's winning a HUD best-practices award and achieving continued service improvement through public and private funding over the past 10 years, including an annual SHP Grant through HUD's Continuum of Care. HSI's conversion of Kenmore Hall turned that block of the Flatiron District near Gramercy Park from a blight into a welcome member of the community. The ribbon cutting of Kenmore Hall was a proud moment, mostly because we know that it continues to be an excellent case example of how HSI's work in providing homes for homeless New Yorkers creates a better New York City.

The Kenmore is home to 325 men and women. About 80% are from the NYC shelter system and half of the population was chronically homeless when they arrived at our door. However the median length of stay with us is over seven years. These clients come to us after having spent years in and out of shelters or living on the street and, through customized services, which are funded by SRO Support Services, they are cured of homelessness. When they move out, it is usually into more independent housing or they age in place at the Kenmore.

Without SRO Support Services funding, HSI would be forced to eliminate ten case management positions, all of our on-call, 24/7 staff, and 15 front desk employees. The immediate results would be increases in calls for Emergency Medical services, Fire Department services, and Police Intervention services. Without case management services and within a brief period of time clients would be unable to manage their rent obligations and would lose government rent subsidies, putting at risk \$40 million in city-state capital funding. Many of our residents would return to streets or shelters, and ultimately our projects would fail, both programmatically and financially. HSI's 22 years of serving thousands of New York's homeless will come to an end.

Not only is supportive housing widely know as the lowest cost alternative for New York's homeless, but it is also a more manageable and humane response to the problem than the more complicated and volatile systems of emergency care. Corporation for Supportive housing estimates average costs per person per day for supportive housing as \$41.85 compare to \$164.47 of jail, \$74 for prison, \$54.42 for shelters, \$467 for mental hospitals and \$1,185 for hospitals. Eliminating a systematic approach for expensive and logistically burdensome alternatives is contrary to a fiscally conservative and proactive approach.

Finally, the loss of these service dollars could trigger a breach of my organization's capital and operating funding agreements, setting in motion a domino effect that would jeopardize tens of millions in federal funds and clear the market of private investors needed to underwrite tax-credit-funded developments.

On behalf of HSI's 84 staff, 7 Board members, the more than 400 people who call SRO Support Services-funded Kenmore Hall and Cecil Hotel home, as well as the 120 HASA-funded residents of The Narragansett and HSI's Scatter Site, and with the New York City supportive housing community, we strongly urge you to restore the \$4.6 million in SRO Support Service funding to save lives that would be lost to homelessness; retain State funds that will be spent in crisis care; and preserve the federal and corporate funds that could disappear without matching service dollars. Unless this program is funded with the \$22.2 million needed to provide services in all new and existing units, any projected savings to the State will be negated by immediate economic and human costs.