



**New York State Senate and Assembly  
Joint Session on the  
SFY 2014-2015 Executive Budget – Human Services  
February 4, 2014**

**Supportive Housing Network of New York  
Maclain Berhaupt, State Advocacy Director**

Good afternoon. My name is Maclain Berhaupt, and I am the State Advocacy Director of the Supportive Housing Network of New York. The Network is the member association representing over 200 nonprofit providers and developers who operate more than 47,000 supportive housing units throughout New York State.

I am here to ask the Senate and Assembly to add an additional \$4 million to OTDA's Homeless Housing & Preventative Services Programs budget line to preserve and fund new critical homelessness prevention and housing programs. I am also here to alert the state about how the federal sequestration cuts are impacting these same homelessness prevention and housing programs and ask you to help mitigate the situation by working with the Governor and the Office of Temporary Disability Assistance (OTDA) to set up a supplemental emergency fund to help offset any devastating impacts these cuts are likely to have on our communities

**Introduction**

Supportive housing is the solution to homelessness. Permanent, affordable efficiency apartments linked to on-site services – is the proven, cost effective and humane way to provide stable homes to individuals and families who have difficulty finding and maintaining their place in housing. Supportive housing achieves miracles in the lives of its tenants, allowing disabled individuals who have spent years living on the streets, or locked away in institutions to live full, rewarding lives integrated into our communities by giving them the stability, support and sense of community they need to reunite with their families, become healthier, and in many cases secure employment. For these reasons alone, the State is justified in spending precious public dollars to provide services in supportive housing for the most vulnerable and disabled New Yorkers. But the case for supportive housing becomes even more compelling when we measure how much money this intervention saves.

The people we house and serve – people with mental illness, HIV/AIDS, substance abuse, and other barriers to independence – are typically frequent users of expensive emergency services like shelters, hospitals, prisons and psychiatric centers. These publicly funded interventions can be very expensive, with hospitals and psychiatric centers costing upward of \$1,000 a day. Placement into

supportive housing stabilizes tenants and has been proven to reduce use of these expensive services. As a result, supportive housing saves State taxpayers' money, often far more than what was spent building, operating and providing services in the housing. This has been proven, time and time again, by dozens of peer-reviewed academic studies.

In 2011, the state consolidated several supportive housing and homelessness prevention programs into one budget line, OTDA's Homeless Housing & Preventative Services Programs line. This funding stream supports three programs that fund innovative community-based nonprofits that have had proven success ending and preventing homelessness among individuals and families:

1. **The New York State Supportive Housing Program (NYSSHP)** pays for essential housing-based services and supports, including 24-hour building security and case management for individuals, families and youth, in 270 supportive housing residences containing over 17,000 units throughout the state.
2. **The NYS Solutions to End Homelessness Program (STEHP)** funds 37 programs in all areas of the state to provide homelessness prevention services, including anti-eviction services, legal representation, entitlement advocacy and emergency payments that keep at-risk families and individuals housed.
3. **Operational Support for AIDS Housing (OSAH)** funds housing-based services similar to NYSSHP at 10 residences housing over 235 people living with HIV/AIDS.

NYSSHP is the primary funding stream for the ongoing operation of supportive housing in New York State – it pays for critical on-site services that make it possible to house multiply-disabled and vulnerable individuals, families and children in permanent affordable apartments. This funding ensures that supportive housing residences have adequate front desk staff, and case management services.

NYSSHP as currently laid out in the Executive Budget will be funded at \$26.3 million, which is \$2.4 million short of what is actually needed to fund all open residences and new residences opening this year. The budget shortfall causes over 1,200 multiply disabled single adults and over 150 young adults and families to have NO NYSSHP services. This year's underfunding endangers the stability of fragile tenants living in 41 residences around the state, as well as sending a bleak message to nonprofit providers, investors and communities. The result is nonprofits struggling to provide safe, secure housing with adequate services to formerly homeless tenants. Here are a few examples of how these budget cuts are impacting local non-profits.

- In Rochester, a supportive housing program that just opened 2 months ago is struggling with how they are going to provide the needed services to 21 chronically homeless high-need tenants; and
- In the Bronx, there are 46 adults with serious and persistent mental illness living in a residence with minimal front desk security, no nurse onsite and no job training program because the services funding they were promised when they opened their doors in 2011 hasn't materialized.

These types of examples are occurring all over the state and the reality is that it's not saving the state any money. Any 'savings' from not funding these programs are typically cancelled out immediately by the resulting increase in more costly emergency services when these housing based services aren't

available. . If just .5% of the persons currently housed by this program become homeless as a result of this budget shortfall, the increased cost in emergency shelter alone would eliminate any savings.

**The NYS Solutions to End Homelessness Program (STEHP)** funds 37 programs in all areas of the state to provide homelessness prevention services, including anti-eviction services, legal representation, entitlement advocacy and emergency payments that keep at-risk families and individuals housed. The goal of STEHP is to help individuals and families remain in or obtain permanent housing, assist them with supportive services during their experience of homelessness, or the eviction process, and assist in achieving housing stabilization. Last year programs served nearly 45,000 individuals and with \$1.5 million in additional funding another 4,000 individuals could be provided these critical services.

There is no doubt that the programs under STEHP and the community based providers who operate the contracts are essential to helping vulnerable New Yorkers maintain or return to stable housing. There is a clear need for these services that far exceeds the current funding levels. Without the leadership of the legislature, we will see the numbers of individuals and families applying for shelter continue to rise unnecessarily.

It's also critical to point out that many of the same homelessness prevention; transitional housing and permanent supportive housing programs funded by NYSSHP and STEHP could also be facing substantial federal funding cuts as a result of sequestration. Last year's sequester forced New York State's twenty-nine HUD Continuum of Care to reluctantly identify fifty-six homelessness prevention and housing programs to be put on the chopping block in order to meet the 5% cut to HUD funding.

To ensure linchpin NYSSHP or STEHP programs facing federal cuts are kept whole this year, the Network is asking New York State to create an emergency supplemental pool of funding at the Office of Temporary and Disability Assistance that the agency can use to preserve these vital services and programs. While it is hard to predict the exact amount of funding that could be needed in this financial dilemma, we are estimating there is a need close to \$5 million to mitigate any cuts that occur. This will help ensure that forty-two programs across the state will be safe from these cuts and therefore existing state funds will not be put in jeopardy.

## **Conclusion**

The programs funded by the OTDA Homeless Housing and Preventative Services Programs budget line are some of the most effective and cost-efficient interventions New York's communities have to prevent homelessness and keep at-risk people stably housed. We strongly urge the Legislature to fully fund OTDA's Homeless Housing & Preventative Services Programs at \$34.2 million. This would require the Legislature to add \$4 million to the proposed Executive Budget to ensure 5,000 homeless families and adults will be able to receive the essential services that keep people housed.

In addition, we would ask the Legislature to work with the Governor and OTDA to mitigate any potential federal cuts to these same programs by creating a one time emergency supplemental pool of \$5 million at OTDA that the agency can use to preserve vital homelessness prevention and housing programs under fire from federal cuts caused by sequestration.

Thank you for the opportunity to testify today and for your continued commitment to ending homelessness in New York State.