

Public Hearing Regarding New York State 2008-2009 Budget

Testimony of Jean Carroll, CEO, YWCA of Rochester and Monroe County November 17, 2007

Good afternoon. My name is Jean Carroll and I am CEO of the YWCA of Rochester and Monroe County. Thank you for this opportunity to provide input on this critical budget. I commend the NYS Division of Budget for holding this series of "Town Hall-style" public hearings.

In my testimony, I will present a rationale to support the following recommendations for the NYS 2008-2009 budget allocations:

- **EXPAND ACCESS** to supportive housing by increasing capital production by 900 units in 2008-09
- **ENSURE EFFECTIVENESS** by funding adequate supportive services for people with special needs , and for families and young adults

The YWCA is a non profit organization that provides services and supports that promote independence and self sufficiency for pregnant and parenting teens, women, and families in crisis.

The YWCA provides a full continuum of housing with support services including emergency and transitional housing, single room occupancy units, an OASAS-licensed Supportive Living Program, affordable permanent housing in the community, and aftercare services. The teenage mothers and women who turn to the YWCA for help face multiple challenges. Many experience extreme poverty, mental illness, chemical dependency, domestic violence, abuse, and trauma. Most have little education and work experience. The YWCA may be the first place they turn, or their last, best hope.

As an unlicensed provider of safe, supported housing, the YWCA plays a critical role in supporting the housing requirements of special needs populations. Many clients with mental health and chemical dependency choose the YWCA over OMH or OASAS-licensed residential programs as a more manageable housing option for independent living. **By providing safe, affordable housing with on-site supports for people with special needs, the YWCA saves OMH and OASAS countless dollars from decreased use of more costly services such as homeless shelters, emergency rooms, inpatient facilities, and jails.**

According to the Supportive Housing Network of New York (SHNNY), "Over 40 studies have proven that permanent supportive housing dramatically lowers impoverished disabled people's use, and the costs, of emergency services such as shelters, hospitals, psychiatric centers, prisons and jails:

- The first study of supportive housing's cost-effectiveness, by Dennis Culhane of the University of Pennsylvania in 2001, showed that homeless mentally ill individuals who moved into supportive housing created by the landmark NY/NY Agreement in New York City reduced their use of emergency services so much that the savings paid for all but \$995 of the annual cost of building, operating and providing services in each housing unit.
- The most recent cost-effectiveness study (published last month) showed that homeless people placed into supportive housing in Portland, Maine, reduced their usage of emergency services by one half, including: a 59% savings in health care costs, 41% savings in mental health care costs, 62% savings in both emergency rooms costs and costs of incarceration., 66% savings in both ambulance costs and police costs.

- Even as New York City's family shelter census breaks new records, the Department of Homeless Services' count of homeless individuals in the streets and shelters has gone down by 15% over the past two years, due largely to increased placements into permanent supportive housing. In July, DHS permanently closed the City's largest shelter for single adults for a savings of \$19 million per year.

All of these savings were achieved only after upfront investments were made in supportive housing. While State agencies are required this year to submit budgets that include "savings options that, at a minimum, would hold spending to a level no greater than current year spending," the long-term savings produced by supportive housing more than justifies the increased investment today."

Supported Housing is the model of choice. However, current housing stock is insufficient to address the requirements of New Yorkers with special needs. Capital funding must be increased. Modest investments in new supportive housing will result in an overall cost savings to the State, especially in Medicaid-funded emergency services. We support the following recommendations recommendations proposed by SHNNY:

➤ **Increase HHAP capital allocation from \$30 million to \$60 million**

The Homeless Housing and Assistance Program (HHAP) provides capital funding to nonprofit providers to build supportive housing. For most of the last decade, HHAP has been funded at \$30 million annually. As a result, the number of units produced each year has declined dramatically, from almost 800 units in 2003 to under 400 in 2006. Steady increases in the number of homeless people statewide have in turn increased the demand for HHAP funding. In the 2006-2007 funding round, which is currently pending, there were \$80 million worth of requests for the \$30 million allocated, of which \$65 million scored well enough to be funded. With construction costs skyrocketing, an adjustment to the base funding level of HHAP is long overdue.

➤ **Increase SRO Support Services from \$19.8 million to \$22 million**

The SRO Support Subsidy reimbursement rate was increased last year, the only increase in nearly 10 years. Providers in other systems that serve similar populations have recently received a 3% COLA every year for three years. An additional \$550,000 applied to the SRO Support subsidy would make up for recent years' losses as a result of stagnant funding over many years. The remainder of the increase would cover new units coming on line in the upcoming budget year. In New York City, this amount is \$880,000, and in the rest of the state it is \$570,000. The total increase for the SRO program would be \$2.2 million.

➤ **Increase Capital Housing Development Programs by \$100 million (DHCR)**

New York State's core housing development programs (Housing Trust Fund, Affordable Housing Corporation and ancillary funding streams) were created in the 1980s. Funding for these programs has remained largely flat since that time. As a result, they have created fewer and fewer units each year. At the time of their creation, this was an aggressive investment. In today's dollars and real estate market, these investments are modest at best. New York State's housing crisis is well documented. There is a tremendous need to increase the investment in capital construction in all regions of the state. Such an investment will also allow DHCR to continue to expand the amount of supportive housing it develops as a component of integrated affordable housing developments. It would allow a more effective and efficient use of the State's tax-exempt bond volume cap for affordable housing. An investment of capital for housing construction provides immediate boosts for local economies and construction and permanent jobs are created. While a more substantial investment is needed, increasing DHCR's capital budget for these programs by \$100 million would be an important first step in 2008-2009.

Even a substantial capital investment in the "bricks and mortar" to build additional supportive housing as described above is only half of the solution. We need to ensure the effectiveness of supportive housing by funding adequate support services for people with special needs. The YWCA supports increased funding for Supported Housing for Families and Young Adults (SHFYA) to \$1.5 million

The number of homeless families is skyrocketing across the state, but the \$5 million SHFYA program funds services for only 1,332 households. Even for these families, funding is limited to \$3,300 per year per household – a rate inadequate to the needs of the multiply-disadvantaged homeless families being served by the program (by comparison, NY/NY III providers receive over \$20,000 per year per household).

For the YWCA, SHFYA is the only funding the agency receives for support services at its permanent housing sites. If SHFYA is to be the state's primary vehicle for addressing the housing needs of homeless families and young adults, then the program rates must be enhanced.

In closing, I would like to reiterate my appreciation for the opportunity to speak to these critical issues. By partnering with community providers, state agencies can address the housing requirements of people with special needs through supported housing and achieve a greater quality of life for these vulnerable New Yorkers.