



**Testimony**  
of

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before the

**New York City Council Committee on Mental Health, Developmental Disabilities,  
Alcoholism, Drug Abuse and Disability Services**

regarding

**Oversight: Status Update on the NY/NY III Supportive Housing Program**

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Good morning Chairman Koppell and members of the Committee on Mental Health, Mental Retardation, Alcoholism, Drug Abuse and Disability Services. I am Dr. Adam Karpati, Executive Deputy Commissioner for Mental Hygiene at the New York City Department of Health and Mental Hygiene. Thank you for the opportunity to testify on the NY/NY III Supportive Housing Agreement, an initiative of great importance to the Department. My testimony today will provide an update on the implementation of NY/NY III, and will discuss both the successes and some of the challenges we face in providing housing and a continuum of services for people living with mental illness and substance use problems.

An extensive body of research confirms that people with mental illnesses and substance use disorders can achieve the goal of self-sufficiency - living, working and participating fully in their community - when they have access to affordable, safe and reliable housing, in conjunction with needed supports. Without stable housing it is extremely difficult for individuals to remain engaged in treatment and for that treatment to be successful. Access to reliable housing can improve overall functioning and quality of life, reduce relapse and hospital readmission rates, and decrease stigma by reintegrating individuals into the greater community. We also know that ensuring stable housing for individuals with mental illness and substance use disorders can be highly cost-effective, as it helps to defray expenses in other systems, such as shelters, jails and hospital emergency rooms.

The NY/NY agreements were developed to help address the lack of supportive housing, especially given the many recognized benefits of providing stable housing to various high-risk populations. As you know, the most recent NY/NY III contract was signed in 2005 as an agreement between the City and State to provide, by 2015, 9,000 units of supportive housing to individuals with mental illnesses and substance use disorders, as well as for people living with

HIV/AIDS and young adults aging out of foster care. This third agreement was unprecedented in several ways: the scale and capacity of supportive housing it develops; the diversity of populations it targets – ranging from individuals to families, youth to adults, chronically homeless and those at high risk of homelessness, those with mental illnesses as well as those with substance use disorders; and the strong role for various City agencies in the operational steps. The City’s Human Resource Administration (HRA) is the lead agency for eligibility determination and data tracking; the Department of Homeless Services (DHS) and the Administration for Children’s Services (ACS) handle the placement process; and the Health Department oversees service contracting for NY/NY III tenants.

Successful implementation of NY/NY III has required significant City-State coordination and interagency collaboration. Together, the City and State are investing close to \$1 billion in capital funds and over \$150 million annually for services and operating expenses for this program. As I just mentioned, implementation of NY/NY III is carried out by multiple City agencies, many of whom are represented here today. The Department of Housing Preservation and Development (HPD) is the lead agency responsible for capital development of the City’s NY/NY III units and works to assist nonprofit developers in siting and gaining community support for NY/NY III projects. HRA reviews applications and determines eligibility for the program, and DHS and ACS help to place individuals in NY/NY III units.

The Health Department’s role in NY/NY III is to provide rental subsidies to potential tenants and procure and oversee supportive services in 3,850 of the total 9,000 NY/NY III units. Services in 1,000 units for individuals with HIV/AIDS are overseen by HRA, and in the other 4,150 units by state agencies.

Our Department coordinates NY/NY III services via the awarding of contracts to community-based providers who deliver services to NY/NY III tenants. These include case management, crisis intervention, training for daily living and financial management skills, as well as educational, employment and other recovery-oriented resources. Services are provided through a combination of on-site staff, linkages to other programs, and off-site staff, who are deployed directly to individuals' homes. Staff also help tenants gain access to government benefits such as Social Security and Medicaid, and facilitate referrals to community providers for other services, which include assistance with employment placement and retention, and medical, behavioral and dental health care. Once placed in supportive housing, the providers we contract with offer each tenant a comprehensive needs assessment. Providers then work with each tenant to develop an individualized housing and services plan.

In addition to awarding contracts, the Health Department provides tools and trainings for providers and collaborates with them to develop new initiatives for tenants that promote overall physical and emotional wellness. These include economic self-sufficiency workshops, harm reduction and emergency preparedness trainings, general wellness, and tobacco initiatives. We are also focused on working with providers to address the high rates of unemployment by mandating vocational assessments and incorporating these assessments into the biannual service planning in all supportive housing programs, which should improve tenants' abilities to secure and retain competitive employment.

To date, the Department has awarded provider contracts to 97 percent of the 3,850 sites for which we have responsibility, and proposals are currently under review for 100 of the 128 remaining units. Some of these contracts have been awarded in advance of completion of the buildings. In terms of occupancy, 2,200 of the 3,850 sites are now filled. The remaining units

are either being built or are recently completed and in the process of accepting applicants and moving in new tenants.

In addition to overseeing services, the Department's work on NY/NY III includes a thorough evaluation of the program. As part of this evaluation we coordinate with other City and State agencies to capture a broad range of quantitative and qualitative data. We gather health, social service and financial impact data in addition to surveying providers and tenants on their experience with the program. I am pleased to let you know that our most recent analyses of these data are being finalized, and we look forward to sharing those results in the very near future.

Although we consider the NY/NY III program to be a great success, it has not been without challenges. Community-based mental health providers and housing developers often face resistance when attempting to find locations for supportive housing. This not only prohibits the development of much-needed housing, but it also perpetuates the stigma associated with mental illness and substance use. We appreciate the hard work of community-based providers to facilitate strong relationships with the neighborhoods they serve before, during and after the development of supportive housing. We are also very appreciative of the Council's support for the City's efforts to site supportive housing, especially given that, even with NY/NY III, additional housing for these populations is still needed.

Even for individuals with mental illness or substance abuse problems who have a source of income, such as Social Security, New York City housing is often unaffordable due to low rates of federal reimbursement and subsidies. The availability of affordable housing is highly dependent on federal subsidies such as individual Section 8 vouchers, project-based Section 8 vouchers, Shelter Plus Care funding, and Supportive Housing Programs (SHP) funding.

Recent data from HRA shows that, on average, there are nearly six people determined eligible for each unit available under NY/NY III. This level of need demonstrates the critical need for new initiatives to increase the availability of housing for these and other vulnerable populations, especially as development and contracting for NYNY III housing is completed. New initiatives or agreements should promote models of affordable housing coupled with supports that are flexible and tailored to individuals' needs. Other support systems should be leveraged to maximize capacity, and services should be adjusted as individuals' needs and levels of independence change.

As part of the Medicaid Redesign Initiative at the State level, some new models of supportive housing are being developed that integrate new Medicaid care coordination capacity. These and other supportive housing initiatives are potentially of great value, but they highlight the need for coordination at the City level to make sure access is as streamlined and efficient as possible and that the highest priority populations are served. For example, the eligibility determination process administered at HRA is and should continue to be a vital piece of the City's overall supportive housing system. Medicaid Redesign housing funds are also annually appropriated and not at the same scale as the NY/NY III commitments.

Notwithstanding the challenges and the need for more supportive housing in the City, NY/NY III has been critically important in helping thousands of vulnerable New Yorkers lead full and stable lives. We appreciate the Council's interest in NY/NY III and in other supportive housing initiatives, and look forward to providing further updates on the program's progress and sharing the results of our evaluation in the near future.

Thank you for the opportunity to testify. I and my colleagues are happy to answer any questions.