

**Testimony Of Commissioner Steven Banks, New York City Human Resources  
Administration**

**Oversight Hearing regarding Supportive Housing in New York City before the Committee  
on Housing and Buildings jointly with the Committee on General Welfare**

**November 19, 2015**

Good afternoon. Thank you Chairman Williams and members of the Committee on Housing and Buildings and Chairman Levin and the members of the General Welfare Committee for giving us the opportunity to testify today regarding supportive housing in New York City.

My name is Steven Banks and I am the Commissioner of the New York City Human Resources Administration (HRA). I am joined by Craig Retchless, Assistant Deputy Commissioner, HRA Customized Assistance Services

We are here to discuss supportive housing for homeless New Yorkers with mental illness, substance use disorders and/or other disabling conditions, homeless New Yorkers with HIV/AIDS, young adults aging out of foster care, veterans, New Yorkers living on the streets, and other high-needs homeless and at-risk populations – and our efforts to expand this critical housing resource.

Every day HRA plays a critical role in homelessness prevention throughout the five boroughs. HRA is focused on providing supports to those who are working, but with income insufficient to support a family; providing temporary assistance and training to those in search of work; and providing a safety net for those unable to work. For the purposes of today’s hearing it is especially important to note that some New Yorkers face challenges in securing and maintaining employment and stable housing due to psychosocial, intellectual, physical health and/or other conditions, and for these New Yorkers HRA plays a vital role in connecting them to a continuum of care and support services.

HRA has many successes in moving vulnerable, chronically homeless individuals into stable, permanent supportive housing and ultimately helping to transition many of these New Yorkers into the workforce. Not only is it the right thing to do, but researchers positively associate homelessness prevention and supportive housing with improved long-term health and quality of life outcomes for clients and substantial cost savings for both the City and State by reducing the costs associated with shelter, incarceration and care.

Since its inception in the 1980s supportive housing has become a powerful and cost-effective intervention to end homelessness among our most vulnerable neighbors. Families and individuals coping with mental health challenges, the trauma associated with domestic violence, substance

use disorders, HIV and disabling or chronic illness are eligible for stable housing accompanied as needed with an array of comprehensive services, including healthcare for people with physical and/or mental impairments, substance use treatment, employment and education. Through supportive housing these vulnerable populations are able to address the multiple barriers they face when trying to obtain and maintain stable housing and live with independence and dignity.

Yesterday, the Mayor announced a new plan to create 15,000 units of new supportive housing over the next 15 years, more than the combined number of units from the three previous supportive housing plans and more than any other supportive housing effort in the country. This sweeping and comprehensive plan will target even more New Yorkers in need than previous supportive housing plans, including homeless veterans, domestic violence survivors and street homeless individuals.

Supportive housing is affordable housing with supportive services, including both mental and physical healthcare access, alcohol and substance use programs, and other social services. It is a proven, cost-effective approach to deliver stability and to permanently house New Yorkers struggling with mental illness, homelessness, and substance use. Supportive housing reduces reliance on homeless shelters, hospitals, mental health institutions, and incarceration.

As the Mayor said yesterday in his remarks at the announcement,

Every person in supportive housing and on the road to wellness is one fewer person in a City hospital, a prison or a shelter. By making this historic investment, we are confronting the moral crises of homelessness and mental illness our city faces today.

Both the Mayor and the First Lady of the City of New York also noted that this supportive housing initiative is the housing component of the First Lady's mental health roadmap.

The City's 15,000-unit plan is comprised of roughly 7,500 newly-developed, congregate units and 7,500 scattered site units. The plan will cost \$2.6 billion in capital funds over the next 15 years to develop the 7,500 congregate units. Of the total capital costs, approximately \$1 billion will be a City cost – and all but \$380 million has already been budgeted through *Housing New York*. The remaining capital costs – approximately \$1.6 billion – will be offset with low-income tax credits and other private sources. There is also approximately \$96 million in net operating costs over the Financial Plan (through Fiscal Year 19) – starting at \$8.8 million annually in the first year and ramping-up.

Supportive housing has a proven track record of reducing costs. A Department of Health and Mental Hygiene study showed NY/NY III clients who were placed into supportive housing used public benefits, Medicaid, psychiatric institutions, jails and shelters less than clients who were not placed, resulting in net-cost savings.

**Populations served by this new supportive housing:**

- **Homeless families**
  - in which the head of the household suffers from a serious mental illness or a Mentally Ill Chemical Abuser disorder, a substance use disorder, a disabling medical condition, and/or HIV/AIDS.
- **Homeless single adults:**
  - with a serious mental illness, a substance use disorder, a disabling medical condition or HIV/AIDS
  - with substance use disorders that are primary barriers to independent living and who also have a disabling clinical condition
  - who have completed a course of treatment for a substance use disorder and are at risk of street homelessness or sheltered homelessness and who need transitional supportive housing to sustain sobriety and achieve independent living
  - with HIV/AIDS, and who are clients of the HIV/AIDS Services Administration or who are receiving cash assistance from the City, and who suffer from a co-occurring serious mental illness, or a substance use disorder.
- **Young adults** (aged 25 years or younger)
  - leaving or having recently left foster care or who have been in foster care for more than a year after their 16th birthday and who are homeless or at-risk of homelessness.
- **Homeless single veterans or families**
  - in which the head of the household is a veteran who suffers from a disabling clinical condition (i.e., a medical or mental health condition that further impairs their ability to live independently)
- **Domestic Violence survivors at high risk for persistent homelessness**
- **Street homeless individuals**
  - with behavioral health issues, including those in safe havens and stabilization beds
- **Individuals receiving nursing home care or medically frail individuals**
  - awaiting discharge from the public hospital system that can make the transition to independent living with medically appropriate supportive services

The agencies before you today work in close partnership to address housing insecurity and homelessness as well as to provide housing options for vulnerable clients who are eligible for supportive housing through the Mayor's new initiative.

### **HRA's Current Supportive Housing Application and Eligibility Process**

HRA's supportive housing system permits referring agencies to submit the NYC Supportive Housing Referral Application, which is called HRA 2010e, electronically to HRA's Office of Health and Mental Health Services/Placement, Assessment and Client Tracking Unit

(OHMHS/PACT). In order to apply for any NY/NY I, II or III housing, the HRA 2010e must be submitted electronically by a service provider who has been trained by HRA's Customized Assistance Services, after which the provider receives a username and password.

The 2010e application packet is designed to gather the relevant clinical and housing information to determine if the individual/applicant is eligible for any category of supportive housing. Relevant information gathered in the application includes: demographic information, benefits, service providers, history of hospitalizations, housing history and episodes of homelessness, behavioral health and medical conditions, day-to-day functional challenges, client preferences for housing and recommendations for level of housing support needed. Additionally, the packet requires a current comprehensive psychiatric evaluation, completed by a licensed psychiatrist or psychiatric nurse practitioner within the last six months and a psychosocial summary completed within the last six months. Service providers may choose to utilize the Comprehensive Mental Health Report in lieu of a separate psychosocial summary and psychiatric evaluation. Supportive housing applications are mostly prepared by a mental health professional from a variety of referral sources, like hospitals, correctional facilities, homeless shelters, outpatient programs, care coordination and community based organizations. Other individuals, including family members, are also able to assist people with this process.

The eligibility criteria for NY/NY I and II agreements are as follows: a person who is seriously and persistently mentally ill (SPMI); meets NYS Office of Mental Health (OMH) Community Support Services (CSS) criteria; and is documented as currently homeless.

Applicants must meet not less than one of the four following criteria:

- The individual used the DHS shelter system continuously for four or more months. They may be hospitalized or incarcerated and awaiting placement, but must have used the shelter system immediately prior to being arrested or hospitalized.
- The individual has used the DHS shelter system for 14 of the past 60 days, but not necessarily continuously. The individual may be hospitalized or incarcerated and awaiting placement.
- The individual has used a drop-in center, voluntary shelter or Partnership for the Homeless shelter for 14 of the past 60 days, but not necessarily continuously. The individual may be hospitalized or incarcerated and awaiting placement.
- The individual does not meet any of the above criteria, but is known to be homeless and resides on the streets, in the parks, on the subways or other public areas, or is a shelter system user who does not meet the criteria listed above. The individual may also have been undomiciled prior to hospitalization or incarceration and is awaiting placement.

The eligibility criteria for NY/NY III agreements are as follows:

- Chronically homeless single adults who suffer from serious and persistent mental illness or who are diagnosed with mental illness and a substance use disorder.
- Single adults who are presently living in New York State-operated psychiatric centers or State-operated transitional residences and who could live independently in the community if provided with supportive housing and who would be at risk of street or sheltered homelessness if discharged without supportive housing.
- Chronically homeless single adults with HIV (who are clients of the HIV/AIDS Services Administration or have symptomatic HIV and receiving cash assistance from HRA), as well as a co-occurring serious and persistent mental illness, a substance use disorder or both.
- Chronically homeless families, or families at serious risk of becoming chronically homeless, in which the head of the household suffers from a substance use disorder, a disabling medical condition or HIV.
- Chronically homeless single adults who have a substance use disorder that is a primary barrier to independent living and also a disabling clinical condition (i.e., a medical or mental health condition that further impairs their ability to live independently).
- Homeless single adults who have completed a course of treatment for a substance use disorder and are at risk of street homelessness or sheltered homelessness and who need transitional supportive housing (which may include a half-way house) to sustain sobriety and achieve independent living.
- Young adults ages 18-24 who have a serious mental illness and are being treated in a New York State-licensed residential treatment facility, a State psychiatric facility or leaving or having recently left foster care and who could live independently in the community if provided with supportive housing and would otherwise be at risk of street or sheltered homelessness if discharged without supportive housing.
- Chronically homeless families, or families at serious risk of becoming chronically homeless, in which the head of the household suffers from a serious and persistent mental illness or mental illness and a substance use disorder.
- Young adults aged 18-25 leaving or having recently left foster care or who had been in foster care for more than a year after their 16th birthday and are at risk of street homelessness or sheltered homelessness.

As noted earlier, the new program builds on this process and includes additional categories of vulnerable clients, including homeless veterans, domestic violence survivors and street homeless individuals.

Permanent supportive housing provides individuals and families transitioning from a period of homelessness and emergency and institutional systems with integrated, quality housing. These residential apartment buildings are located in communities throughout New York City. This supportive housing reflects housing options available in the community and meets standards for safety and quality established by local, state and federal laws and regulations.

Tenants sign a standard lease and receive rental assistance. The continued tenancy is not subject to any special rules or participation in any particular services and tenants pay 30 percent of their income toward rent.

The two primary types of supportive housing are:

- Single-site (also referred to as congregate), which is a designated building where each individual or family has private living quarters and may share kitchens and/or common recreational rooms or other facilities; and
- Scattered-site, which are units in apartment buildings spread throughout a neighborhood or community that are designated for specific populations, accompanied by supportive services.

The combination of affordable housing and support services is designed to help families and individuals, utilizing housing as a tool to promote positive long-term health and quality of life outcomes, sustained recovery and lower rates of repeat homelessness following chronic homelessness, hospitalization or incarceration or for youth aging out of foster care.

Participation in services is voluntary and is customized to meet the needs of each resident. A care management team is responsible for a person-centered assessment, care plan development, implementation and monitoring, as well as support services including:

- Case management;
- Educational, vocational and other recovery-oriented services;
- Medication management and counseling;
- Assistance in gaining access to government benefits, such as food stamps;
- Referrals to medical services, mental health care and treatment for drug and alcohol use; and
- Recommendations for other needed services, such as legal support.

This combined approach is effective in reducing homelessness and maintaining stable housing. According to a 2014 study by the Urban Institute, 85 percent of all clients remained housed in the program one year after placement, and after two years after placement 74 percent remain housed. This supportive environment can also reconnect individuals with family members and integrate individuals into a neighborhood, community and workforce creating a web of social supports that are difficult to maintain when housing is unstable or non-existent.

### **Supportive Housing Utilization**

In a recent report, the Corporation for Supportive Housing concluded that New York needs to create 31,745 new supportive housing units statewide “in the near future” to meet the needs of homeless adults and families. Of these, 24,155 are needed in New York City. Another source, the Campaign 4 NY/NY Housing, a group of over 130 advocacy groups found that the ratio of

demand to available supportive units is six to one, while more than 20,000 families qualify each year for supportive homes.

The largest challenge with supportive housing in the city is that there simply is not enough of it.

Based on HRA's data, in FY 2015, 23,944 supportive housing applications were submitted and of these 14,623 or 61 percent were approved. There are currently, approximately 32,000 supportive housing beds in New York City.

As of last month, October 2015, HRA's HASA program has:

- A contracted supportive housing portfolio of 5,678 units of which 5,432 units are occupied. HASA spends about \$134 million annually for these units.
- 2,672 scattered-site units, including NY/NY III and non-NY/NY III, of which 94.65% (2,529) are occupied. The average annual cost per unit is \$23,957.
- 2,181 permanent congregate units, including both NY/NY III and non-NY/NY III, of which 96% (2,099) are occupied. The average annual cost per unit is \$22,200.
- 825 transitional units, 97.45% (804 units) of which are occupied. The average annual cost per unit is \$25,160.

In addition to supportive housing units, HASA is expecting to spend about \$33 million this year for clients residing in emergency housing. As of October 17, 2015 of the 2,313 units available, HASA clients occupied 1,946 units, an occupancy rate of 84%.

An interim report concerning NY/NY III issued by the New York City Department of Health and Mental Hygiene in collaboration with the New York City Human Resources Administration and the New York State Office of Mental Health found that when NY/NY III service and operating costs were included, there were net savings for single adults coming from State-operated psychiatric facilities. In four other populations, the cost of the program was offset by savings in services and benefits not used by NY/NY III tenants. In two populations, net costs were greater for placed than unplaced individuals. When NY/NY III populations were combined, there were substantial net savings per client, per year.

We know stable housing is integral to improving health outcomes and lowering costs for high-needs, high-cost Medicaid recipients with serious mental health or disabling conditions; moreover, supportive housing can reduce disparities and avert preventable events and hospitalizations thereby additionally reducing costs.

We know that investment in prevention, rental assistance and supportive housing is more cost effective than shelter. As we have testified previously, the Administration is already investing an unprecedented \$1 billion over the next four years in rental assistance to prevent and alleviate homelessness, legal services, and other prevention assistance.

## **RESULTS TO DATE**

It took many years to reach this level of homelessness and it will take time to reduce it. But we can already point to some concrete successes with our rental assistance programs with increasing placements in affordable housing.

To date, 9,044 New Yorkers have received eviction prevention legal assistance, including working heads of households, and this will increase to almost 33,000 households per year, including well over 113,000 people.

We have also helped more people with emergency rent assistance, keeping thousands of New Yorkers in their homes. In FY 2014, HRA provided rent arrears to 42,000 households at a cost of \$121 million. Comparatively, in FY 2015, HRA provided rent arrears to nearly 53,000 households at a cost of \$180 million. The 49 percent increase in spending was due to 11,000 more households being found eligible and was due in large part to rising rents. Another major driver was the increase in HomeBase and legal services enrollments to prevent eviction and homelessness where clients are also referred to rent arrears. The FEPS anti-eviction program also provides rent arrears and HRA spent another \$25 million on about 6,300 households each year for total rent arrears spending of \$145 million in FY14 and \$205 million in FY15.

And I want to reemphasize that these programs are cost-effective. In FY 2015, the average cost of emergency rent assistance was \$3,396 per case, which is much less than the average cost of almost \$37,000 per year for a family in homeless shelter. The cost of a legal services case averages about \$2,000, which is again compared to \$37,000 per year for shelter.

### **Partnering for the Future**

No price can be put on the human and social costs of homelessness; and the high level of homelessness over the past several years has also had a substantial fiscal impact on the City. We know that an ounce of prevention is worth a pound of cure and we are diligently working to ensure that the tools of government that can prevent and alleviate homelessness are accessible and readily available to those who are in need. We also know that investment in these preventative and restorative services is money well-spent.

As I noted earlier, the cost of supportive housing, legal services and rent arrears is much less than the cost of shelter. And those figures don't include the many other costs that homelessness imposes on adults and children, including the loss of jobs, the loss of social supports that makes them more vulnerable to future crises, the disruption of medical and other care, and the disruption of children's education.

In order for HRA's programs to be successful in preventing and alleviating homelessness for families and individuals, it is essential that there is a sustained investment from both the City and State for today and years to come. Moreover, additional investment is needed in supportive

housing to prevent homelessness and keep children and adults in stable homes and to move children and adults from shelter to permanent housing. We are hopeful that our State partners will prioritize supportive housing in the way that we have. In fact, substantial numbers of Assemblymembers and Senators have called for a dramatic increase in supportive housing at the level of 30,000 additional units for New York City and as well as thousands more units for the rest of New York State.

The first three NY/NY agreements between the City and State have clearly demonstrated that supportive housing is a proven, cost-effective and humane way to alleviate homelessness and the Mayor's historic announcement yesterday will provide permanent and stable housing and essential social services for literally thousands of eligible New Yorkers. We are committed to working together with you and your Council colleagues as this program is implemented and to further help vulnerable New Yorkers by enhancing access to supportive housing.

We have accomplished a great deal over the past 22 months, but we know that we have much more work to do and look forward to partnering with you during the coming year.

Thank you and I'm happy to answer your questions.