

# Campaign 4 NY/NY Housing

Hon. Kathy Hochul, Governor  
The State of New York  
Executive Chamber  
New York State Capitol  
Albany, New York 12224

October 26, 2021

Dear Governor Hochul:

As you know, New York became a national leader on supportive housing when it committed, six years ago, to creating 20,000 units of supportive housing over 15 years. It was the state's first long-term statewide commitment for the most effective means of ending homelessness among the most vulnerable New Yorkers – including individuals and families struggling with mental illness, substance abuse, and victims of domestic violence.

While that initial pledge has proven successful, more needs to be done. Facing a historic rise in homelessness, New York needs additional units of supportive housing and a firm promise to preserve those that already exist. As such, we respectfully request that you re-commit to this effective and cost-effective approach to combatting the homelessness crisis with **NYS 20K**, which calls for creating 14,000 new units and preserving 6,000 existing units of supportive housing in the next ten years.

It is evident from your extensive experience in government that you understand the critical role of supportive housing in ending chronic homelessness while simultaneously rebuilding communities and creating jobs. And at a time when the state is facing record homelessness and an uncertain economic future for at-risk communities, now is the perfect time to strengthen the state's commitment to one of the most effective anti-poverty programs ever created.

The **NYS 20K** commitment would:

1. **Pledge to develop 14,000 new units of supportive housing over the next ten years through 2032.** This would add an additional year of development to the state's current 15-year commitment. (We are currently in Year 6 of that original commitment, with 7,400 units funded).
2. **Increase the Empire State Supportive Housing Initiative (ESSHI) Services & Operating Funding.** High property costs in New York City and metropolitan areas are straining providers' service budgets. Property costs are increasing and, in turn, shrinking the amount of available funds to pay for critical and much-needed supportive services

that are the very underpinning of ESSHI. The existing services and operating rate for ESSHI is \$25,000 per unit statewide. In New York City, the rate to adequately cover both the cost of rent and services is \$35,000 per unit. We recommend that ESSHI increase the rate to \$35,000 per unit in NYC and \$30,000 in the rest of the state and build in a 2% annual increase to the ESSHI program to keep up with inflation costs.

3. **Pledge to preserve 6,000 units of supportive housing over the next ten years.** An estimated 9,000 units – some over 30 years old – are at physical and fiscal risk, with crumbling buildings and decades-old service and operating contracts. A preservation fund would address both the capital and services and operating needs of the older housing stock. Amid a twin homelessness and affordable housing crisis, we cannot afford to lose any residences that are currently homes for our most vulnerable neighbors. Absent a long-term preservation program, we will just be replacing older existing supportive housing residences with new units and not increasing the state’s supportive housing stock.
  
4. **Fund the first half of this NYS 20K commitment as part of the state’s five-year affordable housing plan in the Executive Budget.** This would include a capital appropriation and a services and operating appropriation for 7,000 new units and 3,000 preservation units. There is currently only capital funding through the end of March, 2022, with no out-year funding in place. Without a commitment in this year’s executive budget for another five years of funding, production will come to a halt. Nonprofits and developers need predictability. They will stop buying sites, and many investors as well as syndicators will also become wary of making investments, in the absence of concrete assurances that the program will continue. A long-term commitment of resources for capital, services, and operating needs for supportive housing is critical to attracting investors and developers. It diminishes risk by setting a long-term target to fund a specific number of units, thereby boosting investor confidence.

The problem of homelessness has reached a critical juncture. As you know, the costs of chronic homelessness – on our communities, on the individuals who are directly impacted, and on the taxpayers, writ large - are enormous and unsustainable. A bold commitment to supportive housing addresses the needs of all three.

We thank you for your attention to this critical issue, and look forward to hearing your vision in the next few months. We are hopeful that you will see fit to mention NYS 20K in your upcoming State of the State address and include it in the spending plan you submit to the state Legislature next year. We will reach out to the Executive Chamber to schedule a meeting to follow up on these requests.

Sincerely,

Campaign for NY NY Steering Committee  
Association for Community Living  
Center for Urban Community Services

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Community Access  
Community Preservation Corporation  
Concern for Independent Living  
CSH  
Enterprise Community Partners  
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