Testimony before
The New York City Council
Committee on General Welfare

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On behalf of:
Harlem United: Community AIDS Center, Inc.

October 26, 2010

Thank you, Councilwoman Palma, and members of the Committee on General Welfare, for your attention. My name is Tamara Green, and I am the Associate Vice President of Supportive Housing at **Harlem United: Community AIDS Center.** I am joined by my colleague, Kimberleigh J. Smith, the Senior Director for State & Local Policy.

With 545 housing units housing 850 men, women and children across the city, Harlem United is one of the largest AIDS supportive housing providers in the country. I am here to add my voice to the chorus of providers, advocates and people living with HIV and AIDS who are calling upon the New York State Legislature to override Governor Paterson's veto of A. 2565 and its companion bill, S. 2664 - legislation that would have amended the New York State Social Service Law to limit the percentage of income payable toward shelter costs by persons living with HIV and AIDS to no more than 30% of the household income, much like other enhanced rental assistance programs such as the federal program Section 8.

We, at Harlem United, were gravely disappointed in Governor Paterson's failure to sign this bill into law, ignoring evidence and vetoing a policy that potentially promised to break the cycle of evictions and replacement in supportive housing. We urge the City Council to use its influence and press the New York State Legislature to override this veto.

Many of our clients have been in the revolving cycle of homeless, hospitalization and the criminal justice system. And most have been without a place to call home for years. When clients come to us for a housing placement, more often they come medically and emotionally fragile and with little or no knowledge of what it will take to live with some level of normalcy. The case management staff gingerly helps them put the pieces of their lives back together. However, clients quickly learn the honeymoon is over – it's over before the new life they had hoped for can begin. The 330 rule almost immediately forces them back into hopelessness and poverty and it most certainly, and immediately, puts their housing in jeopardy. Because it is impossible to pay rent and live off of 330 dollars a month, so many are forced to make the choice to pay the rent or to buy something to eat. Many of the tenants living with HIV with whom we work are left with just about $11 a day for food transportation and other necessities.

At Harlem United we have witnessed many successes with rent collections particularly with our clients who pay a 30% rent portion because 30% is doable. Clients affected by the 330/344 rule don't have the same success rate with maintaining their rent portion and - more often then not - return to homelessness again. . Our own analysis showed that, in 2008, clients whose rent share was capped at 30% paid rent more consistently compared to those who were subject to the $330 rule (from 41% to 84%). And, it is proven that affordable, stable housing improves a client's access to services and improves health outcomes

Harlem United is a member of the New York City AIDS Housing Network, which since 2006 has led the campaign to pass this legislation. We are grateful to them and to the decision makers and representatives, like you, who have supported this effort.

But today we stand in strong opposition to this veto and urge you to push our NYS Legislature to override it.

Thank you for your time and attention.

FIGHT AIDS. LOVE LIFE.

Testimony to the New York City Council General Welfare Committee

On behalf of Gay Men's Health Crisis, I would like to applaud Speaker Quinn and Council Members Rosie Mendez and Annabel Palma for introducing Resolution 477 that urges our elected officials in Albany to override the Governor's veto of the 30% rent cap bill. The continued support of City Council in the fight for equitable treatment for people living with HIV, even during these challenging economic times, is heartening.

The thought of living in New York City on less than $12 a day seems impossible to many. But when Governor Paterson vetoed the rent cap bill, he decided that it was okay for over 10,000 New Yorkers living with HIV/AIDS to subsist on just that amount. Without this legislation HASA clients will continue to pay upwards of 70 % of their income toward rent and live on less than $11.88 a day. A dollar amount that has changed little since the 1980's.

The Governor's shortsighted decision maintains the status quo that now results in wasteful spending during a fiscal crisis. What's more, the State and City ultimately spend more on rent arrears and emergency housing placements among HASA clients who lose their homes, than they would if they adopted a rent cap that limits rent payments to 30% of a HASA client's income.

The current policy results in high rates of housing loss and forces individuals to make difficult trade-offs between paying rent and other expenses like traveling to the doctor, co-payments for medication and groceries.

By not signing this legislation, the Governor demonstrated a profound failure of leadership that is especially disappointing given his 25 years of work on social justice. The decision means that many of the clients we see each day, who struggle to maintain their housing, will continue to grapple with decisions that no New Yorker should have to make. Thousands of HASA clients will be forced to live in limbo with no stable place to call home.

The decision is a grossly missed opportunity to make HASA affordability consistent with standards set by the federal Department of Housing and Urban Development. It is also a missed opportunity to improve HIV prevention in New York State, as studies have shown that stable housing is a cornerstone of solid HIV prevention strategy.

HASA's rental assistance program is the only low-income housing program of its kind in New York that does not provide an affordable housing protection. This unfairly targets some of our state's most vulnerable residents. Furthermore, nearly 9 out of 10 low-income people living with HIV/AIDS enrolled in HASA are African American or Latino, and the risk of becoming homeless is a major threat to their health and wellbeing.

Housing stability is the foundation for a strong and effective response to the HIV/AIDS epidemic in New York. Research has shown that stable housing is essential for promoting adherence to medication and reducing HIV transmission.

GMHC urges the Council to act now as it did last year when it unanimously passed a resolution urging the state legislature to pass and the Governor to sign the rent cap bill. Adopt Resolution 477-2010. Our elected officials must do the right thing and stand up against this fiscally and morally unsound veto, and immediately override the Governor's veto of the rent cap bill, in order to save as many lives as possible.

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GMHC is a not-for-profit, volunteer-supported and community-based organization committed to national leadership in the fight against AIDS. We provide prevention and care services to men, women and families that are living with, or affected by, HIV/AIDS in New York City. We advocate for scientific, evidence-based public health solutions for hundreds of thousands worldwide.

For more information, please visit www.gmhc.org.

New York City AIDS Housing Network (NYCAHN)
Voices Of Community Activists & Leaders (VOCAL)

www.HousingFightsAIDS.org

Testimony Supporting Resolution 0477-2010
City Council General Welfare Committee Hearing, October 26, 2010
Submitted By Wanda Hernandez, NYCAHN/VOCAL

Good afternoon. My name is Wanda Hernandez and I am a member of the Board of Directors at the New York City AIDS Housing Network and Voices Of Community Activists and Leaders (VOCAL). NYCAHN/VOCAL is a grassroots membership organization led by low-income people who are living with and affected by HIV/AIDS, drug use and mass incarceration. We also have a dues paying network of thirty AIDS housing providers.

Thank you to General Welfare Committee Chair Annabel Palma for sponsoring this hearing and introducing this important resolution. I am going to testify about my experience as a woman living with HIV/AIDS and struggling to survive on less than $12 per day.

HIV doesn't discriminate, but sometimes public policies do. I worked hard all my life, at one point juggling two jobs with four hours of sleep each night, until I was disabled by AIDS and could no longer work. All those years I struggled to pay the bills and played by the rules, I never expected that I would get HIV or, after I was diagnosed, that I would be on the brink of losing my home.

It's time for New York's low-income housing programs to have a single standard for ensuring affordable housing. The rental assistance program I rely on through the HIV/AIDS Services Administration (HASA) is the only one of its kind in our state that does not cap the tenant's rent share at 30% of their income.

After I pay rent each month, which amounts to 71% of my Social Security Disability income, I'm left with less than $12 per day to live on for all other expenses. That means difficult trade-offs that become harder to manage over time.

I often have to reschedule medical appointments because I cannot afford the metrocard to get there, not to mention co-pays for certain services and prescriptions. I'm always behind on my Con Ed bill and constantly worry about keeping my phone turned on, which is a lifeline for my medical care. Sometimes I also have to skip basic necessities like toiletries or new clothes when my old ones wear out.

Other things like going out to diner once in a while or getting an ice cream cone in the summer are luxuries I can't afford, which only makes the social isolation associated with HIV/AIDS even worse.

That is why Governor Paterson's decision to veto a bill that would have prevented thousands of New Yorkers living with HIV/AIDS from becoming homeless was such a devastating blow.

The bill, introduced by Assembly Member Deborah Glick and openly HIV-positive Senator Tom Duane, would have ensured HASA clients receiving rental assistance pay no more than 30% of their limited disability income towards their rent. It would not create a new program or entitlement, but rather reconcile inconsistencies within HASA and align the agency with other housing programs like public housing and Section 8.

This isn't just an issue of fairness. New York is paying twice as much to house people in costly emergency shelter programs when it would be cheaper – and far better for our health – to keep low-income people living with HIV/AIDS in their homes.

HASA's rental assistance program, which has been around since the mid-1980s, is failing to ensure clients have stable, medically appropriate housing. At any point in time, 1 in 20 HASA clients are homeless and thousands more are in arrears and at risk of losing their homes. It's time to close the revolving door between HASA's rental assistance program and the shelters.

Housing is really the difference between life and death for people living with HIV/AIDS. Those who have stable housing are twice as likely to have an undetectable viral load and one-third less likely to visit the emergency room or have lengthy hospital stays.

The good news is that this bill would pay for itself, which is why the legislature should act swiftly to override the Governor's veto. It's not a matter of whether we can afford the rent cap. What we can't afford is to continue paying for emergency shelter when low-income New Yorkers living with HIV/AIDS clients can no longer juggle bills and fall too deeply into arrears.

Find out more about NYCAHN/VOCAL's campaign to prevent homelessness among New Yorkers living with HIV/AIDS through a 30% rent cap affordable housing protection online at **www.HousingFightsAIDS.org**.

FEDERATION OF PROTESTANT WELFARE AGENCIES

TESTIMONY

Before the

New York City Council General Welfare Committee
Public Hearing on Resolution 0477-2010

October 26, 2010

Prepared by:

Esther W. Y. Lok – Assistant Director of Policy, Advocacy and Research and Senior Policy Analyst HIV/AIDS

Fatima Goldman
Executive Director/CEO

Good afternoon, my name is Esther Lok and I am the Assistant Director of Policy, Advocacy and Research and Senior Policy Analyst for HIV at the Federation of Protestant Welfare Agencies (FPWA).

FPWA has been working since 1922 to improve the lives and conditions of disadvantaged and low-income New Yorkers. We are a membership organization with a network of human service organizations and churches that operate over 1,100 programs throughout the New York City metro area. Together we serve over 1.5 million low-income New Yorkers of all ages, ethnicities and denominations each year. This gives us a comprehensive view of the complex social problems that human service organizations face today, and allows us to identify common ground among our members so that we can have a greater impact as we advocate for them.

I would like to thank Chairwoman Palma and the General Welfare Committee for the opportunity to testify on resolution 0477-2010, which calls upon the New York State Legislature to override Governor Paterson's veto of A.2565 and its companion bill, S.2664. FPWA strongly recommends that A.2565/S.2664 be enacted into law, an action we believe can ***change the existing un-just policy*** *to allow medically-vulnerable, low-income New Yorkers with HIV or AIDS to stay in stable housing, while retaining sufficient resources to meet medical and related needs.*

Under this bill, the rent paid by low-income persons with HIV or AIDS who are receiving rental assistance through New York City HIV/AIDS Service Administration (HASA) would be capped at 30 percent of their household income. Currently, about 11,000 HASA clients pay an average of half or more of their income towards their rent if they receive income through Supplemental Security Income, Social Security Disability Insurance or Veteran's Benefit pay. In some cases, HASA clients are left with $300 per month or $11 per day to live on, forcing them to make extremely difficult decisions, such as choosing between paying their medication, food or shelter.

Bill A.2565/S.2664 promotes sound public policy on many aspects:

- It reduces homelessness by providing stable housing for more than 10,000 low-income New Yorkers living with HIV.
- It will generate millions of dollars in savings through reducing rates of rent arrears and evictions, as well as emergency room visits and inpatient admissions.
- It helps to fix inefficient government budget policies since HASA ultimately pays either the cost of rent arrears or moves clients who have been evicted into emergency housing that costs an average of 2.5 times as much as a private market apartment.
- It corrects existing policy by aligning it with the federal HUD-established standard for affordable housing, where the rent share burden is calculated at 30% of income.

This legislation has received unanimous support within and outside of the HIV/AIDS community in New York. Between April and May 2010, more than 250 individuals responded to an online action alert developed by FPWA to send a fax/email directly to Governor Paterson urging him to sign this bill into law. In the past few years, more than 90 health and human services providers have publicly endorsed this bill.

According to the cost-benefits analysis conducted by Shubert Botein Policy Associates (SBPA) in August 2009, the cost of capping the rent for HASA clients at 30% would be less than the cost incurred as a result of housing distress, which include arrears, eviction or departure under the threat of eviction, and as a result, savings to the city would be generated. It is unfortunate that the fiscal analysis conducted by the Mayor's Office of Management and Budget contradicted the one developed by SBPA, and that the Mayor lobbied against the bill. In our analysis of both analyses, we believe the Shubert Botein estimate is more comprehensive and accurate.

Though we understand the challenges faced by the state and city in these difficult economic times, Article XVII of the New York State constitution states clearly that "*The aid, care and support of the needy are public concerns and shall be provided by the state and by such of its subdivisions, and in such manner and by such means, as the legislature may from time to time determine.*"

Governor Paterson missed the opportunity to fix an inefficient government budget policy that would have prevented the need for payment of rent arrears or the cost of moving evicted clients into emergency housing, which averages 2.5 times more than a private market apartment. It is unfortunate that low-income New Yorkers living with HIV are forced to make difficult decisions, such as choosing between paying for their medication, food or shelter. New York State cannot continue relying on a costly and harmful emergency shelter system to provide housing for this medically-vulnerable population.

We commend the City Council General Welfare Committee for its continuous support and advocacy to make A.2565/S.2664 become law. FPWA greatly appreciates the passage of resolution 2145-2009 and urges the City Council to pass 0477-2010. We look forward to working with the City Council General Welfare Committee to urge the New York State Legislature to override Governor Paterson's veto of A.2565/S.2664.

We thank you for the opportunity to testify at this hearing.

Yisroel Schulman, Esq.
President & Attorney-In-Charge

Testimony by New York Legal Assistance Group ("NYLAG")

before the NYC Council Committee on General Welfare:
Hearing on Res 477, Calling for the New York State Legislature to Override Governor Paterson's veto of A. 2565/S. 2664

October 26, 2010

Chairwoman Annabel Palma, Council Members, staff, good afternoon and thank you for the opportunity to speak about Resolution 477. My name is Kamilla Sjödin and I am the Supervising Attorney of the Housing Project at the New York Legal Assistance Group, a nonprofit law office dedicated to providing free legal services in civil law matters to low-income New Yorkers. NYLAG serves immigrants, seniors, the homebound, families facing foreclosure, renters facing eviction, low-income consumers, those in need of government assistance, children in need of special education, domestic violence victims, persons with disabilities, patients with chronic illness or disease, low-wage workers, low-income members of the LGBT community, Holocaust survivors, as well as others in need of free legal services. For full disclosure, I am a former employee of the New York City Council where I, at one time, served as counsel to the Subcommittee on Public Housing and the Committee on Housing and Buildings. I'd like to thank Jeffrey Carter, a Law Graduate in my office, for his contribution to the preparation of this testimony. .

As you know, the State Assembly passed A. 2565 on January 12, 2010, and the New York State Senate passed its companion bill, S. 2664, first on July 16, 2009 and then again on April 27, 2010. These bills sought to provide persons living with HIV/AIDS who are receiving shelter assistance or emergency shelter allowance with a rental cap, ensuring that such persons

would not be required to pay more than 30 percent of their monthly household income toward rent and utilities. As such, A. 2565 and S. 2664 would have provided much needed rent relief to roughly 11,000 New Yorkers suffering from HIV/AIDS and the massive financial burdens associated with it.

Regrettably, Governor Paterson vetoed A. 2565/S. 2664 on September 18, 2010 based on his conclusion that the bill would impose added financial burdens, despite acknowledging "the history of the inadequacy of services [the] government has brought to bear for those with HIV/AIDS." As a result, many HASA clients will be forced to continue paying as much as 50 to 70 percent of their benefits toward rent and utility costs, leaving them on average with a meager $11 per day to pay for – or should I say, force them to decide between paying for – other vital necessities and expenses. As stated by State Senator Thomas K. Duane, "[t]hese clients with AIDS are going to have to choose between buying a toothbrush or doing laundry, choose between buying underwear or paying a phone bill."[1]

Governor Paterson's veto likewise comes in despite of independent fiscal analyses demonstrating how vetoed A. 2565/S. 2664 legislation would be cost-neutral if not cost-reducing. In fact, independent research has demonstrated that the bill would create savings by shifting funding away from emergency housing costs – such as rental arrears grants and commercial SROs – which are, relatively speaking, more expensive, and shift these funds toward more cost-effective stable and long-term housing.[2] The vetoed bill would also have a ripple effect in regard to effective HIV/AIDS healthcare and prevention, as studies have found that among those living with HIV/AIDS, homeless individuals are two to six times more likely to

[1] D. Cardwell. More Rent Relief for AIDS Patients is Vetoed. The New York Times. September 19, 2010.
[2] New York City Bar, Report on Legislation by the AIDS Committee and the Social Welfare Law Committee, Bebe J. Anderson, May 2010, available at www.nycbar.org/.../20071942 ReportonA2565S2664reShelterCostsByPersonwithHIVor**AIDS**.pdf

engage in high-risk drug-related and sexual behaviors than individuals in stable housing with the otherwise same personal and service use characteristics.[3] And by reducing such high-risk behaviors, New York State and City would likewise see a reduction in the spread of HIV/AIDS, diminished criminal activity, and a dramatic reduction in healthcare costs associated with the spread of new HIV infections.

Based on the foregoing, we support Resolution 477 and urge the Council to pass it. By ensuring that low income New Yorkers living with clinical/symptomatic HIV/AIDS would not be required to pay more than 30 percent of their households' monthly income toward housing costs, New York City and State governments will assist in avoiding the numerous pitfalls associated with the current predicament of those living with HIV/AIDS. A. 2565/S. 2664 will ensure that those living with HIV/AIDS are not forced to pay 50 to 70 percent of their benefits toward housing costs each month. It will likewise divert crucial resources toward more cost-effective funding of long-term housing. Most importantly, it will help curtail drug use and high-risk sexual behavior among those living with HIV/AIDS, the benefits from which shall be boundless. Therefore, we respectfully urge the New York State Legislature to override Governor Paterson's veto of A. 2565 and S. 2664, legislation to amend the Social Services Law to provide that persons living with clinical/systematic HIV/AIDS, who are receiving shelter assistance or an emergency shelter allowance, shall not be required to pay more than 30 percent of their households' monthly income toward shelter costs, including rent and utilities.

Respectfully submitted,

Kamilla Sjödin, Supervising Attorney
Jeffrey W. Carter, Law Graduate

[3] Kidder, D., Wolinski, R., Pals, S., & Campsmith, M. (2008). Housing status and HIV risk behaviors among homeless and housed persons with HIV. *JAIDS Journal of Acquired Immune Deficiency Syndromes*, 49(4), 451.

October 2010

Memo on S2664/A2565 (HIV Affordable Housing Protection)

Prepared by Shubert Botein Policy Associates
Contact: Ginny Shubert at gshubert@shubertbotein.com

Background

The primary housing program for poor New Yorkers living with HIV/AIDS is tenant-based rental assistance. As with other state housing programs for disabled people, residents with income from disability benefits are expected to contribute a portion of those benefits toward their rent. Unlike the other similar programs, however, the HIV/AIDS rental assistance program put in place in the 1980s did not include an affordable housing protection. All other state disability housing programs – and all federally funded housing assistance – cap the tenant's rent contribution at 30 percent of income. In contrast, permanently disabled HASA clients who rely on the rental assistance program are required to between 50% and 75% of their fixed income from disability benefits (SSI, SSDI, or Veteran's benefits) towards their rent. HUD defines payment of more than half of income towards rent as "severe rent burden" leaving a tenant at "imminent risk of eviction."

The bill passed by the Legislature would cap rent contributions for extremely poor, chronically ill New Yorkers at 30 percent of their disability income. Thirty percent of income is the widely accepted standard for housing affordability among low-income persons. Indeed, just this June, the Obama Administration released *Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness,* which specifically calls for a 30% rent cap for all federal, state and local rental assistance programs for homeless persons or those at risk of homelessness (see Objective 3).[1] Significantly, *Opening Doors* also notes the cost effectiveness of stable housing for PLHWA as an HIV prevention intervention, and as a key component of HIV health care.

The bill does not create a new program or expand eligibility for existing supports. It is a simple fix to make a successful program work better. As outlined below, there are currently over 6,500 new placements annually in the expensive and often squalid HASA emergency housing system, despite the fact that HASA's overall caseload remains steady. By averting just a third of these placements by keeping disabled PLWHA in their own affordable housing, instead of in expensive government-funded emergency hotels, the bill will pay for itself. And savings will multiply as additional HIV-related health costs are prevented.

Cost analyses of HRA/DSS impact

Shubert Botein Policy Associates (SBPA) has conducted cost analyses that compare the incremental cost of the affordable housing protection with the offsetting savings in rental arrears payments and emergency housing costs. In short – the total incremental cost to the City and State will be more than offset by cost savings in averted rent arrears

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[1] The U.S. Interagency Council on Homelessness (June 2010). *Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness.* Available at www.usich.gov.

payments, emergency housing placements, and costs of establishing a new home (security deposits and moving costs) for each person displaced.

Both NYC and the NYS Department of Budget (DOB) have acknowledged that offsetting savings should be taken into account when evaluating the fiscal impact of the bill, but there are several points where our analyses differ.

Three points relate to the calculation of incremental cost (the number of household affected times the average cost per household):

1) *Supportive housing units that are already rent-capped*: Both the City and DOB include supportive housing units occupied by disabled HASA clients in their incremental cost estimates, despite the fact that rent is already capped at 30% in these programs and therefore there is no incremental cost. The rationale for this shared with SBPA by both City and State representatives is the threat to withdraw the rent cap for clients in supportive housing, leaving them severely rent burdened as well.

2) *Number of disabled HASA clients with a rent burden*: HASA has confirmed that there are 9,850 HASA clients using the HIV-specific rental assistance program who receive disability income and therefore have a rent obligation. This number includes both persons in "independent housing" and persons in Scatter Site II units. SBPA's analysis uses HASA's figure for households affected. The various cost analyses prepared by DOB, however, have mistakenly used a higher figure (10,560 in the most recent analysis shared with SBPA), which is based on the HASA Fact Sheet report of the total number of HASA clients who receive disability income. Only a subset (9,850) of HASA clients with disability income are affected by the bill, and that number was provided by HASA in their own cost analysis but is not available in any public document.

3) *Incremental cost per client*: SBPA is willing to accept DOB's most recent (June) estimate of average incremental cost of the bill per client. However, in July the public assistance grant for HASA clients went up from $330 to $358, which reduced the incremental cost (using DOB's estimate) to $174.[2] We note that the City's most recent cost analysis (produced on the final day of the Governor's consideration of the bill) uses an average incremental cost of $175. *Incredibly,* however, the City then adds in the general increase in public assistance as another incremental cost of the rent cap legislation. That is patently absurd.

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[2] SBPA originally calculated average cost per household at $160, using a weighted average, based on FOIL information on the type/amount of average disability income and the type/amount of rental assistance received. The amount of rental assistance paid by the city/state in any particular case is a factor of the type of assistance and the type of income. It is not possible to calculate an average without taking these factors into account. However, we are willing to accepting the average cost calculated by the DOB, since the result is still cost neutrality.

A third and most significant point of difference between SBPA's analysis and the various City and State calculations relates to savings that will be realized through averted housing loss:

4) By far the most significant error in both the City and DOB analyses is the gross underestimate of the savings to be realized through prevented emergency housing placements. In FY 2009, there were 9,187 referrals for emergency housing, and 6,439 actual placements, despite the fact that the overall HASA caseload did not increase. At any given time during 2009 there are approximately 1,900 HASA clients in the emergency housing system. DOB has estimated the number of these emergency housing placements attributable to severe rent burden among disabled clients at only 783 – the difference between the number of rent arrears requests in 2009 and the number of rent arrears paid out. There is no empirical basis for the DOB estimate. Meanwhile, the City estimate is even lower (only 142 out of 6,500 placements) since they count only "Marshall evictions" and illegal lock-outs as housing loss.

It is impossible to determine the rate of housing loss based on arrears requests, which are also known as "one-shot deals" because clients typically do not qualify for multiple arrears payments. Likewise, formal evictions represent only a small fraction of actual housing loss. Many rent-burdened clients who fall behind on their rent do not request a rent arrears payment for a number of reasons - because they have already received a "one-shot" payment in the past and therefore do not qualify; because they cannot afford to be recouped for the one-shot deal by HASA in the future; or because they simply abandon the apartment when faced with an eviction notice for non-payment.

Research shows that capping the rent burden at 30% will have a dramatic impact on rates of non-payment and subsequent housing loss. A 2009 study by researchers at Harlem United compared the rates of payment of the client's rent share in two HU HIV housing programs – a federally funded program with rent burden capped at 30% of disability income, and a program that utilizes the City/State rental assistance program with no rent cap. They found that clients with the 30% affordable housing protection where more that twice as likely to make timely rent payments than persons with no rent cap (83% vs. 41%).

Indeed, approximately 25% of formerly homeless people living with HIV/AIDS who receive housing assistance lose their housing within 6-12 months, according to the Columbia University "CHAIN" study funded by the NYC Department of Health & Mental Hygiene (DOHMH).[3] The study also found that among people living with HIV/AIDS receiving rental assistance, 43% report not enough money for food, utilities, unreimbursed medical care or other health needs at least some time during the past 6 months.

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[3] Dr. Angela Aidala, Columbia University Mailman School of Public Health. Presentation to NY Assembly Hearings on Proposed Rent Increases for PLWHA in Supportive Housing, Dec 21, 2006.

While CHAIN data do not show whether or not such persons were formally evicted through courts or merely left when given notice by a landlord, research conducted by the Furman Center at NYU has shown that among low-income tenants in NYC, 75% who receive an eviction notice or some other order to vacate from a landlord leave without challenge.[4]

By underestimating housing loss among severely rent burdened HASA clients, the DOB analysis misses much of the cost savings this bill will produce. Meanwhile, the financial and human toll of this preventable housing loss continues to grow. According to the first quarter 2010 HASA Operating Performance Report, at the end of the quarter there were 1,874 HASA clients in emergency housing. During the first quarter only, there had been 2,595 requests for emergency housing, 2,454 referrals, and 1,701 new emergency housing placements. Based on the first quarter, we can estimate that there will be over 6,800 NEW emergency housing placements this year. It is simply not possible that only 783 of these placements occur among the 9,850 severely rent burdened clients.

Health care savings

Finally, it is important to note that the bill is cost-neutral without even taking into account expected savings in health costs attributable to avoidable emergency and acute care among unstably housed PLWHA, and prevented HIV infections. As explained more fully below, there is now a wealth of evidence of the health care cost savings attributable to stable housing among persons living with HIV, with unstably housed PLWHA significantly more likely to engage in high risk behaviors than stably housed persons with the same individual and service use characteristics.[5] In terms of prevented infections along, we can conservatively estimate that increased risk behaviors among 1,800 disabled PLWHA who lose their housing and end up in the emergency housing system will result in at least 54 new HIV infections annually (assuming just a 5% annual transmission rate). The lifetime healthcare costs associated with each new infection are at least $300,000.[6] Therefore, preventing this housing loss can be expected, annually, to save at least $16,215,000 and countless life years attributable to averted infections alone.

New findings on the cost-effectiveness of housing

Results of recent economic evaluation studies of housing, presented at project meetings and briefings, continue to show that housing for chronically ill persons is either cost-saving or within the range of interventions generally considered to be cost-effective and well accepted by society.

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[4] Communication with Dr. Angela Aidala, Columbia University Mailman School of Public Health

[5] Kidder, D., Wolitski, R., Pals, S., & Campsmith, M. (2008). Housing status and HIV risk behaviors among homeless and housed persons with HIV. *JAIDS Journal of Acquired Immune Deficiency Syndromes*, 49(4), 451-455

[6] Schackman, B.R., Gebo, K.A., Walensky, R.P., Losina, E., Muccio, T., Sax, P.E., Weinstein, M.C., Seage, G.R. 3rd, Moore, R.D., & Freedberg, K.A. (2006). The lifetime cost of current human immunodeficiency virus care in the United States, Med. *Medical Care*, 44(11): 990-997.

Recent studies demonstrating public cost offsets equal to or greater than the cost of housing include an evaluation of Seattle DESC 1811 Eastlake project for homeless people with chronic alcohol addiction. This Housing First model for persons with severe alcohol challenges created stability, reduced alcohol consumption, and decreased health costs 53% relative to a comparison group in a wait-list condition. Among persons housed, there was also an 87% reduction in sobering center use and a 45% reduction in county jail bookings.[7] Participants in a San Diego Housing First program had increased case management and outpatient care costs but these were nearly entirely offset by decreases in inpatient services, emergency room visits and utilization of the criminal justice system.[8]

Two studies report specifically on the cost of housing instability among people with HIV – the Where We Sleep study out of Los Angeles and the groundbreaking comparative cost effectiveness findings from the Housing and Health Study.

A large-scale study commissioned by the Los Angeles Homeless Services Authority and conducted by the Economic Roundtable examined a wide range of public costs among 10,193 homeless persons in Los Angeles County, including 1,007 who were able to exit homelessness via supportive housing. Public costs were found to go down for all homeless persons once they were housed. Savings were greater for more vulnerable persons with greater needs. The average public cost for impaired homeless adults decreased 79% when they were placed in supportive housing, from a monthly average $2,897 in the group experiencing homelessness, to a monthly average of $605 for the group in supportive housing. Most savings in public costs came from reductions in outlays for avoidable crisis health services, with the greatest average cost savings realized among persons with HIV/AIDS who moved from homelessness into housing.[9]

Perhaps most exciting is Dr. David Holtgrave's analysis of the comparative cost-effectiveness of the housing intervention in the HUD/CDC Housing and Health (H&H) Study as a structural health care intervention for persons living with HIV/AIDS. The cost-offset analyses outlined above support the provision of housing even before taking into account the costs of heightened HIV risk and treatment failure among homeless PLWHA. Each prevented HIV infection saves hundreds of thousands of dollars in lifetime medical costs, and even more importantly, years of (quality-adjusted) life. Innovative new cost analyses are examining the comparative cost effectiveness of housing assistance as a health care intervention for PLWHA who lack stable housing. Comparative effectiveness analyses are the kind of research that health policy experts are

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[7] Mary E. Larimer; Daniel K. Malone; Michelle D. Garner; et al. (2009). Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems. Journal of the American Medical Association (JAMA), 301(13): 1349-1357.

[8] Todd P. Gilmer, Ph.D., Willard G. Manning, Ph.D. and Susan L. Ettner, Ph.D. (2009). A Cost Analysis of San Diego County's REACH Program for Homeless Persons. *Psychiatric Services* 60: 445-450.

[9] Daniel Flaming, Michael Matsunaga and Patrick Burns, for the Economic Roundtable (2009). Where We Sleep: The Costs of Housing and Homelessness in Los Angeles. Prepared for the Los Angeles Homeless Services Authority. http://www.lahsa.org/Cost-Avoidance-Study.asp

calling for in the face of rising costs to determine whether health care dollars are being spent wisely on treatments that work.

Dr. David Holtgrave presented final cost-effectiveness findings from the H&H Study for the first time at the NAHC-coordinated December 2009 White House Office of AIDS Policy consultation on Housing and HIV/AIDS.[10] The H&H study examined the impact of targeted HIV rental assistance on both health outcomes and HIV transmission risk. Recently published outcomes findings from the H&H show that increased housing stability over the 18-month study period resulted in significant reductions in emergency room visits (35%) and hospitalizations (57%). However, those who remained homeless were 2.5 times more likely to use an ER, 2.8 times more likely to have a detectible viral load, and more likely to report unprotected sex and perceived stress.[11] Dr. Holtgrave has used these findings to evaluate the "cost per quality-adjusted life year (QALY) saved" of housing as health care for PLWHA – a function of the cost of services provided, transmissions averted, medical costs avoided, and life years saved. H&H calculations indicate that housing is a cost effective health care intervention for PLWHA, with a cost per QALY in the same range as HAART and such widely accepted health care interventions as kidney dialysis and screening mammography.

Conclusion

In sum, the evidence is growing that housing is an effective and efficient HIV prevention and health care intervention. I believe the affordable housing protection for PLWHA provides a rare opportunity to be fiscally conservative while fulfilling the Governor's progressive vision. The only ones who stand to lose are the commercial single-room-occupancy hotel owners who profit from the status quo.

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[10] These findings are currently in press, with publication expected this fall. Dr. Holtgrave is also currently working with researchers involved in the Chicago Housing for Health Project (CHHP) study to conduct a cost analysis of findings from the CHHP HIV sub-study.

[11] Wolitski, R.J., Kidder, D.P., Pals, S.L., Royal, S., Aidala, A., et al. (2010). Randomized trial of the effects of housing assistance on the health and risk behaviors of homeless and unstably housed people living with HIV. AIDS & Behavior, 14(3): 493–503.

SHUBERT BOTEIN **POLICY ASSOCIATES**

Testimony of Virginia Shubert
Before the
New York City Council Committee on General Welfare
October 26, 2010

Thank you Chairperson Palma and members of the Committee on General Welfare, for this opportunity to testify before you regarding proposed Council Resolution 0477-2010, calling on the New York State Legislature to override Governor Paterson's veto of A. 2565 and its companion bill, S. 2664, legislation that would provide affordable housing protection for New Yorkers living with HIV/AIDS who rely on federal disability or veterans' benefits for survival. My name is Virginia Shubert, and I am a principal of Shubert Botein Policy Associates, a public policy consulting group.

Since 2008 I have been examining the potential cost impact of the proposal to cap rent contributions by HASA clients at 30% of household income. My analyses have been based on data extracted from HASA through a FOIL request and information provided by HASA in its Quarterly Performance Reports to this body and its monthly HASA Facts reports. As I have testified previously before this Committee, my analyses indicate that savings realized by the City and State through avoided rent arrears payments and housing loss among severely rent burdened, permanently disabled HASA clients will offset the incremental cost of the rent cap – before even taking into account other public savings that would be realized as a result of averted HIV infections and reductions in emergency and acute health care services.

As the Governor notes in his veto memo, any estimate of net fiscal effect of the bill is by definition just that – an estimate. But fiscal estimates in a matter so vital to the health and wellbeing of our most vulnerable citizens must be calculated in good faith, based on the best possible data. The City fiscal analysis – produced on the very last day of the Governor's consideration of the bill – was not a good faith effort. The State Department of Budget refused

to even make their cost estimate public. I believe the Council Finance Division did make such a good faith effort when it reviewed the fiscal impact of the bill, even though I do not agree with its result – that the bill would have a net cost to the City of $2.2 million. Council Finance Division staff were hamstrung in the same way I have been and the State DOB were – by inability or refusal of HASA to make public any information on the rate of housing loss among rent burdened clients. If, as HASA claim, they do not track such information, the Council – in its oversight role – should be deeply concerned.

Both the City and State budget offices have acknowledged that offsetting savings should be taken into account when evaluating the fiscal impact of the bill, but there are several points where our analyses differ. I have outlined the key points in a memorandum submitted with this testimony. I will not go through each point here, but there are a few things that we can ascertain from the available HASA data:

- According to the QPR, during fiscal year 2010, HASA approved 2,100 rent arrears requests for the client's share of rent.
- During that period, there were almost 7,000 new HASA emergency housing placements despite a constant overall caseload.
- In August, there were over 1,800 HASA clients in emergency housing, including almost 1,000 (972) in the commercial SROs.
- All other state disability housing programs – and all federally funded housing assistance – cap the tenant's rent contribution at 30 percent of income. In contrast, permanently disabled HASA clients who rely on the rental assistance program are required to between 50% and 75% of their fixed income from disability benefits (SSI, SSDI, or Veteran's benefits) towards their rent. HUD defines payment of more than half of income towards rent as "severe rent burden" leaving a tenant at "imminent risk of eviction."
- Thirty percent of income is the widely accepted standard for housing affordability among low-income persons. Indeed, just this June, the Obama Administration released Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness, which specifically calls for a 30% rent cap for all federal, state and local rental assistance programs for homeless persons or those at risk of homelessness (see Objective 3). Significantly, Opening Doors also notes the cost effectiveness of stable housing for PLHWA as an HIV prevention intervention, and as a key component of HIV health care.

Contrary to the Governor's veto memo, the bill does not create a new program or expand eligibility for existing supports. It is a simple fix to make a successful program work better.

Finally, it is important to bear in mind the other "costs" of inefficiency in the otherwise-excellent NYC/NYS rental assistance program for PLWHA. As others will testify, there is a substantial body of evidence that shows a strong association between housing instability, health outcomes, and HIV risk behaviors. Thus, greater stability among this group of HASA clients will likely result in reduced viral loads and risk behaviors. Each new infection involves enormous human suffering and an estimated $300,000 in health care costs alone. Greater housing stability would likely translate into reduced risk and averted infections. As outlined in the spreadsheet, even a modest reduction in the transmission rate among PLWHA impacted by this program could produce "additional" savings in public health care costs of an estimated $16 million per year.

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