



**Harlem United Community AIDS Center, Inc.**

*Testimony before the New York State Assembly Social Services Committee*  
*At a Hearing on December 21, 2006*

**Patrick J. McGovern**  
**Executive Director**

Thank you for this opportunity to speak with you about an issue of critical to People Living with AIDS (PLWA's)—supportive housing. Supportive housing programs are, as you may know, critical to maintaining and sustaining the health and well-being of PLWA's.

I speak as the Executive Director of Harlem United Community AIDS Center, Inc., an HIV/AIDS service organization founded in 1988, which provides health care, housing, and prevention services in Upper Manhattan and the Bronx. We currently provide 285 units of scattered-site housing to PLWA's and expect to offer an additional 85 units of supportive housing during 2007.

The proposed change in calculations for client rental contributions is public policy at its worst. Any of us will readily admit that \$11 a day is not adequate for survival in NYC—especially given the nutritional, transportation, and other needs of PLWA's. Indeed, the \$330 per month welfare allowance has not changed since the 1970's.

The net effect of asking people to pay 50% and as much as 70% of their income on rent is that PLWA's will be required to focus more upon their day-to-day survival needs than upon maintaining their health. In addition to the impact upon an individual's own health and well-being, the resultant increased costs to the healthcare system (from greater use of emergency rooms and longer hospital stays) will far outweigh the increased revenue gained from higher client contributions.

Furthermore, the requirement for PLWA's in supportive housing to make higher personal contributions towards rent creates a disincentive for people to participate in supportive housing at all and a disincentive for people to return to work. Those with little disposable income to begin with will be incentivized to use the shelter system, instead. In New York City, this would mean greater reliance upon SRO's at an expense of \$2000 a month or greater for each individual served.

The average rent for a one bedroom scattered-site housing apartment is \$940 a month. The proposed change in client rental contribution for PWLA's will amount, at most, to a couple of hundred dollars of additional public revenue per client per month. If the client does not pay and is evicted and then placed in an SRO, or if the client realizes that an SRO may let him keep all his income, then the government's burden would often be more than 10% higher than any potential gain in revenue from the proposed increase in client rent contributions. That is a bad gamble, even without factoring in increased healthcare costs likely to result when a PWLA leaves a supportive housing environment. Supportive housing for PLWA's is proven effective at improving their health outcomes. This stands in stark contrast to an SRO environment which may expose its clients to drug dealing, prostitution, loan sharking and worse.

Please also consider the impact upon supportive housing providers. Our clients have poor rental histories or no rental histories. They are not ideal rental candidates. We generally must place leases in our organizations' name if we are to obtain quality apartments. As lease holder, the organization is obligated for the entire rent and must collect the client's portion. We are committed to housing the neediest and often most unstable people as the first step towards stabilization. As their lives are stabilized, clients tend to cover larger portions of their rental obligation. Collections increase with length of stay.

Despite our best efforts, we are often unable to collect 100% of client contributions. As lease holder, our organization must cover the difference. Last year, Harlem United collected only 60% of obligated client contributions. Thus, we could not collect \$207,000 in client rent payments on a census of 285 apartments. For a community-based organization such as Harlem United, such a large charge represents a serious drain on our financial resources and on our government contracts.

Unfortunately, increasing client rent contributions will result in a further, unsustainable burden on supportive housing providers. It will provide yet another counter-productive incentive. Organizations will be incentivized to accept only those clients who are most likely to meet their obligations, i.e. the most stable clients who have the least need for supportive housing.

Finally, a note on the availability of money from federally-funded supportive housing contracts to compensate clients or organizations for less disposable income: the Ryan White Healthcare Act is the largest single source of supportive services for people with AIDS. However, programs funded by Ryan White have not received any real increases over the past several years, despite new infections, fewer AIDS deaths, and the resulting increase in the number of PWLA's who must be connected to and maintained in medical care and housed supportively. Moreover, New York State will probably receive a significant cut to its award in the coming year due to changes in the recently reauthorized Ryan White bill passed by Congress in December 2006. Finally, the services provided through Ryan White are increasingly focused on healthcare access and only derivatively upon alleviating poverty and hunger. In effect, more people every year are accessing increasingly fewer services that are more medicalized than ever. Client income or rent does not count as "medical services" under the new Ryan White reauthorization.

In summary, public policy is sometimes as simple as the math. Consider a client with \$600 per month in income. Under the proposed change in client rent contributions, this person's rental obligation will increase from \$198 to \$330 per month, with a net gain to government of \$132 per month. Consider that this individual may opt for a SRO room or may be evicted if unable to pay his rent and end up in an SRO. The cost to government then increases to approximately \$2000 per month per client from \$742 per month per client. (Note that, under current guidelines, I arrive at the \$742 per month per housed client cost by taking the \$940 per month average rent, subtracting \$198 (or the monthly client contribution under current guidelines) to arrive at the government cost of \$742 per month per client.) In addition, I believe that this proposal would substantially increase social and medical costs to the taxpayers by forcing the neediest clients to rely upon the least desirable housing options with the poorest health outcomes. I believe that the bottom line demonstrates that the proposed changes are a bad deal—a bad deal for People Living with AIDS, for social service providers, for city and state government and for society, at large. Moreover, I doubt these proposed changes to client rent contributions comply with federal law. For all these reasons, then, I urge you to not enact them.

Thank you for your consideration of these important public policy issues.

For more information on Harlem United's supportive housing programs & related public policy issues, please contact:

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