

On behalf of the undersigned **XXX** organizations, we write to urge the Commonwealth to establish and fund a **Supportive Housing Operations Fund**, a dedicated resource to sustain the ongoing services and operations needs essential to supportive housing. This investment is urgently needed to expand supportive housing in Pennsylvania and provide the services and long-term housing solutions that individuals with disabilities and complex health needs depend on to achieve lasting stability.

Pennsylvania's Supportive Housing Need

Pennsylvania is facing a critical shortage of at least **38,000 supportive housing units**, leaving thousands of individuals and families without the stable housing and services needed for long-term well-being. Homelessness in Pennsylvania increased by **over 12% in 2024**, reflecting the growing strain on crisis systems such as shelters, emergency rooms, jails, and institutional care. Without access to supportive housing many individuals and families with disabilities remain caught in cycles of instability that carry high personal and public costs.

Supportive housing is a proven, cost-effective intervention that pairs affordable, permanent housing with individualized services. It helps people with complex health or behavioral needs remain safely housed while reducing strain on hospitals, correctional facilities, foster care placements, and nursing homes.

The cost implications in Pennsylvania are significant:

- **9 days in a medical inpatient setting** costs the same as
- **4 months in prison**, which also costs the same as
- **1 full year of supportive housing**

These stark comparisons illustrate how supportive housing delivers significantly better outcomes at a fraction of the cost. By diverting individuals from emergency rooms, jails, and other crisis systems, supportive housing improves health and housing stability while generating substantial public cost savings across the Commonwealth.

A Strategic Investment in Pennsylvania's Future

Even though Pennsylvania invests in building affordable housing, the state does not have a stable funding source to operate supportive housing or provide essential services. This gap prevents people with disabilities and very low incomes from accessing and maintaining the housing they need to stay stable.

Supportive housing providers across the Commonwealth face limited resources, staffing challenges, and caseloads that exceed recommended levels. These barriers constrain their ability to expand supportive housing and serve those with the greatest needs.

Creating a **Supportive Housing Operations Fund** would directly address these challenges by:

- **Providing grants** to support non-Medicaid eligible services for individuals with complex health and behavioral needs.
- **Building provider capacity** through technical assistance, operations funding, and support to help organizations scale their services, improve quality, and prepare for future Medicaid billing.
- **Strengthening accountability and planning** through statewide needs assessments and outcome tracking to guide future investments.

The Supportive Housing Operations Fund requires an **initial \$54 million investment to close the gap in operations and services**. This will help enable the development of thousands of urgently needed supportive housing units statewide. We respectfully urge you to include this funding in this year's budget and establish the fund as an ongoing line item that receives sustained annual support.

By creating this fund, Pennsylvania can significantly reduce homelessness, improve health and housing stability for individuals with disabilities, and strengthen communities across the Commonwealth. This is a smart investment that will yield substantial returns.

Thank you for your leadership and for your commitment to addressing Pennsylvania's housing needs. We stand ready to partner with you in advancing this critical investment.