



**OREGON HOUSING AND COMMUNITY SERVICES**

**HOUSING PERMANENT LIVING UTILIZING SERVICES  
“HOUSING PLUS” INITIATIVE**

**REDUCING COMMUNITY SERVICE COSTS OF HOMELESSNESS  
WITH PERMANENT SUPPORTIVE HOUSING**

*Interim Report*

December 27, 2010

This evaluation has been funded by the Oregon Housing and Community Services. Questions regarding the State's Housing PLUS program, or for copies of this report, should be directed to Mr. Roberto Franco at the OHCS at (503) 986-6732 or [roberto.franco@state.or.us](mailto:roberto.franco@state.or.us).

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## Abstract

This is an interim report of a study undertaken to document the costs that are avoided following placement of homeless persons in permanent housing with increased and coordinated access to an array of community-based services. The Housing Permanent Living Utilizing Services (Housing PLUS) initiative was funded by the Oregon Legislature in 2007 and included eighteen agencies and their partners throughout the state. The initiative includes a balance of rural and urban settings encompassing a broad spectrum of persons who are experiencing homelessness due to mental illness, addictions, physical disabilities, domestic violence, as well as economic marginalization from lack of education, skills, or work experience. Housing and services are available to single adults, families, and homeless or runaway youth.

Of the eighteen agencies in the initiative, thirteen participated in the study to date. The findings to date suggest an estimated initiative-wide annual cost avoidance for the 221 units of \$833,612 (approximately \$3,772 per person) from reductions primarily in the use of physical health, mental health, and addictions treatment services. The report notes that the current sample used for this interim report excludes a representative number of individuals that the literature suggests are the highest users of these services. With this in mind, it is expected that once completed, the study will demonstrate significantly greater initiative-wide cost avoidance of approximately \$2.1 million per year.

Although difficult to measure, the existing literature is clear that the likelihood of recurring homelessness is greatly diminished when housing, with attached services, is quickly provided to those as they become homeless. It is very likely that individuals marginalized by issues other than current addiction or mental illness, for example, may, over the course of several years, develop chronic physical illnesses that begin to require more frequent, more extensive, and more expensive emergency hospitalizations. Importantly, in viewing cost avoidance, cost offset, or cost-benefit studies, the value of interrupting generational transmission of predictive factors for homelessness arising from adverse childhood experiences must be considered, even though there will be little short term documentable cost avoidance.

Findings discussed in this interim report are based on triangulation of information from the literature, key stakeholders, and tenants themselves. These findings strongly confirm, that without safe, stable, supportive permanent housing, there is little chance that individuals, experiencing chronic homelessness, will have the adequate opportunity to become stabilized enough in all critical aspects of their lives to attend to long term preventative measures. These would include the ability to better provide for oneself as well as to institute personal practices that ensure good health and wellbeing.

# Table of Contents

Abstract.....	i
Table of Contents.....	ii
Introduction.....	1
Background.....	1
Study Design.....	3
Findings.....	8
Summary.....	15
Appendices.....	18
Housing PLUS Program Factsheet.....	19
Notes.....	25

## Introduction

*“They helped with everything...housing, job, transportation, furniture. They want me to be able to take care of myself and my child!”\**

The purpose of this study is to document the reduction in service utilization by people experiencing homelessness one year prior to, and one year following, enrollment in the Housing Permanent Living Utilizing Services (Housing PLUS) initiative. This is an interim report based on findings of a sample from seven of the twenty-two facilities participating in the overall initiative.

## Background

The Housing PLUS initiative was funded by the Oregon Legislature in 2007 and mandated the creation of 221 units of permanent supportive housing for homeless individuals and families<sup>1</sup> with supportive services. The initiative had three key objectives: to move homeless individuals into housing, provide case management support for the tenant<sup>2</sup> and their families, and have them maintain the housing over time.<sup>3</sup>

The initiative was funded by Oregon Lottery-backed bonds in the amount of \$15.6 million that were to be used for capital development including construction, acquisition, and rehabilitation; rental subsidies; and, supportive services. The core focus of the supportive services was to coordinate and leverage extensive services already available in the community, but not easily accessible by persons experiencing homelessness, through proven case management strategies.

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\* Single mother living in a rural community who was able to complete her education in the medical field and acquire a position with a county health agency will full family benefits.

Eligibility requirements to live in a Housing PLUS unit were purposefully broad and encompassed single adults, families, and homeless or runaway youth. These requirements included having been, or currently, homeless for over one year; having a history of episodic homelessness due to disabilities including but not limited to, HIV/AIDS, mental illness, addictions, and other mental or physical disabilities; being victims of domestic violence and facing homelessness; and, experiencing substantial barriers to stable housing due to their economic situation, history of unstable housing, or histories of institutionalization.

Implementation of the supportive services element of the initiative at the local level closely followed the critical components of successful supportive housing as promulgated by the Corporation for Supportive Housing.<sup>4</sup> These include managing the unit's operations through an effective partnership among the tenants, representatives of the project owner and/or sponsor, the property manager, the supportive services providers, and relevant public agencies; ensuring all members of the tenant household have easy access to a flexible and comprehensive array of supportive services to assist them to achieve and sustain housing stability; having service providers proactively engage tenants in on-site and community-based supportive services (but where participation in these is not mandatory); and service and property management strategies including effective, coordinated approaches for addressing underlying issues of housing instability and homelessness.<sup>5</sup>

The core tools for essential service strategies utilized in the Housing PLUS initiative are primarily focused on the development, and frequent review, of an individualized service plan. The effective service plan is developed through collaboration between the tenant and the case manager using evidenced based practices with the case manager identifying and facilitating timely access to a broad array of community resources to meet current and emerging needs of the

tenants and their families.<sup>6</sup> Overarching the critical components and core tools are two broad evidence based practices that have proven to be effective in engaging and maintaining individuals in housing.

The first of these is alternatively known as “rapid re-housing” or “housing first.” This approach rightfully assumes that any service intervention targeted at increasing an individual’s ability to become self-sufficient (to the best of their inherent capabilities) is much more effective when the highest priority (strongest)<sup>7</sup> needs (food, shelter, and safety) are being met in conjunction with the interventions to develop awareness and sustained self-sufficiency skills.

The second evidence based practice is ensuring that a universe of services is readily available and easily accessible to tenants and their families. The critical component of effectively incorporating the myriad of available services is coordination through case management. Most individuals experiencing homelessness have no idea of the spectrum of services and supports that are available in the community and report the task of identifying, locating, and accessing available services to be simply overwhelming.<sup>8</sup>

## **Study Design**

The purpose of this study is to assess the value of costs avoided by the Housing PLUS initiative through reduced utilization of services such as emergency rooms, hospitals, and jails following engagement in stable housing with supportive services. This study employed the collection of quantitative and qualitative data utilizing a protocol that was successfully implemented in a previous study by the author in Portland, Oregon.<sup>9</sup> The overall approach was an embedded explanatory case study than can best be described as an attempt to "explain the causal links in real life intervention that are too complex for the survey or experimental

strategies" of a "unique case."<sup>10</sup> The case study approach has long been valued as a powerful evaluative tool by many branches of the federal government. This design corresponds with those used by the US General Accounting Office (GAO) to evaluate both program implementation as well as program effects.<sup>11</sup>

This study is comprised of six primary phases: 1) literature review; 2) collection of quantitative service utilization from tenant heads of household; 3) collection of qualitative data from participating agency key staff; 4) collection of quantitative community service cost data; 5) analysis; and, 6) reporting.

A total of eighteen agencies encompassing twenty-two facilities were funded under the umbrella of the Housing PLUS initiative and thirteen participated in the study. As funding for this project included funding for facilities construction/remodel as well as rental subsidies and case management, the rollout was accomplished over a three year period with the first agency leasing-up its units in October 2008 and the last agency doing so by June 2011.

All of the agency directors were contacted by the evaluator following an introductory email from OHCS. The first contact was by letter followed by a brief phone call to provide an overview of the study, to identify key stakeholders for key informant interviews, and to solicit support from the agency to recruit study participants.

The purpose of the key informant interviews, as an integral element of the case study design, was to garner a better understanding of each agency's housing and service activities and to establish a qualitative dataset of expectations. Importantly, these interviews were also intended to document expert opinions regarding the usefulness, challenges, and anecdotal successes of the overall Housing PLUS initiative.

In all cases additional contacts were identified for the key informant interview. In addition to the case managers, others included property managers, property developers, and in one case a community-based individual familiar with the local jurisdiction's plan to end homelessness as well as the Housing PLUS initiative. A total of 33 key informant interviews were completed.

The total number of units available for lease at the time of the study was 100 in the thirteen agencies that were in full operation. Tenants in these units represented a highly diversified population (domestic violence victims, veterans, disabled, and some with addictions and mental illnesses for example). Due to study limitations, it was necessary to plan for a non-stratified opportunity sample of 40 tenant heads of household as study participants.

However, the total number of potential study participants was limited to 34 individuals who had been enrolled at least 12 months. This limitation was necessary for statistical analysis of baseline and one year post service utilization. Fourteen of the 34 were not able to be recruited to participate for several reasons including clinical instability<sup>12</sup> and the final sample was comprised of 20 individuals for this interim report.

Recruitment of the tenant study participants was initiated by first contacting each agency director as discussed above. Agencies were asked to solicit participation of their tenants who met the minimum criteria of having been enrolled in the Housing PLUS initiative for the minimum of 12 months.

The interview instrument for the tenant heads of household was constructed to include the domains of general demographic information; education; housing/homelessness (past three years and current year post enrollment); employment/income (past three years and current year); health care service utilization (physical, mental health, and addictions) (past three years and

current year); criminal justice involvement; (past three years and current year); substance use/substance abuse problems (current and lifetime); and a brief satisfaction component including general life and local project specific indicators.

Once potential tenant heads of household were identified, the agency asked them to complete an informed consent agreement to participate in the study. Once confirmation of the informed consent was received by the evaluator, appointments were set with the interviewer.

The service cost data was collected by an initial search of the internet followed by a series of interviews with key personnel in selected industries and government agencies. Where necessary, a “waterfall” strategy was used if the primary telephone contact was unable to readily provide the requested cost data. Costing data was collected by rural and metropolitan geography, where data was available, for physical, mental health, and addictions treatment services provided in emergency, inpatient and outpatient settings. Arrests and incarcerations costs were also documented where available on a regional basis.

Participating agencies served a variety of populations ranging from veterans to persons with addictions and mental illness, to heads of household with families who were homeless due to issues associated with domestic violence. In five facilities case management services were either contracted with an addiction or mental health specialty treatment agency or treatment services were available on premises of the housing by clinically qualified agency staff.

**Table 1a: Housing PLUS Participating Agencies  
Interim Study Sample**

Agency	Facility	Population Served *	# of Units	Date Opened	Sample Pool	Participants Interviewed	Staff Interviewed
Central City Concern	Madrona	Addictions/dual diagnosis	13	5/1/2010	0	0	2
Clatsop County Housing Authority	Tilikum	General	8	1/1/2009	4	2	2
Columbia Cascade Housing	Celilo Gardens	Mentally ill/dual diagnosis	6	3/1/2010	3	1	5
Community Action Team	St. Helens PLUS	General	2	3/1/2010	0	0	2
Community Services Consortium	Tern House	General	6	10/1/2008	6	4	3
Housing Authority of Portland/Luke-Dorf	University Place Bridgeview	Mentally Ill	9	4/1/2010	0	0	3
NW Housing Alternatives	Willard St. Duplexes	General	2	3/1/2009	2	2	2
Options for Southern Oregon	Manzanita Place	General	7	10/1/2009	2	1	1
Rogue Retreat	Grape Street	General	8	8/1/2009	8	5	4
Shaver Green	Shaver Green Project	Mentally ill	8	4/1/2010	0	0	3
Specialized Housing	Eastgate Station	Disabled, mentally ill	20	5/1/2010	0	0	3
St. Vincent DePaul	Vet LIFT III	Veterans	9	5/1/2009	9	5	2
UCAN-Roseburg	Esperanza Circle	General	2	6/1/2010	0	0	1
			100		34	20	33

\*Facilities noted as serving a “general population” also included families and heads of household who were experiencing mental health, addictions, and/or physical problems but they did not specialize in serving those populations

**Table 1b. Housing Agencies Not Currently Online**

Rogue Retreat	525 Riverside	11	General
Housing Authority of Portland	The Martha Washington	10	Mentally Ill & Addictions
Housing Works	Barbara's Place	6	Mentally Ill
Community Services Consortium	Pelican Place	12	General
St. Vincent de Paul Society of Lane County	The Lamb Building	6	HIV/AIDS
Innovative Housing, Inc.	Clifford Apts	45	Mentally Ill
Klamath Housing Authority	Trail's View Apts	8	Mentally Ill & Addictions
Human Solutions	The Rockwood Building	15	Veterans
Corvallis Homeless Shelter Coalition	Partners Place	8	Mentally Ill & Addictions
		121	

## Findings

Homelessness has been described as a revolving door and, oversimplified, stems from a combination of structural and personal factors. Structural factors include changing housing markets and the lack of low-cost housing stock in communities; dwindling employment opportunities especially for those with lower levels of education and skills; removal of institutional supports for people with severe mental illness and addictions; and discrimination in housing along with local zoning restrictions that preclude affordable housing alternatives. Personal factors include previous history of homelessness, especially for children who were homeless or were placed in foster care;<sup>13,14</sup> disabilities arising from physical and mental issues; lack of education; and the lack of skills development.

From an epidemiological perspective, it has long been known that the strongest predictor of adult homelessness, as well as mental illness and addictions, are adverse childhood experiences.<sup>15,16,17,18</sup> This appears to be especially true in female headed households.<sup>19</sup>

Poverty's roots include an innumerable range of causes from disabilities (physical, mental, and addictions) to changing economies where jobs are lost, in the short term, to financial downturns and, in the long term, to situations where entire industries lose their foothold due to changing consumer preferences and governmental regulatory changes. Rapidly changing circumstances and the marginality of people with low incomes explains why between five and ten percent of poor people experience homelessness in a period as short as a year.<sup>20</sup>

Although proportionally a large number of individuals and families transition relatively quickly from homelessness, the longer they remain marginalized the more likely they can expect to become homeless again.

There have been several studies that have documented high levels of utilization of community services among homeless persons such as emergency room visits; hospitalizations and outpatient use of treatment for physical, mental health, and addictions problems; as well as involvement with law enforcement and incarceration in the criminal justice system.<sup>21,22,23</sup> These studies primarily looked at individuals who had been chronically homeless with long histories of mental illnesses and addictions.

Such studies documented significant reductions in service utilization and subsequent economic benefits following the investments made for permanent housing in conjunction with a broad array of services. Services that were primarily targeted at treating mental illnesses and addictions, along with providing supports to enable stability in the housing and integration into a healthy community.

For example, a recent study conducted by the author in Oregon of the cost-benefit of providing “housing first” in conjunction with intense case management and treatment of chronically homeless dually diagnosed individuals found a first year cost savings of 36 percent (\$15,006 per person), and hypothesized that follow-up further out from enrollment would yield much greater savings due to the clinically appropriate high use of physical and mental health services during the first year to arrest and treat chronic illnesses.<sup>24</sup> Similar studies by Culhane and Colleagues in New York found a cost savings related to supportive housing of \$16,282 per person annually<sup>25</sup> and Perlman & Parvensky in Denver found a cost savings of \$15,733 per person annually.<sup>26</sup> A study by Mondello and Colleagues, looking at both rural and urban settings, was able to document continued average annual savings per person of \$16,198 in the second year following placement in permanent supportive housing in Maine.<sup>27</sup>

Studies looking primarily at Medicaid and health services usage for, again primarily chronically homeless persons with addictions and/or mental illnesses, found savings in single site studies in Chicago;<sup>28</sup> Connecticut;<sup>29</sup> Denver;<sup>30</sup> Maine;<sup>31</sup> New York;<sup>32</sup> San Diego;<sup>33</sup> San Francisco;<sup>34</sup> Seattle;<sup>35</sup> and a multi-site study including Cleveland, New Orleans, San Diego and San Francisco.<sup>36</sup>

Measuring cost-benefits of providing housing and services for the homeless is complex. Financial costs attributable to homelessness spread across a spectrum of social, health care, and safety services that encompass both public and private entities. It is difficult, and expensive, to precisely measure actual costs on an individualized basis within a community. Additionally, private and public fiscal documentation procedures do not tend to itemize these costs so they become merged with other costs and are not discernable at the individual level. It is also not appropriate to lump all persons experiencing homelessness into a single group for the purpose of documenting cost-benefits as homelessness is not a homogeneous or generic condition. For example, persons with histories of chronic homelessness, in conjunction with untreated mental health or addiction issues, tend to have much higher rates of encounters with a plethora of community services than individuals experiencing homelessness caused by marginalization related to lack of education, skills, or employment opportunities, or domestic violence.

For this reason, there is a noticeable lack of compelling cost avoidance or cost-benefit studies in the literature for this latter group. Although there is evidence they, as a group, create significant long term costs to the community since they tend to return to shelters much more frequently than those who have been provided stable, subsidized housing. Importantly, shelter facilities have a higher per night cost than permanent housing.

It should also be noted that there are long term costs that are difficult to study associated with children of families who have histories of being in and out of homelessness and tend to be more likely to become homeless themselves as adults. This is also true of children who have been placed in foster care due to family disruption.<sup>37,38,39,40,41</sup>

Fifty-five percent of those tenants participating in the interviews were males and the overall average age was approximately 45 years at the time of enrollment in the housing. The youngest participant in the interviews was 20 years old at the time of enrollment and the oldest was 69 years. Seventy-five percent indicated they were White, 20 percent White/Native American, and 5 percent White/African American. Forty percent reported never being married, 20 percent married, 30 percent divorced, and five percent each separated or widowed.

The average number of months homeless in the three years prior to enrollment was 22.7 months. Thirty-five percent reported being essentially homeless the entire three years prior to enrollment. The average number of years of education completed was 12.8 with the minimum of nine years and a maximum of 15 years of formal education.

Of the sample, 20 percent reported current employment. A total of 35 percent reported being able to work full-time and 5 percent able to work part-time while attending school. Ten percent reported only being partially able to work due to a disability. One-quarter of the sample reported being completely unable to work due to a physical disability and 15 percent unable to work due to mental illness. Ten percent reported being retired. The average current annual income reported was \$5,594.25 and ranged from a low of \$2,400 to a high of \$17,928.

<b>Table 2. Service Utilization</b>			
<b>Service Type</b>	<b>Year Prior to Enrollment</b>	<b>Year Following Enrollment</b>	<b>Change</b>
Physical Care Inpatient (Days)	49	39	- 10
Emergency Room/Urgent Care (Visits)	40	43	+ 3
Physical Care Outpatient (Visits)	103	120	+17
A&D Inpatient/Residential (Days)	530	180	- 350
A&D Outpatient (Visits)	130	289	+ 159
Mental Health Inpatient (Days)	0	0	0
Mental Health Outpatient (Visits)	103	218	+ 115
Arrests	8	0	- 8
Incarceration (Days)	0	0	0

For the year prior to enrollment in the Housing PLUS initiative, service utilization for the interim sample was not as dramatic as that seen in populations where the individuals are primarily suffering from addictions and severe and persistent mental illness as reflected in the studies noted above. This was expected due to the broad spectrum of individuals participating in the initiative. Nonetheless, eight individuals reported accessing inpatient physical health care in the year prior to enrollment for an average stay of 6 days. In the year following enrollment, only five individuals accessed inpatient physical health care, and one individual was hospitalized for 25 days due to a pre-existing serious medical condition.

A 66 percent reduction in utilization of addictions inpatient treatment was based on only two individuals who reported residential care in the year prior. Nonetheless, this was a potential cost savings of approximately \$41,300<sup>42</sup> in the year following enrollment just for addictions treatment.

Offsetting some of these potential cost savings would be the increases in utilization in emergency room/urgent care services and physical, mental, and addictions outpatient care.

<b>Table 3. Service Utilization Cost Savings</b>			
<b>Service Type</b>	<b>Decrease (-) Increase (+) (Days/Visits)</b>	<b>Unit Cost (Dollars)</b>	<b>Total (Dollars)</b>
Physical Care Inpatient (Days)	-10	6,435	-64,350
Emergency Room/Urgent Care (Visits)	+3	1,700	5,100
Physical Care Outpatient (Visits)	+17	150	2,250
A&D Inpatient/Residential (Days)	-350	118	-41,300
A&D Outpatient (Visits)	+159	84	13,356
Mental Health Inpatient (Days)	0	368	0
Mental Health Outpatient (Visits)	+115	96	11,040
Arrests	-8	192	-1,536
Incarceration (Days)	0	127	0
<b>Total Cost Savings</b>			<b>\$75,440</b>

The annual cost avoidance is estimated at approximately \$75,440 or approximately \$3,772.00 per participant in the sample for the first year. This is approximately \$833,612 initiative wide for the 221 housing units. Although this is significantly less than what the literature would generally suggest, there are several factors that most likely contributed to this finding. First, and most noteworthy, was the lack of study participants in the sample from the four agencies (Central City Concern, HAP/Luke-Dorf, Shaver Green, and Specialized Housing) that were primarily serving those with traditionally highest social costs associated with severe and persistent mental illness, addictions, and dual diagnoses. This gap in the interim sample, which represented about 51 percent of the leased-up units at the time of this report, was simply due to the fact that these programs opened too late to allow for collection of 12-month post enrollment follow-up data from a representative sample.

Therefore, it must be stressed that this interim report, based on the available research, underestimates the extent of the reduction in post enrollment service utilization. Utilizing cost avoidance data from the previous study conducted by the author,<sup>43</sup> and accounting for increases

in health care since that study was completed in 2006, it is estimated that the annual per person amount of costs avoided will increase to approximately \$9500 or approximately \$2.1 million initiative wide annually.

It should also be noted that, typically, increases in physical, addictions, and mental health outpatient visits following enrollment in similar projects are not uncommon for some individuals during the first year after enrollment. This is an artifact of the identification and intervention of health care problems, usually long ignored during periods of homelessness due to the individual's limited ability to access care without insurance, being attended to in a timelier manner.

Findings from the 33 key informant interviews, previously reported to OHCS staff, confirmed implementation of the evidence-based practices consistent with the initiative's intent as discussed above. They also confirmed that the most important outcome of the Housing PLUS funding was to provide a stable base from which individuals and their families could begin reconstructing their lives and reintegrating into the community. The general theme from those interviewed was that it is nearly impossible for a homeless individual, whose daily priority was finding food and shelter, to meaningfully access any of the usually numerous services available in the community. Underlying this was the notion that for the populations being served, the process of reintegration into the community was long, arduous, and fraught with barriers.

As was expected, all agencies reported filling the housing units quickly without the need for formal advertising.

There were many examples of tenant successes.

- A young mother who was able to go back to school, garner a certificate, and acquire a permanent job as a nurse's aide at a county facility with health care benefits.
- A male who was able to get his driver's license, get a car and a job.

- Two male tenants who have been able to become stabilized, find employment, and begin working on a formal financial (savings) plan with the goal to eventually purchase a home.
- The development of a community among tenants helping each other with day-to-day chores and creating a community garden to offset food costs while providing nutritional alternatives. This community garden was reported as a source of great pride and camaraderie among tenants.
- A 69 year old male who had been camping in the woods for years successfully integrating into the community, maintaining an immaculate unit, and is stable in the community.
- Several instances where the entire project's community had come together like a family, supporting each other in all aspects of daily living including tenant organized events such as barbeques.

## Summary

This study is being undertaken to document the cost avoidance and potential cost-benefit of the overall initiative realized during the first year following enrollment in Housing PLUS.

The study design called for a non-stratified opportunity sample of 40 heads of household representing the entire population served by the initiative. The evaluation team is currently waiting for more tenant heads of household to come into a window of having a minimum of 12-months post enrollment to fill the sample.

The current findings suggest an annual initiative wide cost avoidance of approximately \$833,612. This estimate should be considered low as the current sample does not include an adequate representation of those individuals who are characteristically high utilizers of services prior to moving into supportive housing, especially those who were experiencing serious mental illnesses, addictions, and/or involvement with the criminal justice system while homeless. Once the study is completed, the initiative-wide annual cost avoidance is anticipated to be approximately \$2.1 million.

The findings thus far, nonetheless, pose a potentially complex question. What is the cost-benefit for providing permanent housing with services to those who have a history of homelessness but are homeless for reasons other than high cost addictions or mental illness? The answer to this requires long-term longitudinal studies.

The literature is clear that the likelihood of recurring homelessness is greatly diminished when housing, with attached services, is quickly provided to those becoming homeless. Although the author is hypothesizing at this point, it is very likely that individuals marginalized by issues other than current addiction or mental illness, for example, may, over the course of several years develop chronic physical illnesses that begin to require more frequent and more extensive emergency hospitalizations, if they remain homeless.

Triangulation of findings from the literature, from the key stakeholders, and from the tenants themselves strongly confirms the notion that without safe, stable, permanent housing there is little chance that individuals experiencing chronic or episodic homelessness have the adequate opportunity to become stabilized enough in all critical aspects of their lives to attend to long term preventative measures. These would include the ability to better provide for oneself in addition to instituting preventative behaviors to ensure long term health and wellbeing thus making future episodes of homelessness less likely. Again, we need to return to the basic theory of human motivation. If one is constantly attempting to meet basic food, shelter, and security needs there is little time left for proactive activities to meet secondary or emerging needs.

Importantly, as the literature is conclusive in regards to the predictability that adverse childhood experiences are frequently associated with homelessness, attention to homeless families with children will produce long term cost-benefits that can only be hypothesized in the short-term.

Although it will be several months before this study is fully completed, it is with confidence that significant cost reductions will be documented when the sample is completed, including a greater representation of those entering homelessness as a result of addictions and mental illness.

# Appendices



## Housing PLUS Program Factsheet

### Program Overview

Housing PLUS (Permanent Living Utilizing Services) was funded by the 2007 Oregon Legislature to develop permanent, supportive housing for Oregon's homeless. Initial funding is from \$15,609,000 in lottery-backed bonds. In conjunction with other OHCS housing programs, Housing PLUS will be used for capital development, rental subsidies and supportive services. OHCS is mandated by the Legislature to create 150 units of permanent supportive housing for homeless persons in the 2007-09 biennium.

Three principal objectives help guide Housing PLUS activities:

1. Move individuals from homelessness to housing.
2. Provide case management support for people to access comprehensive, needed service.
3. Assist individuals to obtain and maintain housing over time.

### Program Description

Applications for the Housing PLUS are accepted twice a year during the department's Consolidated Funding Cycle (CFC) or through targeted request for proposals.

The amount of Housing PLUS funds invested in the development of a project will not exceed the lesser of: 1) \$90,000 per Housing PLUS unit which serves a priority population; 2) total project funding gap; or 3) total unit cost for each Housing PLUS unit.

In addition, to meet the Housing PLUS services and target population goals, funding will be available to use as rental assistance and/or funding for supportive services. The maximum amount of funding will be \$6,500 per unit per year for up to four years of operation. The funding may be combined with non-CFC funding sources, if necessary, to provide the level of funding required.

Housing PLUS dollars shall not replace committed resources or resources normally utilized for housing development.

### **Program and Eligibility Requirements**

There are three components to the Housing PLUS program. These three components shall be present and interact simultaneously. They are:

1. Permanent Supportive Housing: Permanent Supportive Housing is generally considered to be a successful, cost-effective combination of affordable housing coupled with services that help people live more stable, productive lives. It is a useful intervention to end and prevent homelessness, by working with very low-income people who cannot obtain or continue their housing because of other complex challenges they face.

Permanent Supportive Housing units are defined as having ALL of the following characteristics:

- Housing with no limit on length of residency and no requirement that tenants move out of the housing if their needs change. Ability to occupy the housing is tied to compliance with the lease requirements.
- Flexible and comprehensive array of supportive services available to all members of the tenant household, and ultimately designed to assist tenants to achieve housing stability.
- Housing designed for individuals and families at high risk of homelessness, or who experience chronic homelessness because of acute, special needs.

2. Housing Subsidies: Housing PLUS provides for a housing subsidy program to assist homeless persons to obtain and pay for housing. Some households will need minimal assistance to move out of a shelter or other living arrangement, to pay a security deposit and first month's rent. Others will need slightly more subsidy and for a longer period. This subsidy program is often coupled with intensive and targeted support services to help people increase their income and potentially pay for their housing without the subsidy. Some other households experiencing homelessness may simply be unable to transition out of shelter or other homeless situations without ongoing assistance to pay for housing.

The housing subsidy component of Housing PLUS is specific to the unit or to the needs of the tenant occupying the unit. Subsidy funds may cover up to 100 percent of the rental obligations or supplement the household or tenant's housing benefits. They may be used to pay for housing application fees and other move-in costs.

Housing PLUS subsidies are limited and may be available for up to a maximum of four years of operations. Sponsors will need to supplement these funds with other local or state housing assistance programs. Sponsors are strongly encouraged to work with local community action agencies, continuum-of-care programs, and local housing authorities to develop a plan to provide for the subsidies for a longer period than Housing PLUS funds can sustain.

3. Supportive Services: Housing PLUS includes supportive and targeted services according to a household's needs. Services can help people access and maintain stable housing as well as increase economic self-sufficiency and improve family and child well-being.

Identification and commitment from a service partner agency is required at the time of application and becomes part of the review consideration. A complete and signed agreement or MOU will be required as a condition of award. A Supportive Services Plan is part of the narrative questions in the Housing PLUS Supplemental Application Forms.

Homelessness affects people differently. Therefore, there is no one single service delivery model that works for all homeless persons. While some will need only minimal support to transition into permanent housing, others will require more intensive assistance to exit a homeless situation and remain housed. Minimally, supportive services shall provide the equivalent of a case manager who will help residents navigate the various systems of services. Funds from the services budget may be used to cover other basic incidental expenses.

Housing PLUS funds for supportive services are also limited, and may be available for up to a maximum of four years of operations. Sponsors will need to supplement these funds with other local, state, or private resources. Sponsors are strongly encouraged to work with local community action agencies, continuum-of-care programs, and local housing authorities to develop a plan to provide supportive services for a longer period than Housing PLUS funds can sustain.

### **Eligible Sponsors**

- Non-profits, local governmental agencies and for-profits are eligible sponsors.
- Housing PLUS funds will be allocated to both urban and rural communities.
- Applicants must demonstrate the capacity to provide and manage housing, administer housing assistance programs, and coordinate access to supportive services.

### **Eligible Beneficiaries**

Housing PLUS resources will be limited to units within projects designated to house any of the following priority populations that may fit the descriptions below:

- Those who are and have been homeless for long periods of time (one year or more), have experienced repeated stays in the streets, emergency shelters, or other temporary settings, often cycling between homeless and institutional systems of care such as hospitals, jails, prisons, foster care, or other emergency systems;
- Those who are frequently homeless and have chronic health conditions that are at least episodically disabling, such as mental illness, substance abuse, and HIV/AIDS, or other substantial barriers to housing stability (e.g. trauma, or history of placement in institutions); and
- Those who have been victims of domestic violence that face survival, safety risks and homelessness; come from a shelter, transitional housing, or another temporary housing situation; and/or have substantial barriers to obtaining and retaining housing (i.e. financial, housing history).

Homelessness, especially long-term and repeated experiences of homelessness will be the main criteria to determine allocation of Housing PLUS resources to proposed projects. Housing PLUS is for all homeless populations - adults, families, and homeless and runaway youth - meeting the above characteristics.

### **Eligible Uses of Funds**

Funds may be used for the capital costs of construction, acquisition, and rehabilitation of existing housing, along with the conversion of existing available units into permanent supportive housing.

Current Legislative intent for Housing PLUS does not allow the use of funds for shelter and transitional housing or facilities.

Eligible uses exclude land banking for future development and other activities that do not create permanent supportive housing units. Additionally, the bond-financing of the Housing PLUS funds requires the department obtain the approval of an Intent Resolution for each project. Only eligible capital costs incurred less than 60 days prior to the Intent Resolution may be reimbursed with the Housing PLUS resources.

### **Housing PLUS Funds Left in Basis**

Tax exempt bonds are the source of Housing PLUS funds provided for capital development. If Housing PLUS funds will be used in conjunction with LIHTC, the developer must determine if the Housing PLUS funds must be removed from basis.

The developer must provide the department with a legal opinion to support their decision if funds are retained in basis.

## **Terms**

Housing PLUS funds will only be awarded in the form of a grant.

## **Limitation of Maximum Household Income**

Although Housing PLUS has not established income restrictions, the qualified tenants must meet the Priority Program Population description. Projects receiving Housing PLUS as their sole OHCS resource must set maximum rent limits at 60% of median income. Designated Housing PLUS units in projects serving other low-income populations besides homeless persons, and with other restrictive funding, will be subject to the income restrictions of the other funding as indicated in the application's pro forma operating budgets.

## **Affordability Period**

Projects receiving Housing PLUS as their sole OHCS resource will have a minimum affordability term of 20 years. Designated Housing PLUS units in projects serving other low-income populations besides homeless persons, and with other multiple funding, will not have affordability terms attached. Instead they will follow the longest term of any of the other funding used. Should resources to maintain designated units as permanent supportive housing units decline, sponsor may request department approval to convert units to general affordable housing units for the remainder of the 20 year term or the longest term designated by the other funding sources.

## **Additional Program Requirements**

- Housing PLUS units must meet minimum OHCS architectural and construction standards.
  - Housing PLUS funds will be made available only when a proposed project is ready to proceed. Readiness to proceed requires, at the very least, that other financing be identified, local zoning requirements are met, and partnerships and collaborations are identified.
  - The project owner must agree to record the department's restrictive document against the property title.
  - OHCS will maintain the Housing PLUS subsidies and supportive service resources in a special account and will distribute funds directly to the

owner/sponsor of the project through monthly disbursement requests based on demonstrated need.

- Sponsor must agree to track their performance and supportive housing activities through a Homeless Management Information System (HMIS). Owners and sponsors of Housing PLUS units are required to receive training on the OHCS OPUS/HMIS and use it as a default application if they do not have an HMIS application in place. Owners may elect to form partnerships with service organizations that are already familiar with and use HMIS. Owners with an HMIS application different than the OHCS OPUS/HMIS module are required to ensure data is entered into OPUS. Additionally, an annual performance report to OHCS is required.
- Unless exempt, Housing PLUS units will adhere to all applicable State and Federal laws and regulations.
- Housing PLUS units are subject to compliance and monitoring from the OHCS Asset and Property Management Division.

### **For More Information**

To talk with someone about developing affordable housing in your area, contact a Regional Advisor to the Department or call 503.986.2000.

OHCS is the state housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for lower income Oregonians. The agency also administers federal and state antipoverty, homeless and energy assistance community service programs.

## Notes

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- <sup>1</sup> The initiative's capital funding allowed for the creation of a larger number of units, but supportive services were only allocated for this number of housing units.
- <sup>2</sup> Individuals in the Housing PLUS are both tenants from a property management perspective and clients from the case management perspective. For the purposes of this report they are referred to as tenants of the agencies. Those individuals who participated in the study are referred to as participants in the report.
- <sup>3</sup> There is a complete Program Factsheet included in the appendix of this report. The reader is invited to review this document for more details regarding the parameters of the legislation.
- <sup>4</sup> <http://www.csh.org>.
- <sup>5</sup> See <http://documents.csh.org/documents/communications/shdefinedlogo.doc> of the Corporation for Supportive Housing.
- <sup>6</sup> Corporation for Supportive Housing. *Tools for essential service strategies for supportive housing settings*. Available: <http://www.csh.org/index.cfm?fuseaction=Page.ViewPage&PageID=3682>.
- <sup>7</sup> See Maslow, A., (1954) *Motivation and Personality*. New York: Harper & Row.
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- <sup>10</sup> Yin, R., (1994). *Case study research: design and methods* (2<sup>nd</sup>). Thousand Oaks, CA: SAGE Publications.
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- <sup>24</sup> Moore, T. 2006 op cit.

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- <sup>25</sup> Culhane, D., Metraux, S., Hadley, T., (2002) op. cit.
- <sup>26</sup> Perlman, J. & Parvensky, J. (December 2006). op. cit.
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