

Organizations represented in this working group include:

Beacon Brightwood Business Alliance
 Butler Woodcrafters, Inc.
 Center for Community Self-Help
 City First Bank of DC
 City First Homes
 Common Ground Community
 Community Connections, Inc.
 Community Family Life Services
 Community of Hope
 Cornerstone, Inc.
 Corporation for Supportive Housing
 DC Coalition of Providers for Persons with Intellectual and Other Disabilities
 District Alliance for Safe Housing Inc.
 Enterprise Community Partners, Inc.
 Green Door, Inc.
 Jaydot LLC
 Jubilee Housing, Inc.
 Local Initiatives Support Corporation
 Miriam's Kitchen
 Morningside Post Office
 N Street Village Inc.
 ONE DC
 Open Arms Housing, Inc.
 Partners for Green Creations, Inc.
 Pathways to Housing DC
 RCLeland Consulting, LLC
 RIGHT, Inc.
 Sarah's Circle
 Sheridan Ventures
 SOME, Inc. (So Others Might Eat)
 Somerset Development Company, LLC
 The Urban Institute
 THC Housing Families, Transforming Lives
 Urban Housing Alliance
 Washington Legal Clinic for the Homeless
 William C. Smith & Co., Inc.

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Permanent Supportive Housing: A Cost-Effective Alternative in the District of Columbia

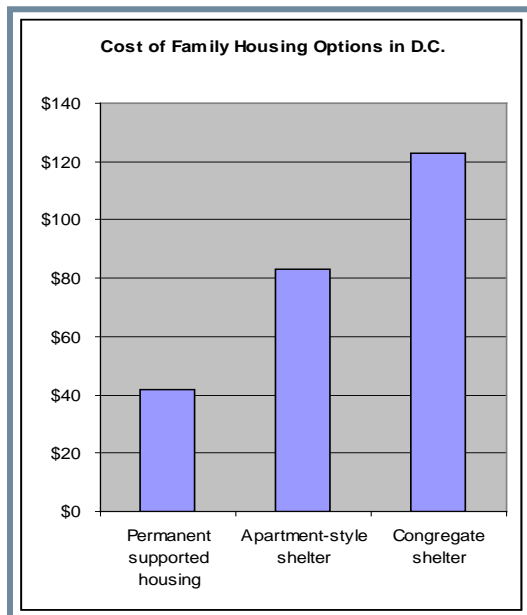
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Permanent supportive housing (also permanent supported housing or PSH) is a successful, cost-effective combination of affordable housing with services that helps people live more stable, productive lives. PSH is a proven, efficient way to address homelessness by helping people who face the most complex challenges, such as mental illness, chemical dependency, and HIV/AIDS, become stably housed.

Permanent Supportive Housing is cost-effective for families who have been homeless.

A 2010 study of several sites by the U.S. Department of Housing and Urban Development found that in D.C. the cost of PSH for families was \$42/day, compared with apartment-style shelter at \$83/day and congregate shelter at \$123/day.¹

In all four of the study sites the cost of PSH per family per day was less expensive than any other type of housing with an average cost of \$42 per day.



Cost per Family

PSH
\$42 per day

Apartment-Style Shelter
\$83 per day

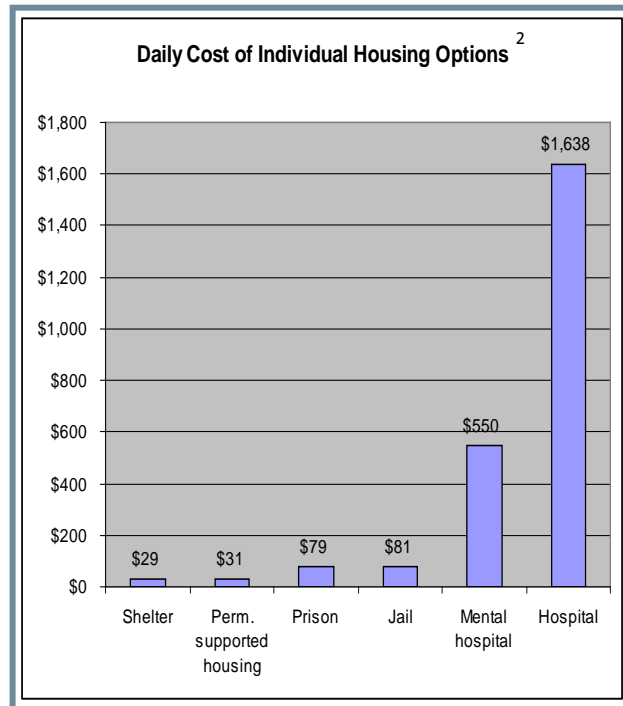
Congregate Shelter
\$123 per day

Permanent Supportive Housing helps to reduce municipal costs for *individuals* who have been homeless.

PSH costs less than the alternatives. Across the country PSH is 53 times less expensive than hospital care and 18 times less than care in a mental hospital. PSH is only modestly more expensive than emergency shelters, but the social and human benefits far exceed those offered by traditional shelters.²

Additional support for implementation of this model in the District, based on real-life experiences of Permanent Supportive Housing:

A PSH project saved \$16,282 per unit per year in medical and mental health care. A ground-breaking study in New York City found decreases in use of homeless shelters, in-patient hospitals, emergency rooms, jails and prisons among supportive housing tenants, resulting in savings of \$16,282 per unit per year. If savings were reinvested, the cost of providing PSH would be off set.³



A PSH project generated savings of more than 25% in costs, or nearly \$8000 per person. A 2008 study by United Way of Rhode Island showed that PSH reduced hospital overnights, mental health overnights, alcohol/drug treatment overnights, ER visits, jail/prison overnights, an shelter overnights.⁴

A PSH project reported a 44.6% decrease in total health costs – saving \$7,755 per person in a 2006 study of the Denver Housing First Collaborative. There was a 76% reduction in incarceration costs for the same group.⁵

Permanent Supportive Housing not only saves money but dramatically improves outcomes and quality of life for people who have been homeless, leading to greater housing stability and satisfaction.^{6, 7}

1. U.S. Department of Housing and Urban Development. "Costs Associated with First-Time Homelessness for Families and Individuals." Prepared by Abt Associates Inc. March 2010. Available at: http://www.huduser.org/publications/pdf/Costs_Homeless.pdf (<http://www.rwjf.org/files/newsroom/cshLewinPdf.pdf>)

2. Graphic available at: http://www.huduser.org/publications/pdf/Costs_Homeless.pdf (<http://www.rwjf.org/files/newsroom/cshLewinPdf.pdf>)

3. Culhane, Dennis, Metraux, Stephen, and Hadley, Trevor. "Public Service Reductions Associated with Placement of Homeless Persons with Severe Mental Illness in Supportive Housing". *Housing Policy Debate*, 2002: 13(1): 107-163. Available at: http://repository.upenn.edu/cgi/viewcontent.cgi?article=1067&context=spp_papers

4. United Way of Rhode Island. "Rhode Island's Housing First Program Evaluation". December 2008. Available at: <http://www.shnny.org/documents/Rlevalword2003.pdf>

5. Colorado Coalition for the Homeless. "Denver Housing First Collaborative: Cost Benefit Analysis and Program Outcomes Report". December 2006. Available at: <http://www.shnny.org/documents/FinalDHFCCostStudy.pdf>

6. National Center on Family Homelessness. "The Minnesota Supportive Housing and Managed Care Pilot: Evaluation Summary". Prepared for Hearth Connection, March 2009. Available at: <http://www.familyhomelessness.org/media/93.pdf>

7. United Way of Rhode Island. "Rhode Island's Housing First Program Evaluation". December 2008. Available at: <http://www.shnny.org/documents/Rlevalword2003.pdf>