



# **Cost Benefit Examples of “Housing First” for Diverse Populations**

Presented by

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# Housing First versus Other Models

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## **FAMILY EXAMPLE:**

**Lutheran Social Services  
St. Paul, MN**

Source: Cost Comparisons for a Housing First Program. n.d. Lutheran Social Services: St. Paul, MN.



# Lutheran Social Services

<b>Program</b>	<b>Cost Per Day Per Person</b>	<b>Cost Per Family (3 Persons)</b>	<b>Program Cost Per Year</b>
<b>Transitional Housing</b>	\$19.24	\$57.72	\$21,067
<b>Homeless Shelter</b>	\$26.71	\$80.13	\$29,247
<b>Housing First</b>	\$6.85	\$20.55	\$7,500



# Housing First versus Other Models

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## INDIVIDUALS EXAMPLE:

### Pathways to Housing New York, NY

Source: Pathways to Housing Overview. Handout at Beyond Shelter Housing First Workshop in Washington, DC, held November 6-7, 2006. Pathways to Housing: New York, NY.



# Pathways to Housing (NYC)

<b>Program</b>	<b>Cost Per Day Per Person</b>	<b>Program Cost Per Year</b>
<b>Homeless Shelter</b>	\$74.00	\$27,000
<b>Jail</b>	\$233.00	\$85,000
<b>Psychiatric Hospital</b>	\$479.00	\$175,000
<b>Housing First</b>	\$62.00	\$22,500



# Cost Savings of Converting Transitional Housing to HF

**FAMILY EXAMPLE:**

**HELP USA**

**New York City, NY**

Source: The Shift to Performance-Based Management in a NYC Homeless Shelter: A Case Study. March 2008. Help USA: New York, NY. [www.endhomelessness.org](http://www.endhomelessness.org)



# HELP USA

<b>Group</b>	<b>Length of Stay (LOS)</b>	<b>Per Diem Rate</b>	<b>Cost Per Shelter Stay</b>
<b>Pre-Housing First (CY 2005)</b>	349 Days	\$60	\$20,940
<b>Housing First (CY 2006)</b>	181 Days	\$60	\$10,860



# Financial Benefits & Cost Efficiency

- ✓ **Savings due to quicker housing placement: \$10,080**
- ✓ **Cost reduction: 48% savings**
- ✓ **111% increase in families housed: 129 families in CY 2005 versus 272 families in CY 2006**
- ✓ **For every 100 families housed, HELP USA saved NYC Dept. of Homeless Services \$1,000,000 in shelter costs**
- ✓ **HELP USA was rewarded with a \$364,083 performance bonus for CY 2006 (compared to \$11,708 in CY 2005)**



# Cost Savings of Prevention or Shelter Diversion

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## **FAMILY EXAMPLE:**

### **Community Care Grant Program Washington, DC**

Source: 1) Family Homelessness in Our Nation and Community: A Problem with a Solution. June 2005. National Alliance to End Homelessness: Washington, DC. 2) Community Care Grant Program. January 2004. Community Partnership for the Prevention of Homelessness: Washington, DC.  
[www.endhomelessness.org](http://www.endhomelessness.org)



# Community Care Grant Program

	Avg. Length of Stay	Cost Per Day	Avg. Cost Per Family	Outcome
Pre-Housing First	186 Days	\$62	\$11,439	Maybe stable, permanent housing
Shelter Diversion	0	\$0	\$7,186	Permanent Housing



# Financial and System Benefits

- ✓ **Shelter diversion saves Washington, DC an estimated \$4,500 per family – after housing and services**
- ✓ **Limited shelter space can be utilized more effectively to target those with greatest needs**
- ✓ **Mainstream system (Family Support Centers and TANF \$) – not homeless services system or \$ – re-houses and supports families**



# Public Systems Cost Reductions

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## INDIVIDUAL EXAMPLES:

### San Francisco and Chicago

Sources: 1.) <http://www.usich.gov/innovations/index.html#sanfrancisco>; and 2.) [http://www.aidschicago.org/about\\_afc/3\\_6\\_2008.php](http://www.aidschicago.org/about_afc/3_6_2008.php)



# Financial and System Benefits

- ✓ **San Francisco (Direct Access to Housing): 58% reduction in emergency room use, 57% reduction in hospital inpatient bed use, and reduction in the length of psychiatric hospitalization**
- ✓ **Chicago (Housing for Health Partnership - CHHP): Housed clients used half as many nursing home days (5,507 vs. 10,023) as their usual care hospital-discharge counterparts and were nearly two times less likely to be hospitalized or use an emergency room after being permanently housed**



# Addressing Skyrocketing Shelter Costs & Families Population

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## **FAMILY EXAMPLE:**

## **State of Massachusetts**

Source: Housing First: An Unprecedented Opportunity. Fall 2006. One Family:  
Boston, MA. [www.onefamilyinc.org](http://www.onefamilyinc.org)



# State of Massachusetts: Prior to Housing First Pilots

- **Spending \$75-\$175 per night on shelter**
- **Forced to use motels as overflow shelter**
- **\$3,000 per family a month on motels**
- **\$47,000 per household shelter stay, per year, for all shelter types**



# Massachusetts' New Approach: Several Permanent Housing Pilots

## Shelter to Housing Pilot:

- \$6,000 granted per household, per year
- Paid for rent and all services post-placement
- Targeted families with work potential
- 207 families rapidly re-housed
- 80% remain housed after two years



# Another Massachusetts Pilot

## Rental Assistance for Families in Transition (RAFT):

- Flexible funds for first/last month's rent, security deposits, utility payments, and moving costs
- To obtain or retain permanent housing
- \$1,365 spent on average per household
- 436 families assisted over a two-month period



# Economic Savings

- ✓ **3 Pilots cost an avg. of \$2,222 per family for prevention/rapid re-housing**
- ✓ **22:1 Prevention initiatives keep 22 families housed for the same cost as ONE shelter room**
- ✓ **Projections (Going to scale): \$18,000,000 to permanently house 3,000 homeless families in system vs. \$73,000,000 that State currently spends on shelter**
- ✓ **Leaves \$55,000,000 for other uses, including further innovations, or in savings to taxpayers**

