

Ending Chronic Homelessness: Is it Possible?

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Bush Administration Sets Priority

- ❖ 2003 Budget states that the President wants to “end chronic homelessness” in 10 years:

Where did this come from?

- ❖ Political momentum began with 2000 Congress and Senate Appropriators – Permanent Housing Set-Aside in McKinney (35% must go to supportive housing for CH)
- ❖ This coincided with the National Alliance To End Homelessness’ “Ten Year Plan to End Homelessness” (1999)
- ❖ Research was central to the case of feasibility being made

Evidence of Feasibility

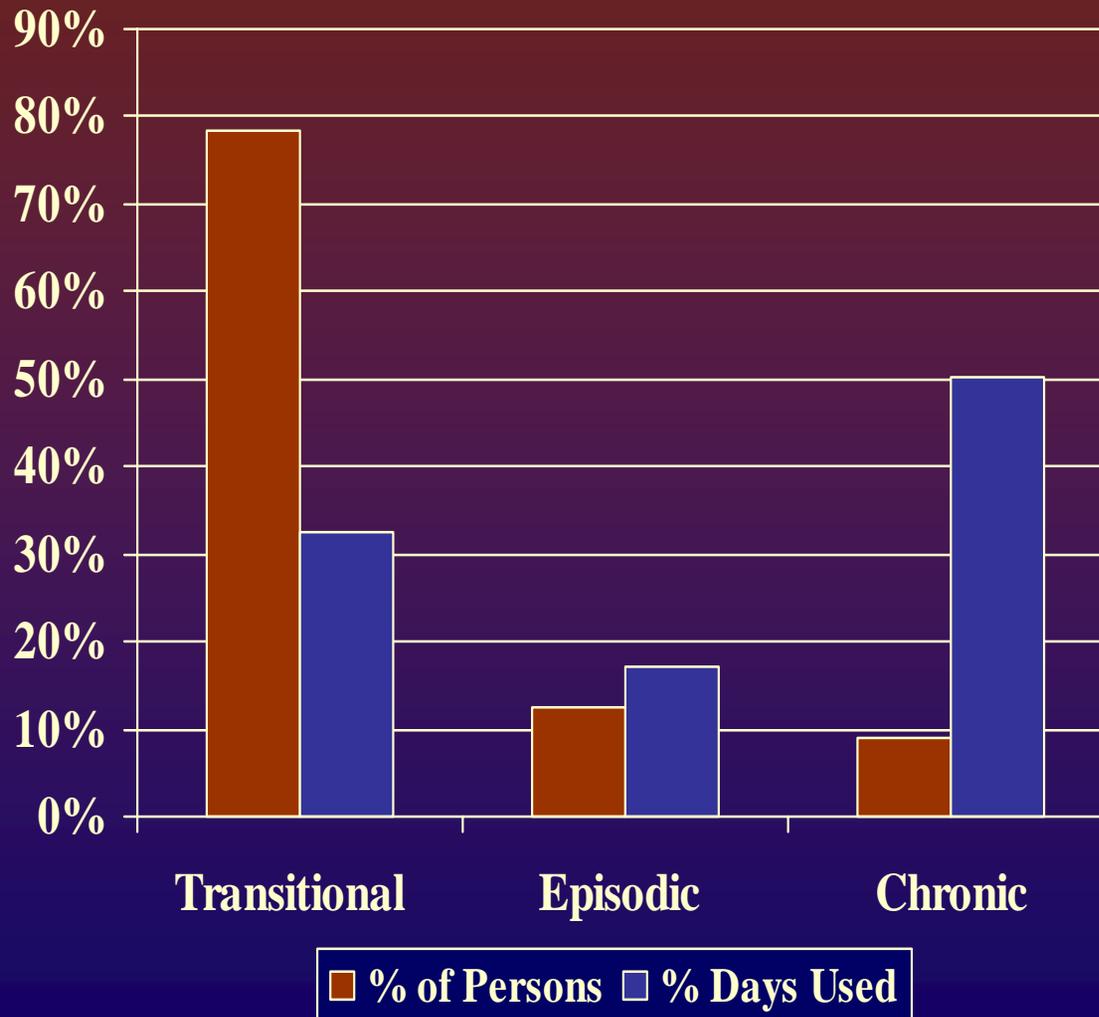
- ❖ Small proportion of homeless are chronically homeless, and they are relatively finite
- ❖ They use a disproportionate share of emergency shelter resources
- ❖ They are expensive users of other social welfare systems (health, corrections)
- ❖ Demonstrated costs offsets associated with supported housing placement – near cost neutrality associated with intervention

National Scope of the Problem

- ❖ Federal Definition:
 - ❖ Shelter stays longer than one year, or
 - ❖ 4 or more episodes over last 3 years.
 - ❖ Must have a physical or mental disability
- ❖ About 150,000 people in the US fit chronic homelessness (CH) profile
 - ❖ Annual estimates: 2.5 million homeless, 1.6 million singles, 10% are CH = 160,000
 - ❖ Cross-Sectional Estimates: 440,000 homeless, 280,000 singles, 50% are CH = 140,000

sources: NSHAPC (Burt et al., 1999), Culhane et al. (1999)

Cluster Distributions: Persons and Shelter Days Consumed (Single Adults in Philadelphia)



❖ Transitionals:

❖ 1.19 stays

❖ 20.4 days

❖ Episodics:

❖ 3.84 stays

❖ 90.8 days

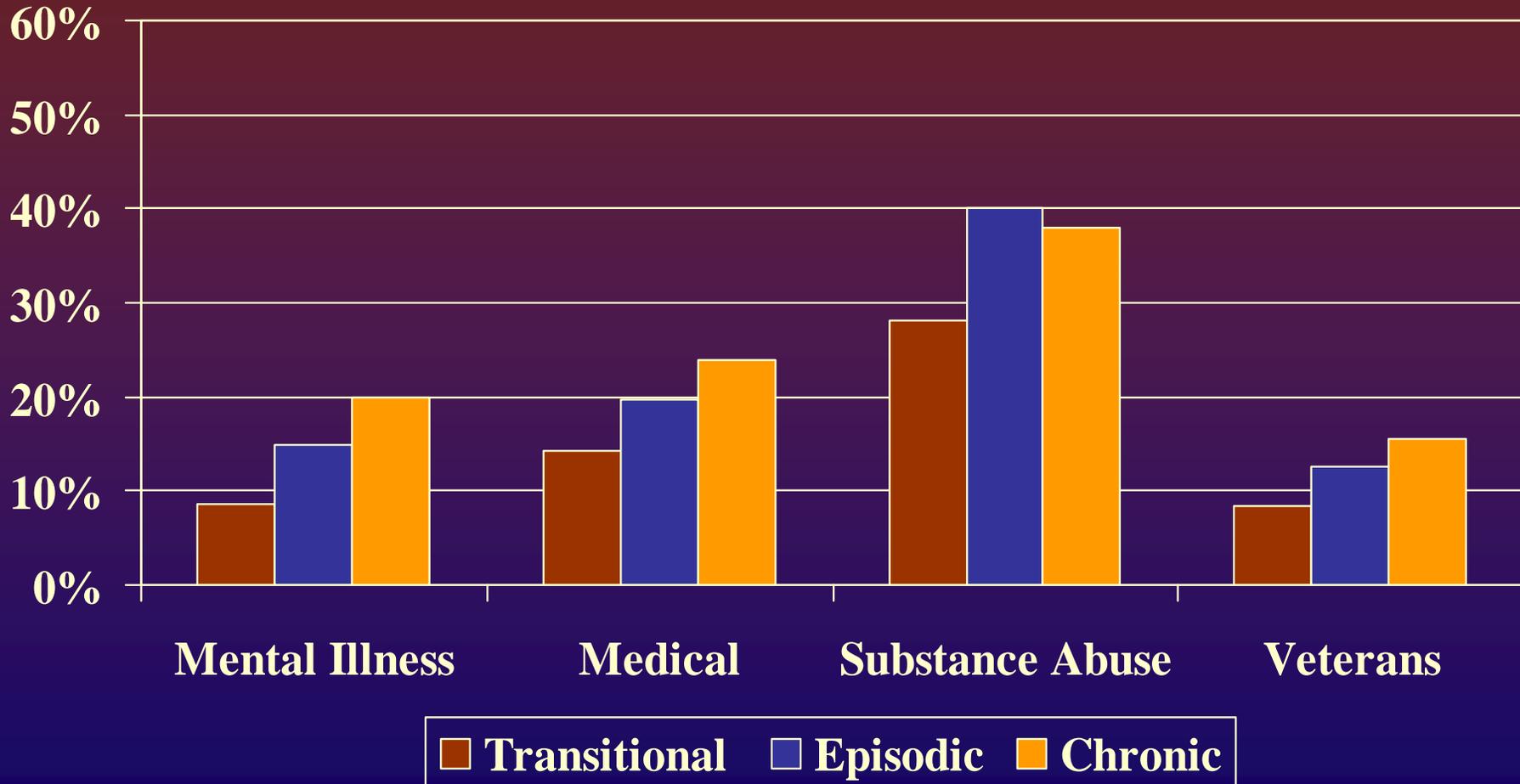
❖ Chronics:

❖ 1.53 stays

❖ 320.4 days

Disability Condition & Veteran Status By Cluster

(Single Adults in Philadelphia)



Targeting Implications

- ❖ Transitionally Homeless: Prevention and Relocation Assistance
- ❖ Episodically Homeless: Low Demand Residences (Safe Havens), Transitional Housing
- ❖ Chronically Homeless: Permanent Supportive Housing (Emergency shelter bed = \$18,000/year)

Evidence of Cost Offsets Associated with Supportive Housing

- ❖ The New York-New York Agreement (Culhane et al., 2002)
- ❖ The VA Supportive Housing Evaluation (Rosenheck et al., in press)

The New York-New York Evaluation

Culhane, Metraux and Hadley, 2002

NY/NY funded capital, operating and service costs for 3,600 supportive housing units in NY City

Placement recipients must be SMI and have record of homelessness

Data available on 4,679 NY/NY placement records between 1989-97

Data Sources

NY/NY Housing Placements: 1989-97

Singles Shelter Users and Stays: 1987-99

State Hospital Users & Stays: 1990-96

Municipal Hospital Users & Stays: 1989-96

Medicaid-Reimbursed (non-HHC) Inpatient Hospital Stays: 1993-97

Medicaid-Reimbursed Outpatient Visits: 1993-97

Veterans Hospital Stays: 1992-99

State Criminal Justice Prison Use & Convictions: 1987-97

City Jail Use: 1987-99

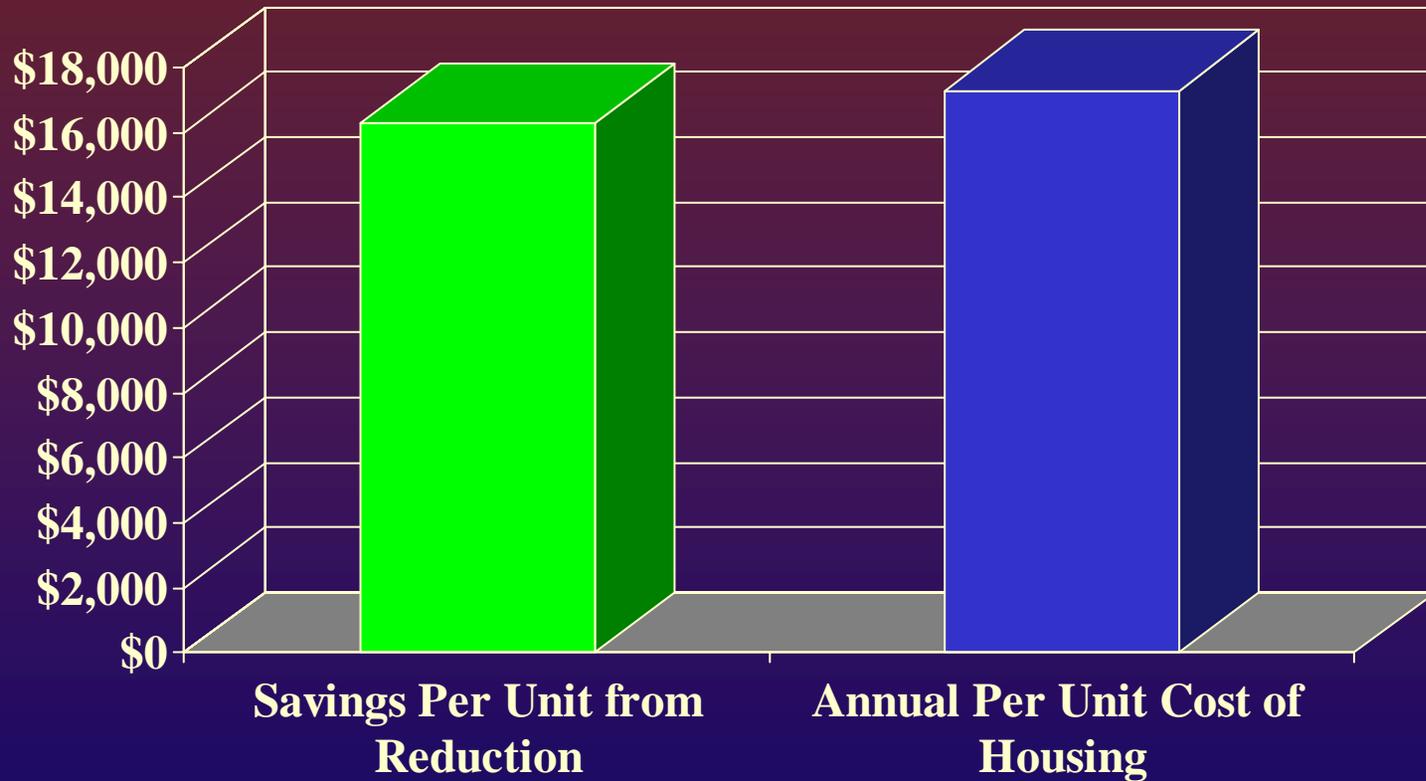
The Cost of Homelessness

Service Provider	Mean Days Used (2-year pre-NY/NY)	Per Diem Cost	Annualized Cost
NYC DHS – Shelter	137	\$68	\$4,658
NYS OMH – Hospital	57.3	\$437	\$12,520
NYC HHC – Hospital	16.5	\$755	\$6,229
Medicaid – Hospital	35.3	\$657	\$11,596
Medicaid – Outpatient	62.2 (visits)	\$84	\$2,612
VA – Hospital	7.8	\$467	\$1,821
NYS DCJS – Prison	9.3	\$79	\$367
NYC DOC – Jail	10	\$129	\$645
Total			\$40,449

NY/NY Savings: Per Housing Unit Per Year

Service	Annualized Savings per NY/NY Unit
DHS Shelter	\$3,779
OMH Hospital	\$8,260
HHC Hospital	\$1,771
Medicaid – Inpatient	\$3,787
Medicaid - Outpatient	(\$2,657)
VA Hospital	\$595
NYS Prison	\$418
NYC Jail	\$328
Total	\$16,282

NY/NY Housing - Costs and Savings

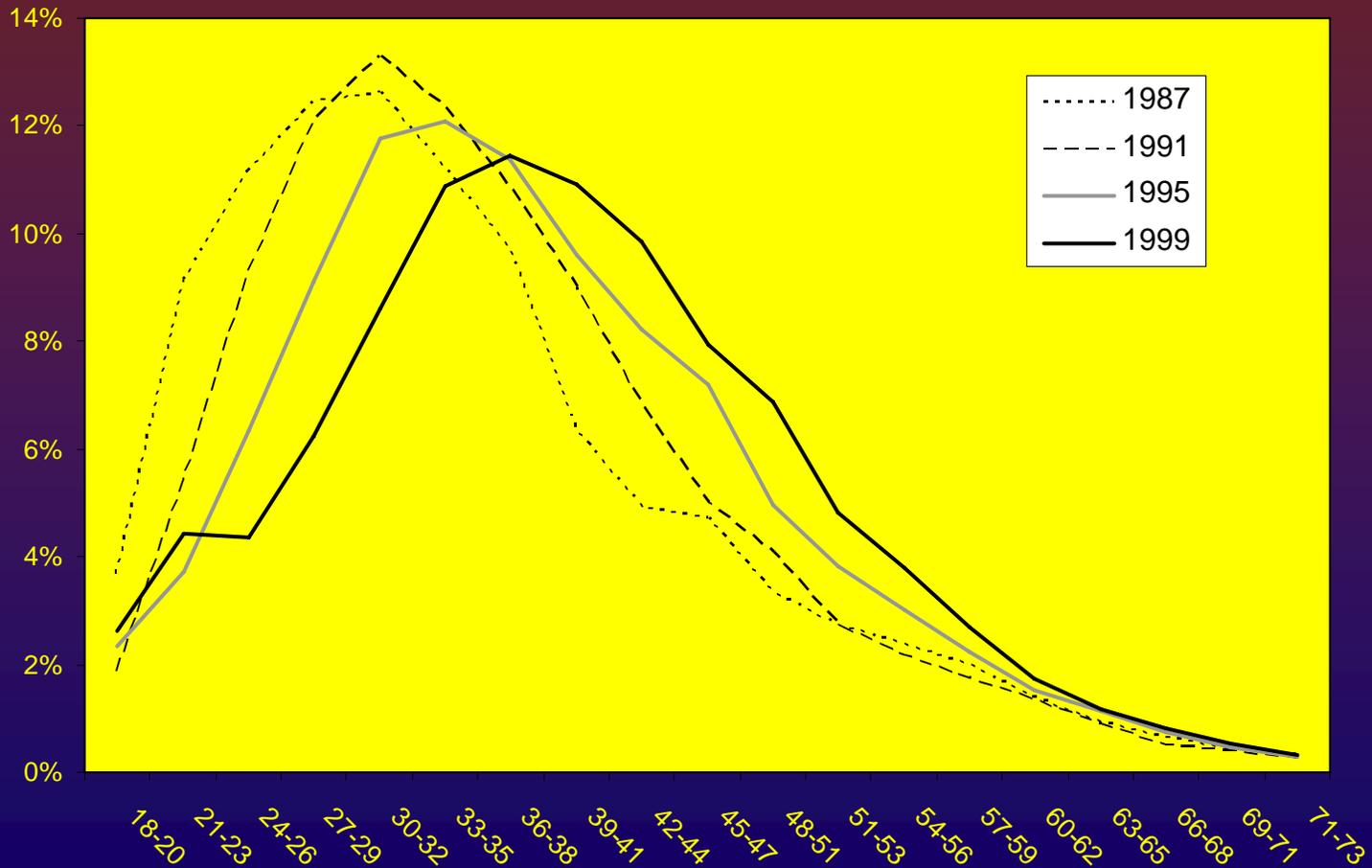


■ Savings Per Unit from Reduction ■ Annual Per Unit Cost of Housing

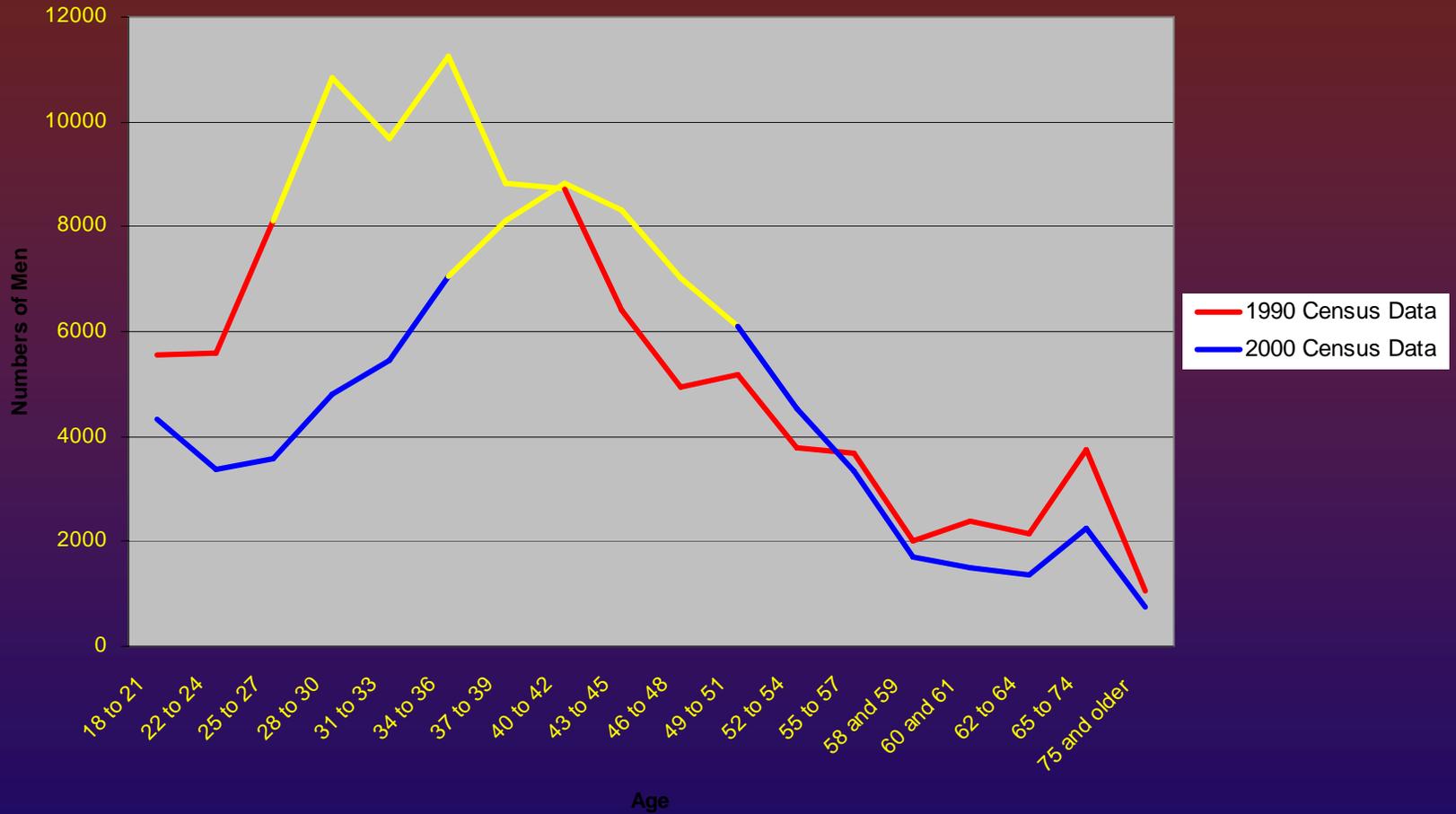
Key Findings

- ❖ 95% of supportive housing costs offset by service reductions
- ❖ Study underestimated savings associated with program-funded services (McKinney) and crime
- ❖ Study did not ‘monetize’ benefits to consumers
- ❖ NY/NY was a sound public investment

Proportional Age Distribution of NYC Single Adult Shelter Users in Four Different Years



US Men in Emergency and Transitional Shelters, US Census Bureau



Taking SH to Scale

To develop enough SH units will require:

1. Operating subsidies from HUD and other sources (McKinney, convert service \$ to housing \$)
2. Housing Support Services funded by federal agencies (HHS, VA), states and counties, in addition to assuming shifted HUD service \$
3. Capital costs, where necessary

Challenges

- ❖ Hostile Federal and State budget environment
- ❖ Decreasing Federal support for housing in general
- ❖ Services agencies don't have simple mechanism for funding housing support services, nor for assuming McKinney funded services

Prevention of CH

- ❖ Targeting most at-risk: Institutional Discharges:
 - ❖ Foster care
 - ❖ Prison and jail
 - ❖ Inpatient MH and SA tx (detox)
- ❖ Supporting People toward Independence

Transitional Living Programs

- ❖ Prospective targeting of persons facing discharge, based on at-risk profile
- ❖ Creating capacity thru partnerships between mainstream systems and community service providers
- ❖ Engaging faith-based service providers involved in prisoner programs and recovery homes
- ❖ Conversion of (indiscriminate) shelter to mission-driven transitional programs, funded and integrated vertically within mainstream systems

Challenges

- ❖ Securing funding from mainstream systems for community transition programs
 - Opportunities in declining prison census
 - Opportunities in declining number of young and middle aged adults at risk
- ❖ State legislatures understand institutions, not community programs
- ❖ “Continuum of Care” service system will be resistant to change

Incremental Progress?

- ❖ Federal CoC application process: Prioritizing SH
- ❖ “Samaritan Initiative” – targeting street homelessness
- ❖ Some states and counties are taking lead in housing CH with expensive acute care costs
- ❖ Communities forming partnerships for 10-year plans, and for applications for federal funding