"Supportive housing works."

- Roberta Achtenberg, Former Assistant Secretary for Fair Housing and Equal Opportunity,
  U.S. Department of Housing and Urban Development

A homeless veteran breaks his cycle of dependency. Elderly parents receive medical services and dignity. Families of persons with mental health disabilities are reunited. Because supportive housing avoids overuse of expensive institutions and unsuccessful intervention strategies, taxpayers pay less to help more people.

Since the early 1980’s, innovative non-profit organizations across the country have been developing and refining a practical, proven, and cost-effective solution called “supportive housing.” Supportive housing—permanent rental housing matched with a range of support services—is working.

Because of its documented successes in providing permanent solutions to complex problems, supportive housing is changing policymakers’ opinions about efficient public investments in housing and social services for our most vulnerable populations.

- **Successful solutions to homelessness, elder care and housing for persons with disabilities**

  Every time and for whatever reason a vulnerable person loses his or her housing, his or her problems are compounded. Supportive housing enables residents to first achieve housing stability and then develop self-sufficiency. The percentage of people who remain in supportive housing instead of falling back into unhealthy patterns can be as high as 85% for even the hardest-to-house populations.

- **Cost-effective**

  Linking needed services to permanent housing provides the stability and opportunity for residents to address their underlying health problems, employment needs and special needs deficits. Support services are designed to minimize long-term dependency on government safety nets. While the cost of supportive housing varies according to the population housed, the services provided, and the location, supportive housing generally costs between $7,000 and $15,000 per tenant per year. The alternatives to supportive housing—crisis approaches to care, institutionalization, and repetitive short-term treatment—are both less effective and more expensive.

- **Flexibly serves a wide variety of populations**

  Each supportive housing development is designed in terms of physical structure and availability of services for the actual populations who will live in it. This flexibility keeps costs down while providing tailor-made services to seniors, persons living with HIV/AIDS, or a homeless family.

- **Increases employment**

  Whether residents are returning to the workforce or entering it for the first time, combining stable housing with accessible vocational training, placement and adult education helps ensure a successful transition. Supportive housing reduces false starts and encourages jobseekers to take reasonable risks. In first-year data from a national pilot program Next Step: Jobs, employment rates doubled after tenants moved into supportive housing.

- **Reduces substance abuse recidivism**

  As Alcoholics Anonymous has shown, substance abusers need supportive networks to rid themselves of bad habits. Supportive housing offers both professional and peer support for recovering persons. Through daily contacts with tenants, service staff can anticipate problems.

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This chart demonstrates the cost-effectiveness of supportive housing on a per diem basis compared to other housing alternatives for homeless and disabled persons in California. *Source: Corporation for Supportive Housing, 1998.*

<table>
<thead>
<tr>
<th>Housing Type</th>
<th>Cost (per diem)</th>
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</thead>
<tbody>
<tr>
<td>San Francisco Psychiatric Hospitalization</td>
<td>$0</td>
</tr>
<tr>
<td>State Psychiatric Hospital</td>
<td>$100</td>
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<tr>
<td>Skilled Nursing Facility</td>
<td>$200</td>
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<tr>
<td>County Jail</td>
<td>$300</td>
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<tr>
<td>Supportive Housing</td>
<td>$400</td>
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<td></td>
<td>$500</td>
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and intervene before they become crises. In one Minneapolis study, substance abuse program graduates stayed sober at a rate of 90% in supportive housing, as compared to 55% for every other housing option.

- **Leverages substantial private sector and philanthropic resources**
  Public resources dedicated to supportive housing build on substantial private and philanthropic contributions already committed and leverage even more funding. For example, the Corporation for Supportive Housing has channeled $26.5 million of primarily philanthropic funds to nonprofits developing supportive housing. And, the National Equity Fund has placed more than $120 million of corporate equity in supportive housing developments.

- **Utilizes the expertise of nonprofit providers**
  The nonprofit organizations which pioneered supportive housing have developed the capacity to extend its benefits to more communities. Their expertise in designing appropriate services, guaranteeing quality property management and ensuring that each development fits the neighborhood can be tapped to make the best use of this model.

**The Cost of Homelessness vs. the Cost of Supportive Housing**
- a prototypical San Francisco Vietnam veteran's case history

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Frank is a Vietnam veteran suffering from Post Traumatic Stress Disorder (PTSD) and bipolar disorder. Upon his discharge, he gets a job at a convenience store. He is fired as a result of behavior related to his alcohol abuse. He becomes homeless, sleeps in the park for a few days, then obtains General Assistance (GA) and moves into a run-down hotel in a drug-infested neighborhood. He gets pneumonia, doesn’t visit a doctor, and takes no medication. He enters the hospital emergency room and because of his behavior is placed in a psychiatric bed for five days. **Total cost: $3,000**

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Frank moves back into a hotel, but his behavior becomes erratic due to his untreated mental illness. One night he attacks the desk clerk at the hotel with a knife. Frank is jailed and kept in custody for 10 days. **Total cost: $600**

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He is discharged to a crisis residential treatment program where he stays for 20 days – **total cost: $4,000** – at which point he is asked to leave because he has started using drugs again.

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Frank enters supportive housing. He reduces his use of alcohol and drugs, receives treatment for his mental illness, and applies for a position as a desk clerk in another supportive housing project. Today, Frank is working part-time and remains in stable housing.

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When Frank leaves jail, he is put on a waiting list for supportive housing and moves into a different run-down hotel. He loses his GA benefits because he is unable to perform workfare, loses his hotel room and goes back to sleeping in the park. One night he exhibits extremely disorderly behavior, is picked up by an outreach van, and is assessed at a hospital which sends him to an acute diversion unit for 30 days. **Total cost: $6,600**

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Frank enters a residential treatment program where he stays for 30 days – total cost: $3,000 – until his name comes up on the waiting list for supportive housing.

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The total cost to provide care in California for Frank while he is homeless is over $17,000 a year. For approximately $8,000 a year (or $22.00 per day), Frank could have been living independently and building a new life in supportive housing. *Source: Corporation for Supportive Housing, 1998 Background Report.*