

**HOUSING FIRST:  
DOCUMENTING THE NEED FOR  
PERMANENT SUPPORTIVE HOUSING**

Prepared for:  
**The Sisters of Charity Foundation of Cleveland**

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## **INTRODUCTION**

### **A NATIONAL CONSENSUS TO END LONG-TERM HOMELESSNESS**

Increasingly, government officials and advocates for the homeless across the country are arriving at the conclusion that long-term homelessness can be solved. Ending chronic homelessness in the next decade is a top objective of the Bush administration, according to its 2003 budget proposal and to the Secretary of Housing and Urban Development. A recent editorial in the *New York Times* explains how ending chronic homelessness is not only achievable, but can be done in ways that save money – an approach “both smart and compassionate.” The approach is permanent supportive housing, which is affordable housing linked to accessible mental health, substance addiction, employment, and other support services.

### **BACKGROUND OF HOUSING FIRST INITIATIVE**

The Housing First initiative is an outgrowth of several different local collaborative efforts to address the challenge of housing the long-term homeless. One such effort is the Enterprise Foundation’s Housing Cleveland’s Homeless project, funded by the Sisters of Charity Foundation of Cleveland (SCFC). In 1998, the SCFC began an initiative to increase the number of permanent, affordable, quality housing units for low-income and underserved families and persons in the Cleveland area. The Affordable Housing Initiative will award approximately \$6 million to community organizations over a five-year period. As part of this initiative, the Enterprise Foundation in Cleveland sought and was awarded approximately \$150,000 over three years for its Housing Cleveland’s Homeless project. Through this project, the Enterprise Foundation is working to stabilize and strengthen existing single room occupancy housing, increase financial and political support for housing the homeless, and build the capacity of local community development corporations to manage special needs housing.

## ***Housing First***

The Cleveland/Cuyahoga County Office of Homeless Services (OHS) is the local public office working on housing the long-term homeless. The OHS works collaboratively with the City of Cleveland, the County Mental Health and Alcohol and Drug Boards, the Cuyahoga Metropolitan Housing Authority, the Veterans Administration, homeless advocacy organizations, and nonprofit shelter and service providers to identify and promote an integrated service delivery effort aimed at placing people in permanent housing.

From these various local collaborative efforts, the Housing First initiative began to develop a strategy to end long-term homelessness in Cuyahoga County through the development of permanent supportive housing. A small working group began meeting in Summer 2001 with representatives from The Enterprise Foundation, the Office of Homeless Services, the City of Cleveland's Community Development Department, EDEN Inc., the Cleveland Housing Network, and the Sisters of Charity Foundation. In November 2001, this working group invited a wider group of stakeholders to learn about the permanent supportive housing model and to join in developing a strategy to develop permanent supportive housing in Cuyahoga County. Over 20 people representing 17 public agencies, private foundations, homeless service providers, mental health service providers, substance abuse service providers, community development corporations, and homeless advocates attended this meeting.

The Maxine Goodman Levin College of Urban Affairs at Cleveland State University was hired by the SCFC to assist this new Housing First initiative make the case and document the need for permanent supportive housing in Cuyahoga County. Also, the Columbus office of the Corporation for Supportive Housing, a national nonprofit intermediary, was asked to provide technical assistance.

## **WHAT IS PERMANENT SUPPORTIVE HOUSING?**

### **DESCRIPTION OF PERMANENT SUPPORTIVE HOUSING**

Permanent supportive housing is affordable rental housing linked to comprehensive support services for persons with long term, special needs who are long-term homeless or at risk of long-term homelessness. While long-term homelessness is defined differently in different cities, it is generally understood to mean persons who have experienced lengthy and/or repeated episodes of homelessness, or the homeless who are at increased risk for long-term homelessness due to complex needs like severe mental illness and chronic substance abuse. While this population makes up only a small portion of the general homeless population, their complex needs require comprehensive support services and they consume a disproportionate share of funds directed toward the homeless population.

The range of services offered through supportive housing is flexible and depends on the needs of the residents. Services can include medical and mental health care, substance abuse treatment, vocational and employment services, and independent living skills training. Services may be offered on-site or off-site. Permanent supportive housing differs from treatment programs and transitional housing in that the residents may live in the housing as long as they choose, and the residents decide if and when they will take advantage of the services or treatment. In other words, *it is affordable housing that is permanent and where services are available but not mandatory*. This “housing first” approach provides housing stability first so that residents are better able to address their other needs.

There is a wide variety of types of supportive housing. For example, projects may vary by level of:

- Independence – from supervised group homes with shared dining and bathrooms to independent private apartments

- Scale – from the 652-unit Times Square Hotel to scattered site, single unit apartments
- Intensity of services offered – from on-site staff, offices, and programs to off-site coordination of services
- Specialization – from targeted populations with specific needs to mixed populations

### **COST EFFECTIVENESS OF SUPPORTIVE HOUSING**

Homelessness causes or exacerbates many conditions that lead the homeless to utilize the health, mental health, and corrections systems at high rates and at taxpayers' expense. Many homeless individuals with long-term needs cycle between shelters and hospitals, residential treatment centers, and prison. These are expensive settings never intended to function as housing and do not provide the stability these individuals need to rebuild their lives. For example, in a study released in the *New England Journal of Medicine*, researchers found that homeless individuals were more likely to be admitted to public hospitals, and once there, tended to stay 36 percent longer than other patients. It found that better access to supportive housing for currently homeless patients could ultimately save taxpayers \$5,000 per individual per year (Salit, et.al., 1998).

As shown in the table below, permanent supportive housing is a cost-effective alternative to shelters, hospitals, treatment centers, and prisons. This table compares the costs of various service options in Franklin County, Ohio, which can serve as a proxy for costs in Cuyahoga County.

**Cost per Bed for Operations and Services  
Used by Homeless Men with Long-Term Needs in Franklin County, Ohio**

<b>Service System</b>	<b>Annual Cost per Bed</b>	<b>Daily Cost per Bed</b>
Supportive housing	\$13,000	\$36
Jail	\$21,900	\$60
Sub-acute Medical Detox	\$69,800	\$191
State Psychiatric Hospital	\$172,900	\$482
Hospital Inpatient	\$396,025	\$1,085

As reported in *Rebuilding Lives: A New Strategy to House Homeless Men*, October 1998. Sources cited: Ohio Department of Rehabilitation and Corrections; Columbus Health Department; Ohio Department of Mental Health; Maryhaven; Community Shelter Board

In another example, a comprehensive study of almost 5,000 formerly homeless in New York who were severely mentally ill concluded that this population could be placed in service-enriched housing for almost the same amount of public funds spent every year in psychiatric and medical care, emergency shelters, and other services (Culhane, 2001).

### **OTHER BENEFITS FOR INDIVIDUALS AND THE COMMUNITY**

Supportive housing is not only cost effective for the public, it is effective at helping the formerly homeless rebuild their lives as well. Recent studies compiled by the Corporation for Supportive Housing show that, because of their new-found housing stability coupled with supportive services, formerly homeless people in service-enriched housing use expensive alternatives at a much lower rate than the homeless. Once in permanent supportive housing, most of these individuals experienced significant decreases in emergency room visits, inpatient hospital days, incarcerations, detox services, and use of residential mental health facilities. The housing stability and supportive services provided by permanent supportive housing can also positively affect residents' employment status. A study by the Corporation for Supportive Housing shows that when employment services are provided in supportive housing, participants' rate of employment went up 40 percent and their earned income increased 50 percent.

Besides all these savings in public and human costs in comparison to homelessness, permanent supportive housing can also produce benefits to the neighborhood. Many neighborhood residents are initially resistant to proposals for permanent supportive housing in their "backyard". But a study of the Connecticut Supportive Housing Demonstration Program by Arthur Andersen and the University of Pennsylvania shows that supportive housing improved neighborhood safety and beautification and increased or stabilized property values in most communities.

## **MODEL PROGRAMS FROM OTHER CITIES**

The following examples of programs in other cities are beginning to be recognized as “best practices” or model programs and illustrate the wide variety of programs that exist.

*Anishinabe Wakiagun.* The National Alliance to End Homelessness has recognized several supportive housing programs as best practices. The Anishinabe Wakiagun program in Minneapolis, Minnesota, provides supportive housing to 40 late-stage chronic inebriates. Each resident receives case management services, health services (both on- and off-site) and other support services, as desired. The program does not require sobriety of its residents; rather the residents are expected to obey laws and treat the other residents and staff with respect. Although the supportive services cost \$15,256 per resident per year, the county has found this option less expensive than providing other types of services for this population. By studying costs of detox (\$180 per day) and other social services used by 151 residents from 1996-1999, the county found the costs of detox and recidivism were considerably more expensive than providing housing and services. For example, prior to moving into Anishinabe Wakiagun, residents had an average of 18 detox episodes per year, accounting for 42 days. After entering the program, this number dropped to 2.5 admissions, or 6.3 days, on average. The number of admissions to the hospital emergency department declined by nearly 20 percent for those with emergency room visits within the past year. The project gets funding from the county office of chemical health, HUD, and the Group Residential Housing Program, a state program set up to respond to the needs of low-income people who are placed in a licensed or registered setting.

*Project H.O.M.E.* Another supportive housing program recognized by the National Alliance to End Homelessness is Project H.O.M.E. in Philadelphia, Pennsylvania. This program provides a full range of services for long-term homeless people with mental illness and/or substance abuse disorders. One of its facilities is a 48 bed

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permanent housing facility for mentally ill homeless men and women. All referrals to this facility come through the city's office of mental health, which stays involved with referred clients by continuing to provide one-on-one case management. The development costs of the project were financed primarily by a \$2 million grant from HUD to rehab the property. The units have project-based Section 8 vouchers. The annual budget is only about \$3,800 per resident, which comes primarily from a grant from the office of mental health for all of the supportive services in the project. Case management is greatly supplemented by the case manager supplied by the city.

*A Community of Friends.* The Metropolitan Life Foundation gives Awards for Excellence in Affordable Housing for model projects in Supportive Housing. One of the award-winning projects was A Community of Friends (ACOF) in Los Angeles, California. ACOF provides supportive housing for people with chronic mental illness by advocating housing development in collaborative partnerships with local service providers. ACOF functions primarily as a housing developer, partnering with program service providers, usually funded through state and local government. The partnerships allow each participant – developer, local government, property manager, and service provider – to contribute their respective expertise. Tenants benefit from having affordable apartments with a wide variety of support services offered in a coordinated effort. ACOF's award-winning project was the Selby Hotel, a single room occupancy (SRO) building for a target population of area residents with chronic mental illness who are capable of living independently with support services. The 28-unit SRO building was renovated with \$1.7 million from federal, state, and local government as well as from private resources. Project-based Section 8 rental subsidies supplement the tenant rent payments. On-site case management services are provided by six community organizations and include outreach, basic needs, mental health care, psychosocial and vocational services, advocacy/education, a mutual support system, and crisis intervention.

*Project Return.* Another Metropolitan Life Foundation award-winner was the Cedar Tremont House, run by the Project Return Foundation in New York, New York.

Cedar Tremont House is a project that provides permanent housing and comprehensive supportive services for 17 families living with HIV/AIDS. It features two-bedroom apartments with specific design elements geared towards families living with HIV/AIDS (i.e., 11 units have separate dining rooms that can be converted into a bedroom for a caregiver). Key services include case management, substance abuse counseling, health education, and HIV support groups. Households receive a rental subsidy from the New York City Department of AIDS Services.

*Lessons for Cuyahoga County.* By studying model programs from other cities, it is evident that a common key to their success is their responsiveness to the local conditions, resident needs, and resources. Many supportive housing programs are models of collaboration. Typically, nonprofit housing developers and/or property managers partner with program service providers to provide affordable supportive housing. More important than a specific formula of management structures are shared values that drive a collaboration – the housing and service providers both need to agree on the supportive housing principles or values for meeting the needs of the particular population.

Diane Glauber, former Director of Supportive Housing for the Enterprise Foundation, suggests that nonprofits that decide to develop supportive housing need to address a range of issues, including:

- Single-site or scattered site housing?
- Mixed populations or one specific population?
- On-site or off-site services?
- Restrictions beyond the traditional lease? (“The Evolution of Supportive Housing”, by Diane Glauber, in *Shelterforce*, July/August 1996, #88)

## **DOCUMENT THE NEED**

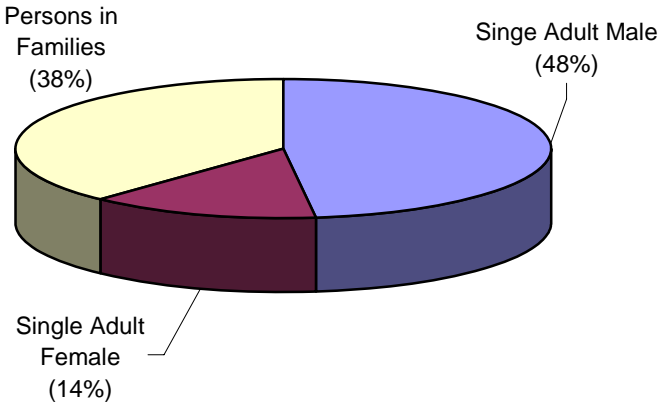
### **HOMELESSNESS IN THE UNITED STATES**

The federal Interagency Council on the Homeless reports that over the course of a year between 2.5 and 3.5 million people in the United States will experience homelessness, with between 700,000 and 800,000 people homeless on any given night. Homelessness emerged as a national issue in the 1980s after the deinstitutionalization of mentally ill people and a loss of affordable housing stock, and its prevalence has only increased. The 2001 study by the U.S. Conference of Mayors, *Status Report on Hunger and Homelessness in America's Cities*, reported a 13 percent increase in requests for shelter last year. Housing market trends show that increasing housing costs, coupled with low-wage jobs and economic contraction, will continue to outpace many working poor. Moreover, many people discharged from prisons, mental institutions, and drug treatment centers are often released with no place to live. In addition, benefits for welfare recipients are expiring under state-imposed deadlines. All of these trends predict a continued increase in the national prevalence of homelessness.

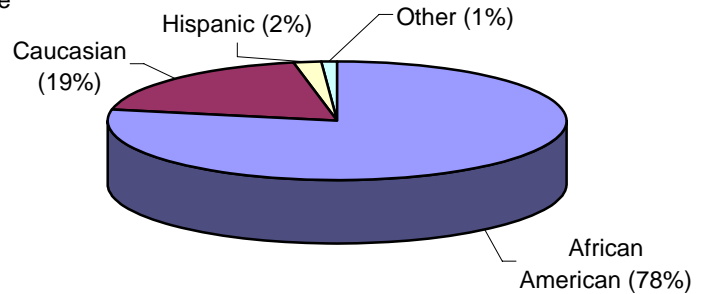
### **HOMELESSNESS IN CUYAHOGA COUNTY**

*Number and Characteristics of Homeless.* By applying national prevalence statistics to local Census figures of persons living in poverty, *an estimated 16,000 people per year experience homelessness in Cuyahoga County* (see Appendix A for methodology). The graphs and tables below show the characteristics of the general homeless population in Cuyahoga County. The data are based on a 1999 study by the Coalition on Housing and Homeless in Ohio of 3,080 persons who were homeless on the night of the survey.

**Gender and Marital Status of Homeless Population in Cuyahoga County (1999 survey of 3,080 people)**



**Race and Ethnicity of Homeless Population in Cuyahoga County (1999 survey of 3,080 people)**



1999 COHHIO Study of 3,080 People in Cuyahoga County	
Characteristic	% of General Homeless Population*
Chronic Substance Abusers	38%
Seriously Mentally Ill	24%
Domestic Violence	21%
Veterans	17%
Dually Diagnosed	13%
HIV/AIDS	2%

\*These percentages do not add up to 100% because the characteristics are not mutually exclusive – in other words one individual may have more than one characteristic.

Compared to national statistics from the 2001 U.S. Conference of Mayors report, the general homeless population characteristics in Cuyahoga County are fairly typical. However, Cuyahoga County’s homeless population does tend to have more single adult males (48%) than the national average of 40 percent, and a larger percentage of the homeless are African American (78%) compared to the national average of 50 percent. Another difference is that an estimated 17% of Cuyahoga County’s homeless are veterans, compared to 11 percent of homeless nationwide.

The Office of Homeless Services recently conducted a survey of over 250 men at the 2100 Lakeside men’s overflow shelter. Some selected responses include:

- 13% reported their current length of homelessness was more than 2 years
- 15% reported their longest period of homelessness was more than 2 years

- 20% have been to a psychiatric hospital
- 47% have been in prison
- 44% have had inpatient/outpatient drug or alcohol treatment
- 46% feel they are addicted to drugs or alcohol

Although not representative of the general homeless population, the survey results give an indication of the needs of the single men whom the shelter serves.

*Local Trends.* Like the rest of the nation, the incidence of homelessness in Cuyahoga County is increasing. The main causes of homelessness in Cleveland, as reported in the report by the U.S. Conference of Mayors, are:

- lack of affordable housing
- low-paying jobs
- substance abuse and the lack of needed services
- mental illness and the lack of needed services
- prison release
- change and cuts in public assistance programs

Whereas the first four causes of homelessness are similar to the rest of the nation, the last two, prison release and changes and cuts in public assistance programs, are only identified by five and four, respectively, of the 27 cities surveyed for the report. The Ohio Department of Rehabilitation and Corrections reports that although there is a growing number of ex-offenders and parolees released back into society, the number of halfway house beds is not keeping pace. Without a concerted effort to help them make the transition from prison back to their communities, many ex-offenders are forced into homelessness (Gray-Kontar, 2002). In a local example, the recent survey of the men's overflow shelter in Cleveland reports that 22 men (20%) were sent to the shelter by either jail, parole, prison, or probation.

Current economic conditions and changes in public assistance programs have also led to increased homelessness in Cleveland. The U.S. Conference of Mayors study reports that Cleveland's increase in unemployment and loss of manufacturing jobs has led to an increase on the demand for emergency assistance. In addition, Ohio instituted three-year time limits on welfare assistance, rather than the federally mandated five years. Therefore, many families have already reached their public

assistance time limits, which will likely lead to increased housing evictions. State budget shortfalls, however, threaten state funding for the many systems that provide assistance to those at risk of homelessness. In conclusion, local trends indicate that the prevalence of homelessness in Cuyahoga County will likely only worsen.

### **LONG-TERM HOMELESS SINGLE ADULTS IN CUYAHOGA COUNTY**

The vast majority of homeless are homeless only once or for short periods of time. Often these are poor individuals and families undergoing temporary economic hardship or a catastrophic event. Then there are the long-term homeless. These are persons who have experienced long and/or repeated episodes of homelessness, or are at increased risk for long-term homelessness due to special needs. In addition to poverty, which is the underlying cause for most homelessness, most homeless with long-term needs also face other issues including severe mental illness, chronic substance abuse, or a chronic and recurring illness or disability. These individuals often either become “permanent residents” of the shelter system or shuttle in and out of shelters, drug or alcohol detoxification facilities, hospitals, or the streets.

Depending on the specific definition adopted, estimates on the percentage of the long-term homeless range from 15 percent in Columbus to 30 percent nationally in a report by the federal Interagency Council on Homelessness. After an informal survey of homeless service providers and advocates in December 2001, the working group of the Housing First initiative agreed on an estimate of 25 percent for Cuyahoga County. This means that approximately 4,000 people in Cuyahoga County are homeless with long-term needs. Because the services in Cleveland for homeless families tend to be better coordinated, fewer families are homeless long term. Instead, an estimated 90-95 percent of the homeless with long-term needs are single adults. *The approximate number of single adult long-term homeless men and women is 3,800.* These 3,800 long-term homeless single men and women are the target population of the Housing First initiative.

## **HOMELESS SERVICES IN CUYAHOGA COUNTY**

The U.S. Department of Housing and Urban Development provides much of the funding for local homeless assistance. In order to receive funding from HUD's competitive programs, communities must develop of a "Continuum of Care" system that addresses the critical problem of homelessness through a coordinated community-based process of identifying needs and building a system to address those needs. According to the City/County Office of Homeless Services' (OHS) proposal for funding in 2001, its Continuum of Care funding has helped develop a comprehensive system for homeless services in the Cleveland area, including the following:

- Emergency Shelter: 18 providers, 25 sites, 875 beds
- Transitional Housing: 18 providers, many scattered site, 562 units
- Supportive Services: 30 agencies providing a variety of services to the homeless
  - Case management (28 agencies)
  - Chemical addiction (26 agencies)
  - Domestic Violence Intervention (5 agencies)
  - Mental Health (11 agencies)
  - Employment (23 agencies)
  - Health care (12 agencies)
  - Education (19 agencies)
  - Life skills (26 agencies)
- Permanent Housing: Cuyahoga County has prioritized permanent housing as an important component of its homeless assistance system. Rather than limit its commitment to permanent housing to the 30 percent of Continuum of Care funding required by HUD, Cuyahoga County has consistently dedicated a greater portion to permanent housing. In its 2001 request, over 50 percent of the total funds requested are for projects that increase, or maintain, permanent housing opportunities for homeless persons.

However, even given these existing resources, the OHS also identified gaps in services available to Cuyahoga County's homeless. In its analysis of unmet needs for homeless individuals, it placed highest priority on all types of beds (emergency shelter, transitional housing, and permanent supportive housing) and mental health care services for the seriously mentally ill and dually diagnosed. An important limitation to note with the Continuum of Care funding is that the OHS has to fund ongoing programs and projects in addition to new developments. In fact, the 2001

proposal submitted by OHS included only four new permanent housing projects. The remaining 20 projects involved renewal funding for permanent housing, transitional housing, supportive services only, and a Shelter Plus Care project.

## **EXAMPLES OF PERMANENT SUPPORTIVE HOUSING IN CUYAHOGA COUNTY**

What permanent supportive housing resources are available for Cuyahoga County's 3,800 long-term homeless men and women? Permanent supportive housing by definition integrates affordable housing and supportive services. Traditional programs focus primarily either on affordable housing or on supportive services but typically do not integrate the two components. For example, Cleveland's community development corporations (CDCs) have been extraordinarily successful at producing quality affordable housing for low-income families. However, these CDCs have not identified providing housing for the homeless and special needs populations as a priority and, with a few exceptions, have not developed a capacity to serve this population. Likewise, the agencies dedicated to providing supportive services may require entry into a treatment program to qualify for housing and their services are not targeted to the long-term homeless.

A survey was conducted in February 2002 in an effort to identify local models and the current inventory of permanent service-enriched housing for special needs populations available in Cuyahoga County. Surveys were sent to agencies that provide services and housing for special needs (the County Boards of Mental Health, Mental Retardation /Developmental Disability, and Alcohol Drug Abuse Services), agencies that serve special populations (Veterans Administration Medical Center, Maximum Independent Living, and AIDS Taskforce), and to those community development corporations that have developed single room occupancy (SRO) or service enriched housing (Mt. Pleasant NOW, Famicos and Detroit Shoreway Community Development Organization). Although they represent important resources, the Shelter Plus Care and the Mental Health Housing Assistance Program were not included in the survey because the programs are services linked to tenant-

based Section 8 subsidies instead of project-based housing units. The survey showed that 12 of these agencies surveyed own and manage permanent, service-enriched housing units for special needs populations in Cuyahoga County. These 12 agencies offer housing at over 150 sites throughout the county, with a capacity to house almost 900 people. However, because of the demand from other special needs populations, very few of the units are available for the homeless (only 358 beds), and even fewer (only 50) are contractually restricted to homeless individuals. Survey results are summarized in Appendix B.

Rather than being a definitive count of the existing inventory, the survey results are better interpreted as an environmental scan of programs that offer one or more of the components of what the Housing First initiative understands to be permanent supportive housing for the long-term homeless. These components relate to the permanency of the housing, and the ways in which residents access services. The survey results show that there are very few models of permanent supportive housing in Cuyahoga County, and that they do not begin to meet the significant demand for housing for the long-term homeless.

The majority of the units counted in the survey are targeted to special needs populations that are not homeless. For example, many of the residential support facilities funded by the county's Mental Retardation/Developmental Disabilities Board or Community Mental Health Board serve a wide population of persons suffering from mental retardation or mental illness and are most often targeted to persons being referred from therapeutic residential programs or related directly to the continuum of services within each system. In other words, although the Housing First initiative has not developed a firm definition of permanent supportive housing, it is clear that not all of the existing service-enriched housing will meet a threshold understanding of permanent supportive housing, and the population housed by the existing units are not the long-term homeless.

In conclusion, although the survey indicates an inventory of permanent service-enriched housing for almost 900 people with special needs, very little of this housing is available or appropriate for the target population of long-term homeless adults.

### **UNMET NEED**

The need for additional units of permanent supportive housing in Cuyahoga County is clear. Alternative housing options are needed for the estimated 3,800 single adults who are long-term homeless and/or have long-term needs, such as severe mental illness or chronic substance abuse. Whereas a portion of this target population may need transitional housing and another portion may need an institutional setting, a large number of these 3,800 long-term homeless adults could benefit from permanent supportive housing. After careful research and analysis of the characteristics and needs of the different sub-populations of the long-term homeless, the Housing First initiative should formulate a goal of units of permanent supportive housing to create in order to meet this need.

## **RESOURCES**

### **FINANCING SUPPORTIVE HOUSING**

Because it involves integrating affordable housing and supportive services, the development of permanent supportive housing is a complex undertaking that requires the coordination of multiple funding sources. Funding for supportive housing has three elements: development capital costs, operating subsidies, and supportive services. Funding sources are varied and include the federal, state, and local governments, private lenders, and charitable contributions. Many supportive housing programs carry debt, while others raise enough funds to cover the complete costs of acquisition and rehabilitation up front.

## *Housing First*

	<b>Development Capital</b>	<b>Operating Subsidies</b>	<b>Supportive Services</b>
Description	To fund the capital costs for acquisition, development and rehabilitation of units.	To bridge the gap between the costs of operating the housing and the extremely low incomes of prospective tenants. Usually a direct housing subsidy to the tenant or housing unit.	Both on-site and community-based services, including physical health, mental health, chemical dependency treatment, employment and training, adult education, community building, budgeting, and recreational and leisure activities.
Examples of Funding Sources	<ul style="list-style-type: none"> <li>• Continuum of Care</li> <li>• Low Income Housing Tax Credits</li> <li>• State and local bonds</li> <li>• Ohio Housing Trust Fund</li> <li>• Community Development Block Grant</li> <li>• Local Public Housing Authority</li> <li>• Other local programs</li> <li>• Private lenders</li> <li>• Private contributions</li> </ul>	<ul style="list-style-type: none"> <li>• Continuum of Care</li> <li>• Section 8 subsidies</li> <li>• Supportive Housing Program</li> <li>• Shelter Plus Care</li> <li>• Mental Health HAP</li> <li>• Utility Assistance</li> <li>• Supplemental Security Income</li> <li>• Local Public Housing Authority</li> <li>• Other local programs</li> <li>• Private contributions</li> </ul>	<ul style="list-style-type: none"> <li>• Continuum of Care</li> <li>• Housing Trust Fund</li> <li>• Medicaid Reimbursement</li> <li>• Supportive Housing Program</li> <li>• Mental Health Block Grant</li> <li>• Other service levies</li> <li>• Community Development Block Grant</li> <li>• Other local programs</li> <li>• United Way</li> <li>• Foundations</li> <li>• Private contributions</li> </ul>
Estimated Cost	\$50-100,000/unit	\$8,500/unit/year	\$3-8,000/person/year

Due to the variety of types of permanent supportive housing projects, it is hard to estimate costs. All three cost components will vary depending on the population served, the type of construction or rehab, and the intensity of services provided. For example, the rehab of an SRO for a mixed population may have less development capital costs than new construction of apartments specifically designed for persons with chronic disabilities. Likewise, the annual cost of supportive services will vary depending on the level of intensity of services offered.

As a comparison, The National Alliance to End Homelessness (NAEH) estimates the following costs:

- Initial Capital Development Costs: \$50,000 to \$100,000 per unit
  - New construction: \$100,000 per unit
  - Acquisition and rehabilitation: \$55,000 per unit
  - Acquisition: \$50,000 per unit
- Annual Operating Subsidies: \$8,500 per unit per year
- Annual Support Services: \$3,000 to \$8,000 per person per year, depending on the level of services provided

## **TRENDS IN FUNDING**

Funding from public and private sources for permanent supportive housing is increasingly competitive. Unfortunately, budgets at the federal, state, and local levels are constrained. Although the Bush administration has named ending chronic homelessness as a goal, the proposed budget falls short of the amount needed. Moreover, permanent supportive housing competes with other low-income housing programs for federal tax credit programs, even though the other programs alone are insufficient to provide housing affordable to extremely low-income households. The State of Ohio is in the midst of another fiscal crisis, which puts pressure on the state budget. Moreover, state funding for education has become a priority, leaving all other programs to compete for fewer resources. Lastly, although private philanthropic organizations are a good resource for start-up or short-term funds, their priorities can change and they often will not provide long-term operating support.

One encouraging trend that could influence funding is the recent reactivation of the federal Interagency Council on the Homeless. This council coordinates the efforts of 15 federal agencies that, in addition to the obvious Department of Housing and Urban Development, includes the Departments of Health and Human Services, Agriculture, Commerce, Defense, Education, Energy, Interior, Labor, and Transportation. Also included are the Federal Emergency Management Administration, General Services Administration, Veterans Affairs, Corporation for National and Community Service, Postal Service, and other federal entities that the council deems appropriate. Although the council itself has little funding (Congress has dedicated \$500,000 but Bush has requested doubling the budget to \$1 million in 2003), the involvement of these other federal agencies illustrates the increasing understanding of policy makers that the homeless assistance system alone cannot end homelessness. Rather, a coordinated effort by all of these sectors is needed to redirect current efforts and spending to a permanent supportive housing approach, which, in the long run, is more cost effective.

### **EXISTING RESOURCES**

As described in the table above, there are numerous funding sources that can be tapped to develop and operate permanent supportive housing. In the short term until new sources can be identified, the Housing First initiative can earmark funding from existing resources for new permanent supportive housing projects. For example, the proposed budget for the City of Cleveland includes an earmarked allocation of \$1 million from existing HOME funds to assist in the development of additional supportive housing resources in Cleveland. This allocation will be available to eligible projects for development capital costs only. On the supportive service side, existing service providers may need to move to an outcome-based system of funding in which housing stability becomes the measure of success for shelter, housing, and service providers who assist poor people.

Although some of the costs may be met by redirecting existing efforts and resources, this will not meet all the costs. Experiences from other programs show a variety of ways that new resources have been generated for supportive housing. For example, some locations have established a dedicated local revenue source for broad-based affordable housing activities, while others have generated new funding for specific projects through tax levies, bond issues, and national and local foundations.

## **PLANNING TO ACT: NEXT STEPS**

### **DEVELOP ACHIEVABLE GOALS**

This report is the first step of the Housing First initiative as it works toward the goal of broad based community investment to increase the number of permanent supportive housing units for long-term homeless adults with long-term needs. Prepared for the members of the initiative and drawing on their considerable expertise, this report helps to make the case for permanent supportive housing in Cuyahoga County.

The members of the Housing First initiative working group plan to identify achievable five-year production goals and a strategy to attain those goals. Over the next three to four months, more information will be gathered to:

- Refine the numbers to get a clearer picture of the target population; i.e., the 3,800 long-term homeless men and women in Cuyahoga County. How many are men? How many are women? What are their special needs? How many have the potential to be successful in permanent supportive housing?
- Develop the appropriate combination of services and housing that can help each sub-group overcome the barriers to permanent housing.
- Identify the specific federal, state, and local resources and financing that will be available or that can be redirected.
- Assess the capacity of existing social service and housing programs and organizations to work together to address the need. Organizations that need to be at the table include not just the homeless assistance providers, but the mainstream state and local agencies and organizations whose clients are homeless. How can their capacity be enhanced and services be better coordinated? What technical assistance is needed?

The Housing First initiative is committed to a multi-faceted strategy including:

### **PLAN TO END HOMELESSNESS**

The most important next step is for Cuyahoga County to develop a plan to end homelessness. This requires, first and foremost, generating the political will. It also requires a paradigm shift from crisis intervention and treatment to permanent supportive housing. Other cities across the country and the federal government are making this shift to the Housing First model. We need to join them.

### **BE ACCOUNTABLE**

Cuyahoga County needs better data and a better system to collect data on the homeless. A user-friendly Management Information System (MIS) is an important component of any plan to end homelessness. It is needed to better inform planning, measure effectiveness of programs, and attract additional funding. Better information is needed on who is homeless, why they are homeless, how they use the systems (both homeless and mainstream services), and which programs are effective at

ending their homelessness. Fortunately, Cuyahoga County is scheduled to implement a client homeless tracking system in Summer 2002. Each agency that is involved with the Continuum of Care will have the new software and will be connected to a central server. This will enable the County to aggregate information about who is using the Continuum of Care, their characteristics, why they are homeless, and what their needs are. The information will be used to inform the current and future delivery of services to this population. Similar information should be collected from other service providers as well.

### **FOCUS ON OUTCOMES**

As noted above, housing stability should be a measure of success of any program that assists poor people, not just homeless assistance programs. The county's Continuum of Care MIS will be useful in assessing and reporting on the successes of the homeless assistance programs. In addition, the county has been implementing an Outcome Management Framework reporting system with all agencies receiving public funds for homeless services. Client success is measured by meeting three basic HUD objectives of stable housing, improved skills and increased income, and greater self-determination. The primary focus of the homeless continuum is to assist clients in becoming housed and maintaining their housing. But it is not just the homeless service providers that should be measured by outcomes like providing stable housing. Other social service providers and public systems should also work toward housing stability.

### **ADVOCATE**

At the same time that we are working to provide a way out of homelessness for those already in the system, we also need to be working to prevent people from becoming homeless. One way to do this is to advocate around big picture issues of poverty and affordable housing, including more affordable housing, a "housing wage," and a more comprehensive service delivery system.

## APPENDIX A

### Methodology of Estimating Number of Homeless in Cuyahoga County

In a 2000 report on *Estimating the Number of Homeless Persons in Cuyahoga County* by TRANS.FORM, the Homelessness Research Group recommends applying national prevalence statistics to local population figures. The national studies cited take into account the particular difficulties of counting people experiencing homelessness, as well as factoring into its projections the “hidden homeless,” those who do not use the public or private shelter system but instead reside in vehicles or “double up” with relatives or acquaintances.

The report uses two estimates to project the prevalence of homelessness. One estimate uses the percentage of the *total* population that is homeless at some time in a given year, which ranges from 0.9 percent during a low service-utilization month to 1.3 percent in a high service-utilization month. Applying these prevalence statistics to Cuyahoga County shows from 12,546 to 18,122 homeless people per year (midpoint=15,334).

#### Equation 1.1

1,393,978	X	0.9%-1.3%	=	12,546-18,122	(15,334)
Cuyahoga County Population (2000 Census)	X	Estimated percent of population that is homeless at some time in a given year (seasonal range)	=	Number of homeless per year in Cuyahoga County	Midpoint

The second estimate uses the percent of the population *in poverty* that is homeless at some time in a given year, which ranges from 6.3 percent to 9.6 percent, based on seasonal variation of service utilization. Applying these percentages to the number of persons in poverty in Cuyahoga County shows from 12,473 to 19,007 homeless people per year (midpoint=15,740). Although similar to the first estimate, this higher number is likely more accurate since it takes into account the higher-than-average poverty rate in Cuyahoga County.

#### Equation 1.2

197,985	X	6.3%-9.6%	=	12,473-19,007	(15,740)
Cuyahoga County Population with income below poverty level (Census 2000)	X	Estimated percent of population in poverty that is homeless at some time in a given year (seasonal range)	=	Number of homeless per year in Cuyahoga County	Midpoint

The TRANS.FORM report does point out one issue with applying these national statistics to Cuyahoga County. It says that, while characteristic of the nation as a whole, these statistics might under-represent the concentration of homelessness in predominantly urban areas like Cuyahoga County. Therefore, for the purposes of this report, we may want to estimate a bit higher than the midpoint, at *16,000 homeless people per year in Cuyahoga County*.

**APPENDIX B**

**Survey of Permanent Service-Enriched Housing Units  
for Special Needs Populations in Cuyahoga County**

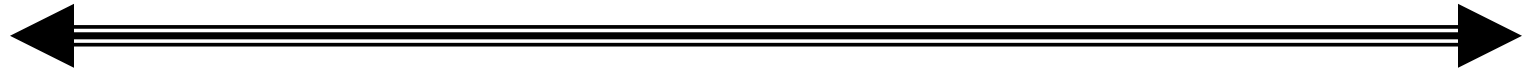
<b>Agency/Project Sponsor</b>	<b># Sites</b>	<b>Capacity (# of beds)</b>	<b># Beds Available Specifically for Homeless*</b>
County Board of MR/DD	64	215	0
EDEN, Inc.	65	110	110
Bridgeway, Inc.	13	114	114
Maximum Independent Living	2	106	0
Spectrum of Supportive Services	7	103	0
AIDS Taskforce	4	84	84
Detroit Shoreway CDO	1	64	0
Famicos Foundation	1	34	32
Northcoast Behavioral Healthcare	5	32	0
Mt. Pleasant NOW	1	18	18
Northeast Ohio Health Services	1	12	0
Jewish Family Service Association	1	4	0
<b>12 Agencies</b>	<b>165 Sites</b>	<b>896 Beds</b>	<b>358 Beds*</b>

Permanent, service-enriched housing is defined as housing units owned and managed by the agency for populations with special needs. This means the following types of housing are *not included* in the survey:

- Shelter Plus Care and the Mental Health Housing Assistance Program are not included because the programs are services linked to *tenant-based* Section 8 subsidies instead of project-based housing units.
- Housing units that are *leased* by an agency on behalf of a client are not included because they are not housing units owned by the agency specifically for special needs populations.
- *Transitional* housing is not included because it is not permanent.

\*This survey indicates that 358 beds are available for the homeless, but due to other eligible people on waiting lists for these units, in reality far fewer units are available for the long-term homeless. In fact, only the units provided by Famicos Foundation and Mt. Pleasant NOW are contractually restricted by funding requirements to house the formerly homeless.

**Continuum of Supportive Services**



**Description of Services Provided:**

Social Service Staff available as needed, not scheduled regularly on site	Case Manager visits only on an as-needed basis	Case Manager visits clients on a regularly scheduled basis	Resident Manager on site during awake hours only	Social Service Staff on site during awake hours only	Resident Manager on site 24/7	Social Service or Social Support Staff on site 24/7
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**Intensity of Services:**

-----Low-----	-----Moderate-----	-----High-----
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**Location of Services:**

-----Off-Site-----	-----On-Site-----
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**Examples of Programs:**

EDEN	CCBMR/DD EDEN Bridgeway	AIDS Taskforce Spectrum Bridgeway	AIDS Taskforce MIL	AIDS Taskforce Detroit Shoreway Famicos Mt. Pleasant	AIDS Taskforce Detroit Shoreway Famicos Mt. Pleasant	AIDS Taskforce CCBMR/DD Bridgeway EDEN/Northcoast Behavioral EDEN/Jewish Family Services EDEN/NEOhio Health
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