

Supportive Housing

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Supportive housing is a combination of housing and services intended as a cost-effective way to help people live more stable, productive lives. Supportive housing is widely believed to work well for those who face the most complex challenges--individuals and families confronted with homelessness and who also have very low incomes and/or serious, persistent issues that may include substance abuse, addiction or alcoholism, mental illness, HIV/AIDS, or other serious challenges to a successful life. Supportive Housing can be coupled with such social services as job training, life skills training, alcohol and drug abuse programs and case management to populations in need of assistance, including the developmentally disabled, those suffering from dementia, including Alzheimer's disease and elderly people who are medically frail. Supportive housing is intended to be a pragmatic solution that helps people recover and succeed while reducing the overall cost of care.

As a widely supported means to address homelessness, supportive housing seeks to address two key problems:

Without housing, there is at best a highly problematic basis from which to mitigate the factors which lead to homelessness and expensive problems which burden social service systems.

Without supportive services, the tenant is likely to regress for the reasons that lead to their loss of housing in the first place.

Supportive housing encompasses a range of approaches including single sites (housing developments or apartment buildings in which units are designated as supportive housing) or scattered site programs in which participants often use rent subsidies to obtain housing from private landlord and supportive services may be provided through home visits. Services in supportive housing are flexible and primarily focused on the outcome of housing stability.

From 2002 to 2007, an estimated 65,000 to 72,000 units of supportive housing were created in the United States. This represents about half the supply of supported housing units. Of the new units added, about half were targeted towards chronically homeless individuals, and one-fifth were for homeless families.

Populations Served

Sponsors of supportive housing projects generally aim to serve a specific population; the characteristics of those served and the housing program range widely:

Adolescents (including those in foster care or aging-out of foster care)

Elderly (those unable or unwilling to live independently)

Single-parent households

Nuclear Families

Suffering from Mentally Illness such as depression, schizophreniform disorders, or frank dementia

Sick (including HIV/AIDS, alcoholics, addicts, or other chronically ill)
Developmentally Disabled
Foster Homes
Maternity Homes
People maturing out of Transitional Housing (recovery homes & halfway houses)

Benefits

Supportive Housing proposes to be a comprehensive solution to a problem rather than a band-aid fix (such as a shelter.) While many of those who stay in the shelter system remain in or return to the system for extended periods of time, a much higher percentage of those who are placed in supportive housing remain housed on a more permanent basis. This idea is also referred to as the Housing First model, an approach to combating chronic homelessness by providing homes upfront and offering help for illnesses and addictions. The concept turns the traditional model, which typically requires sobriety before a person can get housing, upside down.

Research has shown that coupling permanent housing with supportive services is highly effective at maintaining housing stability, as well as helps improve health outcomes and decreases the use of publicly-funded institutions. In the Collaborative Initiative to Help End Chronic Homelessness (CICH), participants who had been homeless for an average of eight years were immediately placed into permanent housing. The CICH evaluation reported that 95% of those individuals were in independent housing after 12 months. A study of homeless people in New York City with serious mental illness found that providing supportive housing to the individuals directly resulted in a 60% decrease in emergency shelter use for clients, as well as decreases in the use of public medical and mental health services and city jails and state prisons. Another study in Seattle in 2009 found that moving chronic inebriates into supportive housing resulted in a 33% decline in alcohol use for clients.

There is significant support for the contention that supportive housing also costs less than other systems where its tenant base may reside, such as jails, hospitals, mental health facilities, and even shelters. Research on the overall costs to the taxpayer of supportive housing has consistently found the costs to the taxpayer to be about the same or lower than the alternative of a chronically homeless person sleeping in a shelter. The CICH evaluation showed that average costs for healthcare and treatment were reduced by about half, which the largest decline associated with inpatient hospital care. The use of supportive housing has been shown to be cost-effective, resulting in reductions in the use of shelter, ambulance, police/jail, health care, emergency room, behavior health, and other service costs. The Denver Housing First Collaborative documented that the annual cost of supportive housing for a chronically homeless individual was \$13,400. However, the per-person reduction in public services recorded by the Denver Housing First Collaborative came to \$15,773 per person per year, more than compensating for the annual supportive housing

costs.

When paired with low-income housing, government subsidies (such as section 8) and other revenue generating operations, supportive housing residences are claimed by their supporters to be capable of supporting themselves and even turning a profit. According to a 2007 study done by the National Alliance to End Homelessness, supportive housing helps tenants increase their incomes, work more, get arrested less, make more progress toward recovery, and become more active and productive members of their communities.

Supportive Housing -- impact on neighborhoods

Supportive housing can help people facing health challenges to continue to live in the community, but proposals for new housing projects often faced local opposition, largely based on fears regarding adverse effects on property values and crime rates, local businesses, and the quality of life in the surrounding neighborhood. A 2008 study in Toronto, Canada reported:

There is no evidence linking Supportive housing to property values and crime rates

Supportive housing tenants contribute to local businesses

Neighbors do not think the supportive housing buildings have a negative impact

Positive contributions of supportive housing tenants to the community

Limitations, Impediments & Challenges Affecting the Development of Supportive Housing

Financial Feasibility

Prevailing rental rates and prices for housing in many US real estate markets complicate efforts to acquire and adapt existing buildings and building sites for use as supportive housing. The combination of circumstances confronting supportive housing proposals and their advocates can produce the belief that most such housing proposals are unfeasible.

Some projects fail to materialize because of a real or perceived lack of government program funds, charitable grants, bank loans or a combination of such funding to pay for the cost of creating and operating financially viable supportive housing.

Enterprise Community Partners is one of many nonprofit organizations that finances supportive housing through tax credits, grants and loans. They pioneered the financing of supportive housing through the low-income housing tax credit in 1991, overturning the conventional wisdom that investors would not embrace these projects.

Government Policies & Plans

Where traditional solutions--institutions, charitable organizations or other methods--are recognized as inadequate solutions for the situation, national, regional and local officials have come to believe that homelessness is a problem that can and should be solved by other means. In some areas, this produced a movement to find alternative solutions rather than continuing to fund the traditional solutions, including shelter system, jails, asylums and hospitals.

In the U.S., hundreds of city governments have produced "10-year plans" that provide for supportive housing to end chronic homelessness because the Bush administration began pushing for creation of the plans in 2003. The goal: put the most dysfunctional homeless people into permanent "supportive" housing with counseling services that help them get healthy. The evidence shows supportive housing may be a viable solution: the number of street people in cities across the United States has plummeted for the first time since the 1980s. In 2005-2006, Miami, Florida reported a 20% decline in homeless populations and dozens of other U.S. cities reported similar census results: San Francisco, CA (30%), Portland, OR (20%), Dallas, TX (28%), New York, NY (13%).

Guided by research, Congress has taken several steps to encourage the development of permanent supportive housing. Beginning in the late 1990s, appropriations bills have increased funding for HUD's homeless assistance programs and targeted at least 30 percent of funding to permanent supportive housing. Congress has also provided funding to ensure that permanent supportive housing funded by one of HUD's programs (Shelter Plus Care) would be renewed non-competitively, helping to ensure that chronically homeless people could remain in their housing. The 2009 legislative mandate from the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act created bipartisan political support to adopt a collaborative approach to end homelessness. From this effort spawned the United States Interagency Council on Homelessness's Opening Doors Strategic Plan to Prevent and End Homelessness in 2010. With a focus on permanent supportive housing as a means of ending chronic homelessness, the plan outlines an interagency effort aligning mainstream housing, health, education, and human services.

Imperfect Markets

Seller's Markets: where demand exceeds the supply of permanent supportive housing, many housing providers can be selective when admitting tenants. While this can lead to an improved quality of life and a relatively high success rate for the most fortunate applicants, the unsuccessful homeless remain in unsatisfactory situations. To some extent, this problem is being addressed by "first step" programs aimed at preparing people for residency in permanent housing.

Lack of Expertise in Development & Operations

One impediment to the development of additional housing stock where it is otherwise needed,

permissible and feasible is the lack of real estate acquisition, development & financing expertise in the government agencies and non-profit (non-governmental) organizations interested in serving those who need and want supportive housing.

Economic Impact on Society

Studies cited by supporters conclude that supportive housing is a cost-effective solution for the problems of several populations; it is substantially less costly than most alternatives used to address the problems of homeless and disabled people, including shelters, institutions and hospitals. Supportive Housing often reduces the cost of emergency services for health care provided by governmental and non-profit agencies. The "chronically homeless", the 10-20% who are continually on the street with addiction and mental problems impose heavy costs on their communities in hospital, jail and other services--hundreds of thousands of dollars apiece annually in some instances.

For example, the average daily cost to house a person in various institutional settings in New York City (2004)

Supportive Housing \$41.85

Shelter \$54.42

Prison \$74.00

Jail \$164.57

Psychiatric Hospital \$467

Hospital \$1185

Per a study published in JAMA in 2009, a supportive housing development called 1811 Eastlake saved taxpayers \$4 million dollars in the first year of operation alone, because these residents are now off the streets and out of emergency rooms and in a safe, steady and supportive living environment. The 1811 Eastlake study compared 95 Housing First participants, with 39 wait-list control members and found cost reductions of over 50 percent for the Housing First group. While it is not the first published evidence of the service use reductions and cost savings that permanent supportive housing interventions can provide, it is worth highlighting because the level of the cost savings - almost \$30,000 per person per year after accounting for housing program costs - are greater than some seminal studies that have shown more modest cost offsets through permanent supportive housing. 1811 Eastlake provided assistance to homeless people with extensive health issues and still saw a savings of nearly \$30,000 per tenant per year in publicly-funded services, all while achieving improved housing and health outcomes.

In Oregon, Portland's Community Engagement Program provides housing and intensive services to homeless individuals with mental illness and addictions. The program reduced the cost of health

care and incarcerations from \$42,075 to \$17,199. The investment in services and housing during the first year of enrollment was averaged to approximately \$9,870. This represents a 35.7% (\$15,006 per person) annual cost saving for the first year following enrollment in CEP.

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