

SLIDE: The counterintuitive truth about homelessness is that the solution costs far less than the problem.

SLIDE: It can cost as little as \$19.00 dollars a shelter night for an individual where the cost of rent for the same person at Fair Market Rent (FMR) would be \$26.00.

If it costs \$19 a night for shelter and a minimum of \$26.00 for

rental assistance at Fair Market Rent (FMR) then.

Shelter per person is cheaper.

Providing housing to the homeless does cost more.

In most cases overnight emergency shelter has the lowest cost per day (it provides the fewest services and is often limited hours)

Even keeping in mind that the cost almost doubles for families, it can seem that placing homeless people in shelters is the most inexpensive way to meet the basic needs of people experiencing homelessness; believing that shelters are an ideal solution.

LEAD-IN

But the experience of homelessness is complex and the people who are homeless have

a wide variety of needs and the associated costs differ depending on the pattern of homelessness and family or individual status.

The cost of homelessness can be quite high because we must factor in the all the associated costs.

SLIDE: THE ECONOMICS OF HOMELESSNESS

AVERAGE MONTHLY COST OF HOUSING SOMEONE WHILE HOMELESS



SHELTER BED
\$570



JAIL
\$1,350



HOSPITAL BED
\$10,700



RENTAL
ASSISTANCE
\$782

Hospitalization, medical treatment, incarceration, police intervention, and emergency shelter expenses can add up quickly, making homelessness more expensive for municipalities and taxpayers.

So what are some of those costs:

SLIDE: COSTS OF

HOMELESSNESS - MEDICAL

- Ambulance Transports
- Emergency Room
- Hospital/Overnight
- Outpatient Medical
- Prescription Drug Costs

In November 2014 a survey was done to determine who was most vulnerable of dying on the street. 119 chronically homeless were surveyed.

17 had 3 or more ER visits in a 3

month period. 122 total visits were reported. That is an annual cost of \$244,000 using the low estimate of \$500 per visit.

In addition, there were 71 inpatient visits. Estimating \$1,462/day the annual cost would \$103,802.

The New England Journal of Medicine research found that homeless people spent an average of four days longer per

hospital visit than comparable non-homeless people so that \$103,802 jumps to \$415,208 annually.

SLIDE: COSTS OF HOMELESSNESS - MENTAL HEALTH

- Outpatient Mental Health
- Detox/Substance Abuse Treatment
- Inpatient Medical or Psychiatric
- Medicaid reimbursements

Rate of psychiatric care is typically 10x higher in homeless than non-homeless. This is costly and a significant drain on an already very scarce resource.

SLIDE: COSTS OF HOMELESSNESS - PRISON and JAILS

- Contact on the Street
- Citation/Arrest
- Incarceration

*Crime/Court Costs - Booking
Costs/Productivity loss from Crime*

Victims

In that same local survey - 73% spent at least one night in Jail. While the cost per night is average \$45.00, the Texas Criminal Justice Coalition estimates the cost to incarcerate pre-trial for a misdemeanor is \$9,499. So those 86 persons @ \$9,499 = \$816,914 a year.

SLIDE: COSTS OF HOMELESSNESS - INTANGIBLES

- Negative Impacts -

- Impacts to
Business/Consumer Buying

Then there are other intangibles like the impact to business and consumer buying in areas.

SLIDE: COSTS OF HOMELESSNESS - HOUSING

- Emergency Sheltering Costs
- Supportive Housing Costs
 - Short-Term and Permanent
- Program Costs (Housing and

Staff)

- Supportive Services

LEAD-IN

There is a proven way to reduce these costs. Housing. We can look at the three different groups and how housing can reduce costs.

SLIDE: CHRONICALLY HOMELESS

The chronically homeless have the

highest cost to the system.

Exhaustive scholarly research in communities across the country has found that permanent supportive housing costs taxpayers significantly less than leaving people on the streets due to the fact that chronically homeless people cycle in and out of expensive, taxpayer funded emergency services discussed earlier during their homelessness.

This service use drops dramatically when people are in housing.

In a study conducted by the Center for Outcomes Research & Education (CORE), they explored the link between affordable housing and health care through the lens of several national health reform metrics: better connection to primary care, fewer emergency department (ED) visits, improved access to and quality of care, and

lower costs.

Here are 2 of the 4 Key Findings I want to highlight:

- Simply, costs to health care systems were lower after people moved into affordable housing.
- Primary care visits went up after move-in; emergency care visits went down.

20% increase in primary care (less costly care and more likely to keep someone stable)

18% reduction in Emergency Care

The Emergency Care cost savings are most significant but so are reductions in other areas.

Study after study bears this out .

Rhode Island, San Francisco, Maine

- Massachusetts 42% reduction in costs.
- Oklahoma more than 50% reduction in both health care costs and Jail Costs.
- A Study in Denver found an

almost 73% reduction in ER
Costs alone.

- Maine found emergency detox services down 85% and incarceration rates down 50%.

In most cases, housing costs did increase but overall costs savings were often as much as 40 percent overall.

**SLIDE: NEW and FIRST TIME -
HOMELESS**

RRH costs less than other interventions. Housing is provided through rental assistance for a short period of time.

Compared to other solutions, Transitional Housing costs around \$35,557 per year vs. Rapid Re-housing \$6,578.

The other benefit is that there is tremendous cost saving from overall lower housing costs and more importantly, there

is additional savings from preventing them from becoming chronic and becoming more costly.

Another study of costs indicates that the cost of an emergency shelter bed funded by HUD's Emergency Shelter Grants program is approximately \$8,067 more than the average annual cost of a federal housing subsidy (Housing Choice Voucher Program).

SLIDE: PERSONS AT RISK OF HOMELESSNESS

Preventing people from becoming homeless is the most cost effective solution.

We don't really need another study to know most people become homeless when they can't pay their rent. There is a strong link between affordable housing and homelessness. Several studies looking at the rate of homelessness across metropolitan areas found as

the rate of affordable or available housing decreases the total number of homeless persons increases. (**Source Studies**).

Affordable housing is determined by the number of housing units priced so that a household with one full-time worker earning the minimum wage can afford the local fair-market rent for a two bedroom apartment. Typically this means that rents are no more than 30 percent of a household's total income.

A person/family paying more than 30 percent is considered cost burdened. As the cost burden increases then the more they are at risk of homelessness. One crisis - loss of job, health emergency, away puts them in the position of becoming homeless now that we are seeing people paying 50% or even 75%

What do housing costs look like for Denton County.

National Low Income Housing Coalition publishes a rental housing cost tool. We can look at how Denton County compares to Texas and the affordability of Denton County.

SLIDE: Out of Reach Texas 2016

Minimum wage. At 7.25/hr a person would have to work 78 hours a week.

And take a look at Fair Market Rent and consider where in Denton

County you could find an apartment at or below Fair Market Rent

SLIDE: Out of Reach Texas 2016

SYSTEMS VIEW:

Now we will continue the conversation about how to support the implementation of system-wide programs and policies (in Denton County) that help the homeless and those at risk of homelessness obtain sustainable housing and secure supportive

services that provide long-term (permanent) housing stability in ways that are cost effective and an efficient use of resources.

FINAL SLIDE: HOW CAN ENDING HOMELESSNESS TRANSFORMS COMMUNITIES AND REDUCES TAXPAYER COSTS

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