

Supportive Housing Study Finds Cost Savings, Health Improvements

Florida nonprofit reports a 30% drop in overall expenditures after residents enter housing.

Leaders at Ability Housing always believed in the power of their developments to transform lives as well save taxpayers money. Now, they have evidence to show just what a difference permanent supportive housing (PSH) can make.

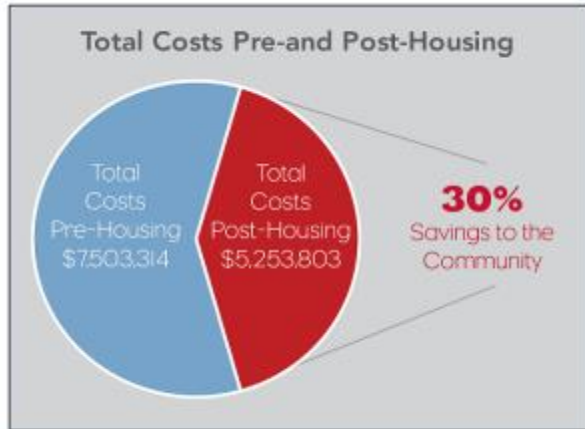


A study of residents at Ability Housing's 43-unit Village on Wiley development and scattered-site units in Jacksonville, Fla., found a dramatic improvement in residents' health and a drop in costs after residents entered permanent supportive housing.

The Jacksonville, Fla.–based nonprofit recently released findings from The Solution That Saves, one of three state pilots to provide data on the effectiveness of PSH, affordable housing linked with supportive services, on high utilizers of crisis services such as emergency rooms, jails, and shelters.

Overall, the study authored by Health-Tech Consultants found a notable 30% savings in costs across all the systems for participants. In other words, it's more cost effective for a community when people are in housing than on the street.

The analysis involved 92 individuals, focusing on 68 residents who remained enrolled in the study for a minimum of two years. The participants lived at Ability Housing's 43-unit Village on Wiley development as well as 49 of the organization's scattered-site units in Duval County. Participants ranged in age from 20 to 64 at the time they entered the project, and nearly all had at least one disability and had been homeless.

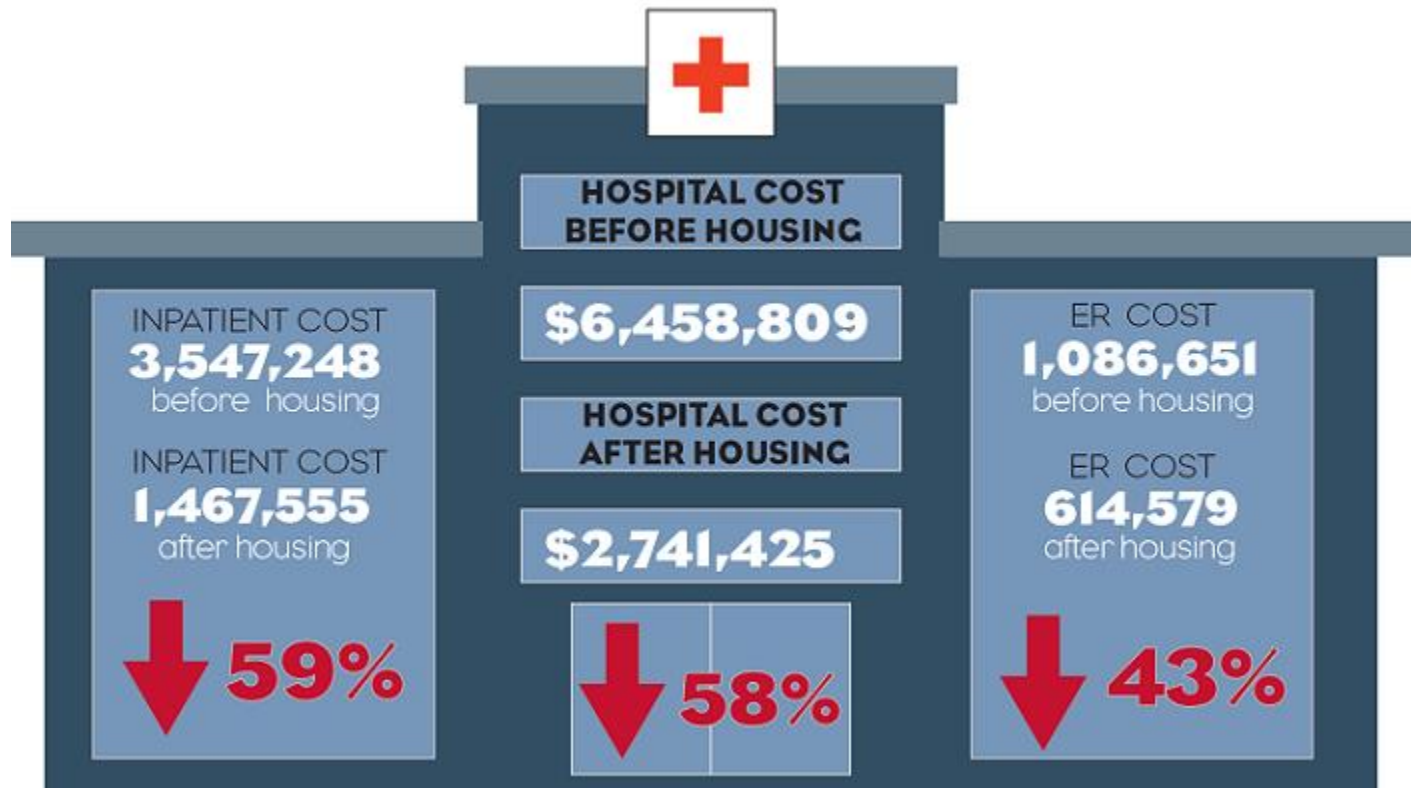


To gauge the effectiveness of PSH, researchers evaluated residents two years prior to moving into their homes and during the first two years of housing.

Specifically, the study found:

- A **58% decrease in overall hospital costs** (\$6,458,809 over the two years prior to housing; \$2,741,425 over two years since housing)
- A **59% decrease in costs for inpatient services** (\$3,547,248 over the two years prior to housing; \$1,467,555 over the two years since housing)
- A **43% decrease in emergency room costs** (\$1,086,651 over the two years prior to housing; \$614,579 over the two years since housing)
- A **65% reduction in costs associated with arrests and jail bookings** through the Jacksonville Sheriff's Office (84 arrests over two years prior to housing at a cost of \$74,256; 29 arrests in over two years since housing at a cost of \$25,636)
- A **72% reduction in jail costs** (2,053 days over two years prior to housing at a cost of \$123,447; 570 days over two years since housing at a cost of \$34,274)

In addition, residents had a dramatic improvement in health and quality of life. After two years in housing, participants reported a 30.9% decrease in suicidality, a 20% decrease in agoraphobia, and a 19.9% decrease in drug abuse or dependence.



There was also a 56% jump in the number of residents with health insurance as well as a 66% rise in the average monthly income of residents, says Shannon Nazworth, president and CEO of Ability Housing.

“Even if we didn’t save any money, we’re using it much better for much better outcomes,” she says.

Other studies have found similar results in other states, but this is the first deep look at PSH in Florida, opening up the conversation around health and housing in the region.

“I think what it will change for us, and it already has started, is really engaging with other sectors, engaging with the health-care sector, both hospitals and insurance companies, really helping them to understand why they need to be advocates for affordable housing,” says Nazworth, who has led Ability Housing since 2003. “When you’re trying to do systems change and affect people with very desperate situations, you need cross-sector solutions. This is a criminal justice issue. This is a health-care issue. This is an education issue, an economic development issue. We’re able to show all those sectors real data that’s vetted by the state and to say these are real numbers and this is why this matters to you.”

Her organization has 298 affordable housing units in operation in Jacksonville and recently started construction on an 80-unit development in Duval County. It also has two projects under construction in Orange County, where it will soon have 250 units, and it is planning to start construction on a 70-unit project in Osceola County next year. In addition, Ability Housing has a federal Continuum of Care grant to provide rental assistance to more than 100 families.



down
65%

Arrests and bookings two-years prior to housing totaled **\$74,256** (84 arrests). After housing, the cost fell to **\$25,636** (29 arrests), a reduction of **65%**.



down
72%

Days spent in jail two- years prior to housing totaled **\$123,447** (2,053 days). After housing the cost of fell to **\$34,274** (570 days), a reduction of **72%**.

Total savings for
arrests, bookings and jail time

\$137,792

Nazworth credits Florida Housing Finance Corp. for The Solution That Saves pilot. The agency competitively selected three sites to develop and operate PSH properties to serve individuals with the greatest need in each community. In addition to Duval County, the pilot sites are in Miami-Dade and Pinellas counties.

Completed in 2015, the approximately \$7 million Village on Wiley was financed by Florida Housing, which awarded a special appropriation of state affordable housing trust funds to Nazworth’s organization to develop the property and conduct an analysis to determine the impact of PSH on high utilizers of crisis services.

“This study is showing how stable housing and good health care can make real differences in Floridians’ lives, while lowering overall public costs—saving taxpayers’ valuable money—at the same time,” says Trey Price, Florida Housing executive director. “We applaud Ability Housing for leading this study to ensure policy makers at all levels can support evidence-based practices that produce the best outcomes for all of Florida’s residents.”