

COUNTY OF MILWAUKEE
Behavioral Health Division Administration
INTER-OFFICE COMMUNICATION

DATE: September 8, 2015

TO: Theodore Lipscomb, Chairman, Milwaukee County Board of Supervisors

FROM: Héctor Colón, Director, Department of Health and Human Services
Prepared by James Mathy, Administrator, Housing Division

SUBJECT: **An Informational Report from the Director, Department of Health and Human Services, Regarding Milwaukee County’s Plan to End Chronic Homelessness**

Background

Milwaukee County has made substantial progress in the development of permanent supportive housing since 2008. Over 500 units of housing have been created for those who have a disability and have either been homeless or at risk of homelessness. Even with this progress, however, homelessness remains a significant problem in Milwaukee, particularly among people with mental illness and/or co-occurring substance use disorders. The need for recovery-oriented housing resources for people with mental illness was identified in the Milwaukee County Mental Health Redesign process as described in SMART Goal Number 13: “Improve access to, and retention in, recovery-oriented supportive housing for persons with mental illness who are homeless or inadequately/unsafely housed.”

Data available through the Milwaukee “Point in Time” survey provides information on the scope of the homelessness problem locally. The Point in Time survey was conducted on January 29, 2014 to count the number of individuals that were homeless on that particular day. The results identified 115 unsheltered persons and 1,086 sheltered persons (emergency shelter, transitional housing, or Safe Haven). The table below provides additional self-reported information about those individuals.

Self-Reported Information	Unsheltered (n=115)	Sheltered (n=1,086)
Chronically Homeless	55	140
Mental Health Issue	29	276
Substance Abuse Issue	34	169
Developmental Disability	11	20
Physical Disability	29	43
Veteran	10	59
Domestic Violence Survivor	7	126
Males	89	628
Females	26	451

There is a general consensus that the number of homeless individuals is greater than these counts show. The Point in Time is a snapshot of a specific day and is used to determine HUD funding. This initiative

proposes to serve 300 as most providers would agree that we are not reaching every chronically homeless individual that is living on the street.

The data shows there is a wide range of individuals who become homeless and therefore a wide range of housing and service options need to be available. It is the Division's strong belief that an overall investment in housing units and services for this population would save money in other areas of our service system. As an example, when looking at the unsheltered numbers, 62 of the 115 individuals had been seen in an emergency room in the past twelve months and 5 individuals had 10 or more visits per self-report.

Housing First

This initiative focuses on a dramatic expansion of the Housing First concept. Housing First is based on the concept that a homeless individual or household's first and primary need is to obtain stable housing. Other issues that affect the household are addressed once housing is obtained. National data shows this model provides very successful outcomes and dramatically reduces public service costs. Examples of this include:

➤ *New York City*

New York was one of the first communities to adopt the Housing First strategy. In a 1993-1997 a study was conducted to report outcomes on the Housing First program operated by Pathways to Housing. After five years, 88 percent of the program's tenants remained housed, whereas only 47 percent of the residents in the city's residential treatment system remained housed. When the analysis controlled for the effects of client characteristics, it showed that the supported housing program achieved better housing tenure than did the comparison group.

In a related study of 4,679 people placed in such housing in New York City between 1989 and 1997, results revealed that persons placed in supportive housing experienced marked reductions as compared to a control group in shelter use, hospitalizations, length of stay per hospitalization, and time incarcerated. **Before placement, homeless people with severe mental illness used about \$40,449 per person per year in services (1999 dollars). Placement was associated with a reduction in services use of \$16,282 per housing unit per year. Annual unit costs are estimated at \$17,277, for a net cost of \$995 per unit per year over the first two years.**

More recent data from New York outlines the cost of public services compared to Housing First:

2012 date for municipal costs per capita, per night:

Hospital ER; \$1,200.00

State Psychiatric hospital: \$718.00

NYC Jail: \$232.00

NYC Shelter: \$77.00

Housing First apartment: \$57.00

➤ *Denver, Colorado*

The Colorado Coalition for the Homeless created the Denver Housing First Collaborative (DHFC) in 2003 to provide comprehensive housing and supportive services to chronically homeless individuals with disabilities. The program uses a housing first strategy combined with case management services, providing integrated health, mental health, substance treatment and support services. The goals of the DHFC are to increase the residential stability and overall health status of chronically homeless individuals while reducing the utilization and costs of emergency services being provided to chronically homeless persons with taxpayer funds.

A Cost Benefit Analysis of the DHFC found an overall reduction in emergency services utilization and costs for a sample of participants of the DHFC in the 24 months of participation in the program compared with the 24 months prior to entry in the program. Emergency room visits were reduced by an average of 34 percent. Inpatient visits were reduced by 40 percent, while inpatient nights were reduced by 80 percent. Detox visits were dramatically reduced by 82 percent. Incarceration days were reduced by 76 percent, and emergency shelter use was reduced by 100 percent. Only outpatient health utilization increased, as participants were directed to more appropriate and cost effective services by the program. **The overall decreases in utilization of emergency services resulted in a 73 percent decline in total emergency related costs for the sample group, averaging savings of \$31,545 per participant. If these average costs savings are projected each of the 513 chronically homeless persons estimated in Denver who are eligible for the DHFC program, the savings would amount to \$16.1 million.**

In addition to saving taxpayers money, the local and national evaluations of the DHFC program document overall improvement in the health status and residential stability of program participants. For these persons, who averaged nearly eight years of homelessness each prior to entering the program, 77 percent of those entering the program continue to be housed in the program. More than 80 percent have maintained their housing for six months. Fifty percent of participants have documented improvements in their health status, 43 percent have improved mental health status, 15 percent have decreased their substance use, and 64 percent have improved their overall quality of life. In addition, the majority of participants have been assisted to obtain the public benefits for which they are eligible, or to obtain employment. The average monthly income of participants increased from \$185 at entry to \$431.

Milwaukee County's Plan to End Chronic Homelessness

Analyzing outcome data of existing programs as well as additional best practice models, a general plan has been created by the Housing Division that would produce the best results for individuals that are chronically homeless in Milwaukee County. This plan recommends better utilizing existing rental subsidies and service resources as well as the need to create additional housing and service models focusing on Housing First.

The Housing Division conducted a series of meetings to discuss what resources would be necessary to not simply reduce but to end chronic homelessness in Milwaukee County. Staff used existing data from the January 2014 Point In Time Homeless Count to determine how many individuals would meet HUD's definition of homelessness that were either living on the street or in the community's existing shelter system. Staff looked at best practice models and outcome data to determine what programs would be

necessary to accomplish that goal.

The following are some of the specific areas in the plan to end chronic homelessness in Milwaukee County:

1) Creation of new permanent supportive housing using Housing First

This initiative will create a minimum of 220 new permanent supportive housing units for the chronically homeless. A majority of the housing that is needed for this population is permanent supportive housing that utilizes a rental subsidy along with services. This model has been the focus of the Housing Division since its creation in 2008. The Division has collaborated with developers and service providers to create over 500 units. This model is particularly effective with the homeless population when a Housing First strategy is used. The Housing First philosophy centers around immediately housing an individual as a first step towards treatment and other wraparound services. This is a best practice model supported by HUD.

For this initiative, the Division is able to utilize scattered site units so the plan does not have to rely on construction of new units. This scattered site model follows the Division's successful My Home Program for homeless and disabled individuals in which **99.6 percent of individuals remain in the program after 6 months.**

2) Additional permanent rental assistance resources

The Housing Division worked with the City of Milwaukee to secure approximately \$900,000 in City funds for permanent rental assistance. This comes in the form of a \$600,000 contribution of HOME funds for tenant based rental assistance as well as a set aside of 50 vouchers from the Housing Authority of the City of Milwaukee. The Housing Division is currently exploring how Milwaukee County can also set aside vouchers from our Section 8 program for this initiative.

3) Increase in the Housing Division's Continuum of Care Rental Assistance (My Home) funding

The Housing Division has received an increase in voucher dollars for the My Home program. This program provides rental assistance for those that are homeless and disabled. The budget of the program will increase because of the fair markets rent rates in Milwaukee. Milwaukee County has recently received \$254,000 of additional funds on July 1, 2015 and the Division expects to receive approximately \$100,000 on July 1, 2016. The Housing Division estimates being able to create approximately 60 units with these increases. In order to receive this rental subsidy, Milwaukee County must ensure that case management is provided to the program participants. Funds have been placed into the budget to provide these necessary services.

4) Short Term Rental Assistance

There are a portion of individuals in the community's shelter system that would be able to maintain permanent housing on their own but simply need a short term subsidy due to a loss of employment income or other temporary circumstances. The ability of the Housing Division to offer short term rental

assistance (similar to Rapid Rehousing) for these individuals would assist them in quickly moving out of shelters.

5) Redesign of the Pathways to Permanent Housing model

Many individuals are not ready to come into permanent housing due to the severity of their needs or by choice. The Housing Division has had success with the County's Pathways to Permanent Housing program. The goal of this program is to work with hard to serve individuals to transition them into permanent housing by providing on-site services. Pathways has a 70 percent success rate in placing individuals directly into permanent housing. Individuals are screened to ensure that only participants with the highest need would be placed in the program. The Housing Division proposes to change the target population of this program to serve chronically homeless individuals instead of focusing on those with income. The population assisted would be those with high utilization rates of other public services such as emergency rooms, detox, and other Behavioral Health Division services. It is the Housing Division's belief that additional transitional housing beds would be needed to accomplish the goal of ending chronic homelessness. The redesign of the existing Pathways program would add 27 beds to this initiative without the need to create a new expensive transitional housing model.

6) Basic needs

For all participants placed into housing, each individual will be provided with the necessary provisions to move into a unit including furniture, cleaning supplies, and other necessities. The Housing Division projects that a majority of the individuals served will come into the program with no income and will need initial support in these areas.

7) Increased homeless outreach

Since the initiative began in July, the Housing Division has been providing additional homeless street outreach following the Housing First model. Staff go into the community each day in two County outreach vans assisting individuals living on the streets. The goal is to be able to immediately place individuals into permanent housing using the Housing First approach.

8) Additional staffing

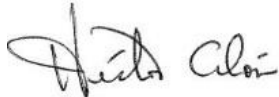
To fully implement this chronic homelessness initiative, additional staff have been put in place to ensure that individuals will be placed into housing quickly and successfully. Following the successful homeless initiative in Utah (chronic homelessness has declined 72 percent since 2005), the Housing Division has employed Housing Navigators to assist outreach workers and case managers with everything from immediately locating housing units, negotiating with landlords, assisting with income, and working with various systems to coordinate care. A Program Evaluator position has been created to not only track the success and outcomes of this initiative, but to provide the Housing Division with the ability to provide outcome data on all of the County's supportive housing units, similar to what other communities have done to show the effectiveness of supportive housing and have the ability to reallocate funds to programs that show success. Finally, a management position was created to oversee all of the homeless initiatives set forth in this plan as well as coordinate other homeless initiatives in Milwaukee County.

The total cost of this initiative is approximately \$1.8M annually. An initial investment of \$600,000 from the Behavioral Health Division in 2015 covers case management services in the My Home program, staffing costs, and allowed the County to immediately begin placing individuals into new housing first units with case management attached. The proposed 2016 budget places \$750,000 towards this initiative.

There are additional resources that will be sought for this initiative in 2016. Although there is currently no CCS revenue factored into this plan, staff believes that there will be participants that will be eligible for CCS which will reduce the amount of funding for case management services.

This initial investment will be leveraged to approach the business community as a part of a public-private partnership as well as potentially leverage HUD funds. Staff have discussed this initiative with business leaders as well as HUD leadership and both groups appear to be willing to look at bringing in additional funds to support this plan.

Respectfully Submitted,



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