



Supportive Housing:

An Answer to the Streets, Jails and Hospital Beds

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New State Program:

In 1998 the Legislature passed the Supportive Housing Initiative Act (SHIA), a pilot program to test a "wrap around" approach to assisting Californians with various disabilities, special needs and chronic health problems. SHIA provides funding for service-enriched housing to allow people to live stable, productive lives in their communities, instead of repeatedly cycling through jails, psychiatric beds and other expensive institutions ill-suited to their needs.

SHIA—a replication of several highly successful programs from other states and various cities in California—helps local governments and non-profits cover the costs of housing and supportive services for low-income adults, particularly those with mental illness, a history of alcohol/drug abuse, HIV/AIDS, developmental disabilities or other health conditions which impede unassisted living.

The Need: More than 50,000 Californians with mental illness are homeless at any one time, including at least 10,000 military veterans. Another 50,000 homeless Californians contend with chronic health problems. In the past year, San Francisco alone documented 169 homeless deaths. Thousands of families on welfare are struggling with health problems which are impeding their transition from welfare to work and confronting them with the inevitability of the streets or a homeless shelter when their benefits are exhausted. Thousands of poor seniors are unable to live in their homes without support services, but are neither eligible for or in need of expensive nursing home services. The aging parents of the adult disabled face the final tragic choice regarding

their child: institutionalization or homelessness.

Cost Effective: The cost of supportive housing is \$23 a day compared to \$60 for state prison or county jail, \$82 for a skilled nursing facility, \$125 for a mental health facility, \$383 for a state psychiatric hospital, or \$500-600 for a city psychiatric hospital. SHIA requires a substantial local match and attracts considerable federal dollars. Federal and local studies have found that supportive housing decreases use of inpatient hospitalization and emergency room visits by up to 50% and decreases incarceration, while improving health and increasing employment rates for residents.

Demand for Grants Far Outstrips Supply: The 1999-00 State budget contained \$1 million for SHIA. This year the proposed budget provides \$25 million. The program caps the total dollar amount per application at \$150,000 annually for a maximum of three years, and requires a match which increases in each of the three years. Even with these restrictions, when the state recently issued its first request for proposals, allowing applicants only one month to prepare an application, 80 applications totaling \$12 million were submitted for the \$1 million pot.

Team Approach: Complicated problems which require multi-agency cooperation to solve have always been difficult to implement. SHIA is an unusual success story. SHIA has established a working group of key players from all the state agencies and service agencies to coordinate state resources and focus on the creation of service-enriched permanent housing.

Supportive Housing Success Stories: Untreated mental illness of-

ten leads to homelessness. A recent study of 900 mentally ill people provided with supportive housing, showed that 83.5% remained in supportive housing one year later. Another 4-year, 5-city study of homeless people living with severe mental illness showed that supportive housing resulted in a 50% decrease in inpatient hospitalization, 50% decrease in emergency room visits and a 50% decrease in incarcerations. And finally, a study of supportive housing and substance abuse showed that 90% of those living in supportive housing remain sober, as opposed to substantially lower levels in other living situations.

A recent study found that supportive housing is generally accepted by neighborhoods in which it is up and running and that property values nearby have risen in the vast majority of cases. But the best evidence of the success of supportive housing is in the individual lives it has changed: Linda spent her adult life in and out of hospitals. She has not seen the inside of a psychiatric hospital since moving into supportive housing. Tom, a Vietnam veteran with severe mental health and drug problems, said that homelessness was like "living on death row", but he is now stabilized in supportive housing and working; and Ralph is off the streets, into supportive housing and has returned to college and has started a science tutoring business.

SHIA offers a cost effective answer to a complex and wrenching problem. The state investment leverages federal and local funding which creates stable, affordable, service-enriched housing that offers stability, prevents deteriorating health, and maximizes independence.