



2,000 units of Supportive Housing for Portland and Multnomah County How much will it cost?

According to an analysis completed by CSH (the Corporation for Supportive Housing), the total cost of creating 2,000 new units in Portland/Multnomah County could be up to approximately \$300 million over 10 years.

The \$300 million estimate includes a mix of development of new units (40% of the total) and leasing in the community (60% of the total).

The breakdown is as follows:

- \$184 million would go toward capital costs for building new units; and
- \$114 million would be dedicated to operating and leasing costs.

Once the 2,000 units are created, the combined cost of operations, leasing and services over the life of the units translates to just under \$41 million a year. That is the true, annualized cost and equals \$56 a day per person. The portion of that cost dedicated to services would be \$22 million a year.

However, the costs of creating and then sustaining these units will not entirely require new resources.

There are existing resources for services that can be matched to housing, and there is existing housing in the community that can have services attached. Moreover, a wide-ranging coalition of systems and partners, well beyond the City of Portland, Multnomah County and Home Forward, will pool their resources to sustain this system over time.

The planning process set in motion by Portland and Multnomah County's supportive housing resolutions will help determine the amount and the sources of existing resources that can support this effort, and any new resources that will be needed to create and maintain the 2,000 units.

Because of turnover, CSH estimates 2,000 units could eventually serve upwards of 2,800 households, depending on how long people need supportive housing.

Supportive housing, especially after the first two years of residency, saves taxpayers money. For example:

- Supportive housing has a significant impact on costly ER visits, often used by those in homelessness for their primary medical care, with an average reduction of 46% from the end of the first year and a 52% reduction by the end of the second year;
- The use of expensive hospital bed days per person in homelessness declines following entry into supportive housing. Data show that hospital bed days post-housing ranged between a decline of 84% and a *de minimis* increase of just 3%; and
- When studied in 2006, Portland's Community Engagement Program (CEP) provided supportive housing to homeless individuals with mental illness and addictions, and reduced the cost of health care and incarcerations from \$42,075 to \$17,199 per person.

Supportive housing has been rigorously tested for more than two decades, and the results are clear: It improves lives and communities and reduces costs. There are direct correlations between supportive housing positive community outcomes, including:

- Decreased chronic homelessness – nearly 30% nationwide since 2010;
- Decreased homelessness among veterans;
- Reduction in the use of costly public systems such as hospital emergency rooms, jails/prisons and detox centers; and
- Increased independent, community-based living.

If you have additional questions regarding these costs, and the research that went into them, please feel free to reach out to Heather Lyons at heather.lyons@csh.org.