Logan Place

Units: 30 efficiency apartments

Location: Portland neighborhood

Target Population: Chronically homeless adults, with mental health, substance abuse, or dual diagnoses. Most have serious physical health issues due to long-term homelessness

Logan Place is a cost-effective approach to creating stability for people with a long-term history of homelessness and accompanying mental illness, substance abuse, or co-occurring disorders. An independent study showed that after one year Logan Place reduced total system costs, resulted in better outcomes for formerly homeless tenants, and relieved stress on Portland’s emergency system.

Logan Place uses the Housing First model, meaning that tenants do not have to be in recovery from mental illness or substance abuse at the time they move in. The housing comes first, and the services needed to help tenants remain housed are provided. Staff is on site 24 hours a day, seven days a week.

A total of 24 Logan Place tenants participated in the study. Highlights include:

- An average savings of $972 per participant during the year following entry into Logan Place.
- A virtual elimination in the use of emergency shelter beds. Usage declined from 5,163 to 140 bed nights, a 97% decrease and a 95% ($162,114) cost reduction.
- A reduction of 35% ($84,340) in the total cost of mental health care used by tenants, despite a dramatic 93% increase in contacts. This, along with a 70% ($191,548) reduction in physical health care services, demonstrates a shift away from high cost emergency and inpatient services.
- Greater stability resulted in an 88% decrease (from 176 to 21) in jail nights by Logan Place tenants, as well as 81% fewer police contacts, saving the law enforcement system $24,272 annually.

These preliminary results demonstrate that placing people with disabilities in supported housing resulted in significant cost shifting away from relatively expensive emergency services to less expensive outpatient and community-based assistance. In the 12 months following tenants’ placement, the system of care spent $23,328 less than it did for the same group of people the year prior to being housed. Along with significant cost savings benefits also included improved consumer quality of life.

NOTE: The Logan Place results are part of a larger study conducted by the Maine State Housing Authority with funding assistance from the Corporation for Supportive Housing and the Maine Department of Health and Human Services to examine the costs of serving homeless people before and after their entry into Logan Place.
COST ANALYSIS SUMMARY

Moving homeless people off the street is the right thing to do from a MORAL perspective. The study of Logan Place shows dramatically that “Housing First” also makes ECONOMIC sense.

Health Care
Costs plummeted from $274,000 per year to $83,000 70% DECREASE

Mental Health Care
Costs related to mental health treatment dropped from $237,000 to $153,000 while providing more frequent contacts 35% DECREASE

Ambulance Use
Costs dropped from $36,790 to $10,525 71% DECREASE

Emergency Room Visits
Costs dropped from $108,109 to $27,713 74% DECREASE

In addition, preliminary results of the study, reported in February 2007, indicate equally positive results.

Jail Time: The following numbers represent the number of jail days and associated costs for the 12 Logan Place tenants who had contact with the jail during the study time frame.
- 2 years before housing: 184 days - $19,130
- 1 year before housing: 176 days - $18,298

1 year after housing: 21 days - $2,183
2 years after housing: 13 days - $1,351
88% DECREASE

Police Contacts: Logan Place tenants saw a sharp decline in the number of police contacts after moving in.
Police contacts decreased by 80% during the first year of housing.
- 2 years before housing: 60 police contacts – cost per contact pending
- 1 year before housing: 97 police contacts

1 year after housing: 19 police contacts
2 years after housing: 11 police contacts
81% DECREASE

Detoxification Programs: The following numbers represent the number of detoxification bed nights and associated costs for the five Logan Place tenants who used these services.
- 2 years before housing: 71 bednights - $19,585
- 1 year before housing: 46 bednights - $12,689

1 year after housing: 18 bednights - $4,965
2 years after housing: 0 bednights - $0
61% DECREASE

Emergency Shelters: Two shelters were included in this study, the City of Portland’s Oxford Street Shelter and Milestone Foundation. All tenants of Logan Place used one or both of these emergency shelters.
- 2 years before housing: 4,595 bednights - $205,166
- 1 year before housing: 5,127 bednights - $228,920

1 year after housing: 134 bednights - $5,983
2 years after housing: 1 bednight - $44
99% DECREASE