



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

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

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

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