



## JAMA research shows housing for homeless saves taxpayers millions

This month, *The Journal of the American Medical Association* published research demonstrating the effectiveness of DESC's 1811 Eastlake Housing First program. The lesson for policymakers and practitioners alike is that for this subset of the homeless population, **providing housing and on-site services without requirements of abstinence or treatment is significantly more cost-effective than allowing them to remain homeless.**

Major findings of "Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems" (Vol. 301 No. 13, April 1, 2009), an evaluation headed by Dr. Mary Larimer of the University of Washington, included:

- DESC's 1811 Eastlake **saved taxpayers more than \$4 million dollars over the first year of operation.** Annual average costs per person while homeless, the year before moving in, were \$86,062. By comparison, it costs \$13,440 per person per year to administer the housing program.
- Median costs for the research participants in the year prior to being housed were **\$4,066 per person per month in publicly-funded services** such as jail, detox center use, hospital-based medical services, alcohol and drug programs and emergency medical services. The monthly median costs **dropped to \$1,492 and \$958 after six and 12 months in housing, respectively.**
- During the first six months, even after considering the cost of administering housing for the 95 residents in this Housing First program, **the study reported an average cost-savings of 53 percent – nearly \$2,500 per month per person in health and social services, compared to the costs of a wait-list control group of 39 homeless people.**
- **Alcohol use by Housing First participants decreased by about one-third.** The median number of drinks for participants dropped steadily from 15.7 per day prior to move-in to 14, 12.5 and 10.6 per day at 6, 9 and 12 months in housing.

- A significant portion of the cost offsets were caused by decreases in residents' use of **Medicaid-funded health services.**

The resident group at DESC's 1811 Eastlake was such a troubled subset of the homeless population that many people claimed these folks didn't want housing, weren't worth trying to help, and would respond poorly to an approach that allowed them to make their own decisions about alcohol consumption.

DESC has known for years through our experience working with highly vulnerable individuals that when we eliminate the chaos of homelessness from a person's life, social and clinical stabilization occur more readily and are more long-lasting. This study confirmed this is true for the residents of 1811 Eastlake.

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### DESC's 1811 Eastlake—Housing First

#### Capital Revenue Sources

State Housing Trust Fund	\$1.2	M
City of Seattle (housing levy)	\$2.2	M
King County	\$1.3	M
Federal Low Income Hsg Tax Credit	\$5.6	M
Federal HUD	\$400	K
FHLB	\$520	K
DESC (private funding)	\$25	K
<b>TOTAL</b>	<b>\$11.2</b>	<b>M</b>

#### Operations and Services - Sources

State DSHS (DASA addiction treatment)	\$125	K
Federal HUD-McKinney (homelessness)	\$570	K
Federal HUD-Section 8 subsidies	\$135	K
Seattle Housing Levy	\$50	K
Resident rent	\$125	K
Charitable Contributions	\$50	K
<b>TOTAL</b>	<b>\$1.0</b>	<b>M</b>