

# PAY FOR SUCCESS PROJECT DESIGN OPTIONS: REDUCING HOMELESSNESS

## POLICY OBJECTIVE

Increase housing and health stability and reduce criminal justice interactions for individuals experiencing homelessness by pairing wraparound services with supportive housing



As of 2017, there were nearly 100,000 individuals experiencing chronic homelessness in the U.S.



It is estimated that almost one-third of these individuals have a serious mental illness and that two-thirds suffer a substance use disorder. Allowing a person to remain chronically homeless costs taxpayers as much as \$30K-\$50K per year



Minorities (i.e., Hispanics, African Americans, and other non-white races) are over-represented relative to their share of the population

## PFS PROGRAM DESIGN OPTIONS<sup>1</sup>

### Target Population

- Persistently or long-term homeless individuals
- High utilizers of the criminal justice system, emergency shelter, emergency healthcare resources, Medicaid resources, or local police and fire resources

### Intervention

- Permanent Supportive Housing (PSH)
- Comprehensive wraparound services such as Assertive Community Treatment (ACT) or Intensive Case Management (ICM)
- Immediate access to housing with minimal preconditions, such as Housing First
- Client support for managing substance use, such as excluding sobriety as a requirement for entering housing

### Outcomes

- Increase in housing stability, measured in months of stable tenancy
- Reduction in inpatient hospital and/or psychiatric stays
- Reduction in emergency department (ED) visits
- Reduction in jail bed days
- Reduction in bookings
- Reduction in arrests

### Measurement

- Validation of administrative data
- Pre-post assessment
- Historical baseline comparison
- Matched comparison (contemporaneous or historical)
- Randomized control trial (RCT)

1. These options represent areas that Social Finance has explored as suitable for Pay for Success; options shown here are not exhaustive.

# PAY FOR SUCCESS IN ACTION: PERMANENT SUPPORTIVE HOUSING IN AUSTIN, TEXAS

Social Finance, in collaboration with the Ending Community Homelessness Coalition (ECHO), the Corporation for Supportive Housing, City of Austin, Travis County, Central Health, Community Care Collaborative, and the Episcopal Health Foundation, is structuring a Pay for Success project that will provide permanent supportive housing and wraparound services to the area's highest utilizers of public services.

## THE CHALLENGE



One of the primary causes of homelessness in the U.S. is the lack of affordable housing. In Austin and Travis County alone, there is an unmet need of 1,000+ Permanent Supportive Housing units.



The community incurs significant costs resulting from persistent substance use, chronic health challenges, and the revolving door of incarceration.

## THE OPPORTUNITY



Permanent Supportive Housing (PSH) is a direct service that helps adults who are homeless or disabled identify and secure long-term, affordable housing. Key elements of PSH include:

Affordable housing (<30% of income)	Tenant housing choice	Separation of housing and services	Housing is <b>equitable and integrated</b> between those with mental disorders and those without
Full rights of tenancy	Housing is <b>not time- limited</b>	Tenant service <b>choice</b>	

## PROJECT TERMS

### PFS Program Terms

- **Target Population:** Chronically homeless individuals with a history of criminal justice and health systems utilization
- **Intervention:** Permanent Supportive Housing with modified Assertive Community Treatment
- **Outcomes:** (1) Housing stability (stable tenancy); (2) Reductions in healthcare encounters; (3) Reductions in criminal justice encounters
- **Measurement:** Validation of administrative data for metric (1) and pre-post assessment for metrics (2) and (3)

### Financial Terms

- **Scale:** 250 units of PSH
- **Maximum Outcome Payments:** \$15.5 M
- **Outcome Payment Schedule:** Bi-annually, starting in the 2<sup>nd</sup> year of the project, contingent on outcomes achieved
- **Term:** 5 year investment term