

# COST BENEFIT ANALYSIS

OF THE HOUSING FIRST APPROACH TO  
ENDING HOMELESSNESS IN KERN COUNTY



# EXECUTIVE SUMMARY

## Cost Benefit Analysis of the Housing First Approach to Ending Homelessness in Kern County

**Homelessness is a continuing problem in Kern County, as it is in other communities. The costs of homelessness are high, both in human and financial terms. Local public and private non-profit agencies spend about \$25 million annually to feed, care for, shelter, and house 4,500 homeless and formerly homeless people, or about \$5,551 per person. Federal and state funds pay for 75% of the cost of these programs. City and County taxpayers and private donors pick up the remaining 25% (about \$6 million).**

Not so obvious are the costs to local merchants and property owners, and to public services such as law enforcement and emergency medical care. The US Department of Housing and Urban Development estimates that it costs about \$40,000 a year for a homeless person to live on the streets. Other studies have shown that about 10% to 15% of the homeless population – sometimes referred to as “frequent flyers” or “heavy consumers” – are responsible for a disproportionate amount of these costs. The same studies have also found that placing these homeless people in affordable housing with supportive services results in significant reductions in emergency, hospital and law enforcement costs.

**\$40,000**

**cost per year to live on the streets**

US Department of Housing and Urban Development estimate

Locally, these so-called “hidden costs” of homelessness include more than \$2 million of general fund monies for the Bakersfield Police Department to respond to minor offenses such as panhandling and illegal camping. Homeless people accounted for 13% of all suspects booked by the Kern County Sheriff in 2016, and made up at least 10% of the jail population. Service utilization data from medical providers show much higher than average rates of ambulance transports, emergency room visits and other hospital services.

Recent years have seen a paradigm shift in the approach to ending homelessness. Known as “Housing First,” this approach emphasizes placing people directly into affordable housing without preconditions, rather than having them undergo a succession of residential and treatment programs to prepare them for independent living. Supportive services are offered to help achieve housing stability, but are not mandated. Not only has this approach been successful in ending homelessness, it has also resulted in significant decreases in the use of emergency medical and law enforcement services.

The Kern County Homeless Collaborative adopted the Housing First approach several years ago, and has placed several hundred homeless people into housing using a standardized assessment and prioritization process that takes into account length of time homeless, severity of service needs, as well as other factors. An informal survey of a group of formerly homeless individuals and families identified as heavy consumers, most of who had been homeless for long periods, was conducted to determine if and how their service utilization and associated costs had changed in the first six months after they had obtained permanent housing.

The survey results were quite striking, and support the belief that it is less expensive to house homeless people than it is to leave them on the streets or in shelters. Jail time and costs decreased by 98%. In-patient hospitalization costs decreased by 88%, ambulance transports by 65%, and emergency room visits by 49%. Combined cost savings amounted to a total of almost \$731,000 for a six-month period. Even when supportive housing costs are factored in, the net savings was about \$580,000. This amounted to a savings of about \$14,000 per person for six months, or about \$28,000 on an annual basis.

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# I. INTRODUCTION

Homelessness is a complex social problem with a variety of underlying economic and social causes including extreme poverty, lack of affordable housing, untreated mental health and/or substance use problems, family breakdown, and other factors. Homelessness affects society in many different ways, some of which can be measured, some not. The suffering experienced by homeless individuals and their families is incalculable, and affects the well-being of the community as a whole.

Many studies have demonstrated the economic impact of homelessness on public resources. They typically find that homeless people tend to disproportionately use expensive emergency medical and crisis services, and have more frequent contact with law enforcement than people who have a home. These studies have also identified a subgroup of “heavy consumers,” estimated at from 10% to 15% of the homeless population, who are responsible for a majority of these costs. Typically, these are chronically homeless people who have multiple problems and rarely use shelters.

*Studies have shown housing retention rates of 85% or more after a full year*

A relatively new approach to addressing homelessness known as “Housing First” has proven very effective in helping this sub-group, as well as other homeless people, exit homelessness. This approach involves placing homeless people into permanent, affordable housing as quickly as possible, without preconditions or service barriers to entry. Supportive services are offered, but not required, to maximize housing stability and prevent repeated homelessness. Studies have shown housing retention rates of 85% or more after a full year, and significant reductions in emergency, hospital and law enforcement costs.

The Kern County Homeless Collaborative, aka the Bakersfield/Kern County Continuum of Care (CoC), officially adopted the Housing First approach in 2008 and, since then, has refocused its combined efforts to end homelessness on producing new permanent housing. It has also prioritized chronically homeless individuals and families for placement in permanent supportive housing. United Way of Kern County, collaborative applicant for the Bakersfield/Kern County CoC, commissioned this study to analyze whether this strategy has resulted in cost savings to the local community, as has been found in other areas.

There are two components to this analysis. First, an attempt was made to estimate the costs incurred annually by the community to address homelessness, including the cost to both homeless programs and to key public services, including emergency medical services, hospitals, and law enforcement. Secondly, a group of formerly homeless people was surveyed to determine how their utilization of, or contact with, these key public services had changed once they were housed. Most of these people had been chronically homeless, and prioritized for housing placement based partially on being “heavy consumers.”

The first objective was only partially achieved. Budget information from homeless programs and homeless population data were adequate to calculate the total and average cost of providing designated services to homeless people. Assessing the full impact of homelessness on key public services was more problematic, because the agencies approached, except for one, do not routinely identify or track homeless people in their management databases. However, they were all able to provide some useful estimates of service utilization and costs through informal record searches or “expert estimates.”

The follow-up survey of former chronically homeless people who had been placed in permanent supportive housing according to Housing First principles showed significant decreases in the utilization of ambulance, emergency room and in-patient hospital services, and interactions with law enforcement and jail time. Service costs were estimated and compared, using cost averages provided by these agencies that show strong support for the Housing First approach.

## II. HOMELESSNESS IN KERN COUNTY

There are multiple, overlapping definitions of homelessness used by various federal and state agencies that fund homeless programs. These definitions not only determine who may be served, but also affect how the homeless population is counted or estimated.

### Definitions of Homelessness

The definition of homelessness used by the US Department of Housing and Urban Development (HUD) is the most restrictive. To paraphrase, HUD defines a homeless person to be an individual or family who lacks a regular nighttime residence; sleeps in a place not meant for sleeping (i.e., alley, car, park, etc.); lives in a supervised temporary shelter; or is a homeless person exiting an institution (i.e., jail, hospital) after a temporary period (up to 90 days).

An important subgroup within this literal definition are “chronically homeless people,” by which HUD means individuals and families who have been homeless for at least one year or four times in the last three years, and in which cases the individual or adult family head has a chronic mental disability or substance use disorder.

Also included in HUD’s definition are “at risk” people in imminent danger of losing housing due to eviction or lack of funds; and unaccompanied youth (under 25) and families with children defined as homeless under other federal statutes who experience housing instability and have had long periods without permanent housing, which are likely to continue due to disability, health or childhood abuse.

In comparison, the Healthcare for the Homeless Program, administered by the US Health Resources and Services Administration (HRSA), while essentially incorporating the HUD definition, adds “doubling up” (also known as “couch surfing”) to the meaning of homelessness. Doubled up people include individuals and families who “are unable to maintain their housing situation and are forced to stay with a series of friends and/or extended family members.”

The US Department of Education (DEA), under the McKinney-Vento Homeless Assistance Improvement Act of 2001, also includes doubling up in its definition of homelessness: “children and youth who are sharing the housing of other people due to loss of housing, economic hardship, or a similar reason.” Also covered are “children and youth who are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations.”

### Homeless Population

The Kern County Homeless Collaborative has conducted one-day, point-in-time (PIT) counts of the county’s sheltered and unsheltered homeless population since January 2007, as required by HUD. Begun on a biennial basis, these counts have been done annually since January 2013. Since then, the number of unduplicated homeless people counted has decreased steadily in all but one year, with a 31% overall decrease between 2007 (1,537) and 2016 (1,067), or an average annual decrease of about 3.4%.

The January 2017 PIT Count (810 people) found a surprising 24% decrease in homelessness from the previous year, which was almost entirely attributable to a 47% drop in the number of unsheltered people counted. This is probably primarily due to a change in the count methodology required to meet HUD guidelines, specifying that the PIT Count must take place in a 12-hour period between dusk and dawn.

Previously, the Homeless Collaborative had counted sheltered people during evening hours and unsheltered people during daylight hours the following day. In 2017, the new strategy involved a concurrent overnight count of both sheltered and unsheltered homeless people. Locating and interviewing unsheltered people at night in an area as large and geographically disperse as Kern County presents numerous challenges. More important than the count itself is the information obtained from interviews that can be used to describe the homeless population.

The January 2017 count found that 82% of the homeless were single adults, 18% were in families with children, 14% were children (under 18), and 73% were male, 26% female. Thirty-one percent of those surveyed were chronically homeless. Of the total adults, 23% had been involved in the justice system while still juveniles, 38% had been arrested for substance abuse, 31% reported a chronic physical illness, 19% had been hospitalized for mental health reasons, and 7% had become homeless upon release from prison. Ninety percent of the homeless were counted within Metro Bakersfield. Seventy-four percent were local residents.



PIT counts are valuable in tracking changes in the homeless population over time, but do not show the full extent of homelessness. By their nature, they reflect higher proportions of people who have been homeless for lengthy periods, and undercount people who are temporarily or cyclically homeless. Additionally, HUD PIT counts focus on people in the street or shelters, but omit homeless people who are jailed or hospitalized during the count, as well as those vouchered in local motels or hotels. Obviously, the number of people who are homeless during a full year is much higher than those who are homeless at any given time. Some information about the numbers of homeless people residing in Kern County annually is available from the Homeless Management Information System (HMIS) database shared by 10 Homeless Collaborative members who input client service data from their shelter and housing programs.

According to the HUD Annual Performance Reports (APR) generated by HMIS, there were a total of 2,459 unduplicated homeless people who used emergency shelter and transitional housing between October 1, 2015 and September 30, 2016. Of these 2,459 people, 563 (23%) were family members, and 1,896 (77%) were single adults. Interestingly, this number is slightly higher than the 2,394 sheltered or transitionally housed people reported in AHAR for 2013-2014, in contrast to the drop in homeless numbers reported in the last PIT count.

The latest AHAR also reported that there were 1,223 formerly homeless people living in permanent supportive housing, split evenly between family members (611) and single adults (612). The AHAR does not report occupancy numbers for another 874 rapid re-housing and other permanent housing beds. Therefore, there were more like 2,000 formerly homeless people in permanent housing during the year; or about 4,500 total homeless and formerly homeless people served by Homeless Collaborative members.

The Kern County Department of Human Services (DHS) administers several CalWORKs (CW) homeless programs, one of which, the Temporary/Permanent Homeless Assistance Program, provided hotel or motel vouchers to 788 unduplicated families in 2016. At three members per family on average, this comes to about 2,365 homeless family members served by DHS, or four times the HMIS number. DHS numbers include people who would be considered “at risk” by HUD, but their data also reflects families who were temporarily homeless.

The Kern County Superintendent of Schools reports that there were a total of 6,633 homeless school children served countywide by school districts in 2016-2017. This number included: 5,738 children in “doubled up” situations; 255 children in hotels or motels; 603 children in shelters; and 37 children who were unsheltered. The numbers of families involved is not known.

# III. HOMELESS PROGRAM COSTS

The past 25 to 30 years has seen the growth of an extensive network of non-profit and public programs whose purpose is to serve the homeless population. This network consists of more than 20 public and private non-profit agencies that offer, or administer funds to, a full continuum of housing programs and supportive services targeted to homeless people. Funding for these programs comes from a multiplicity of different government funds, augmented by private donations. An attempt was made to identify, compile and display the entirety of these grant allocations for the first time to provide a full picture of the financial costs involved in operating the local homeless services system.

The total combined budget for homeless services locally is conservatively estimated at almost \$25 million in 2016-2017. Budget information from homeless service providers, city and county funders, government websites, and GuideStar’s Nonprofit Profiles were compiled to arrive at this amount. Care was taken to avoid duplication of budget amounts. For example, grant matching dollars were not included because these are typically taken from other grants or private donations; and grant amounts allocated by government agencies were checked against those reported by recipient agencies.

Table 1, on the following page, shows these dollars organized according to federal, state and local government and private funding sources. Most of these funds are legally designated for eligible homeless activities, but some are funds from non-specific grant sources allocated in-house by agencies for their homeless clients. The amounts shown do not include in-kind or non-cash donations. Budget information was not obtained from numerous small community groups that offer food, clothing and other services to needy people countywide.

Most homeless programs are dependent on government funding sources, directly or indirectly. Of the \$25 million, 76% (\$18.9 million) originates from federal and state grants or block grant-type allocations. Some of these grants are received directly from the original funding source by local agencies, but most of the incoming federal funds are mediated and subcontracted through the city or county. Combined funding from various HUD programs alone accounts for about 38% (\$9.3 million) of all homeless revenues. City and County general funds combined are about \$2 million annually, and private charitable donations amount to at least \$4 million.

Among the federal programs that fund homeless services are: the Department of Housing and Urban Development (HUD), the Veterans Affairs Administration (VA), the Federal Emergency Management Agency (FEMA), and the departments of Health and Human Services (HHS), Education (DOE), and Labor (DOL). State agencies include: the departments of Corrections and Rehabilitation (CDCR), Health Care Services (DCHS), Human Services (DHS), Housing and Community Development (HCD) and Rehabilitation (DOR), and the Governor’s Office of Emergency Services (OES).

**TABLE 1: ANNUAL REVENUES RECEIVED BY LOCAL HOMELESS PROGRAMS IN 2016**

Funding Source	Description	Amount
<b>Federal Grant Programs</b>		
HUD Continuum of Care (CoC)	Annual grants for permanent supportive housing, transitional housing, supportive services and HMIS.	\$4,790,096
HUD Housing Choice Vouchers (HCV)	Rental assistance administered by the Public Housing Authority.	\$2,994,950
VA Grant & Per Diem (GPD)	Funds to establish and operate supportive housing and service centers for homeless veterans.	\$813,942
VA Supportive Services Veteran Families (SSVF)	Funds services to very low-income veteran families living in or transitioning to permanent housing.	\$934,743

Funding Source	Description	Amount
DHHS SAMHSA	Substance Abuse and Mental Health Administration funds for outreach, behavioral health and drug treatment for homeless people.	\$410,296
DHHS Healthcare for the Homeless (HCH)	Funds a homeless primary care clinic, mobile health van and medical respite program locally.	\$519,783
DOL HVRP	Homeless Veterans' Reintegration Program provides job training and placement to assist homeless vets reintegrate into the labor force.	\$148,759
	<b>Total Federal Grants</b>	<b>\$10,612,569</b>
<b>Federal Allocations</b>		
HUD Community Develop. Block Grant (CDBG)	Formula grants to Kern, Bakersfield and Delano for projects that benefit lower income people, amount allocated for local shelter improvements.	\$468,321
HUD Emergency Solutions Grant (ESG)-Local	Formula grants to Bakersfield and Kern County allocated for outreach, emergency shelter, prevention and rapid re-housing.	\$638,800
HUD ESG-State	Federal ESG funds passed via State to Kern County for outreach, shelter, prevention and rapid re-housing in rural areas.	\$523,105
FEMA Emergency Food & Shelter Program (EFSP)	Federal Emergency Management Agency formula allocation, administered by United Way.	\$641,202
DHHS Projects in Transition from Homelessness	PATH funds passed through State to County for behavioral health, substance abuse and supportive services for mentally ill homeless people.	\$210,362
DOE Title VII-C Independent Living	DOE Rehabilitation Services Administration allocations to Independent Living Centers, amount used locally for disabled homeless people.	\$36,315
DOE Title 1-AoHHomelessSet-Aside	Allocation to Kern County school districts, used to assist and cover school-related costs for homeless students.	\$647,881
	<b>Total Federal Allocations</b>	<b>\$3,165,986</b>
<b>State Allocations</b>		
CDCR AB 109 Public Safety Realignment Act	Community Corrections AB 109 funds allocated to Kern County, portion designated for hotel/motel vouchers for reentering mentally ill offenders.	\$71,725
DOR AB 204 - Independent Living	Allocations to independent living centers, amount used locally for services to disabled homeless people.	\$36,315
MediCal	MediCal health coverage, amount used by County for treatment of homeless people with mental disabilities.	\$1,004,219
DHCS/HCD Mental Health Services Act (MHSA)	MHSA funds include DHCS Community Services and Supports funds for counties to provide integrated mental health services, and HCD MHSA funds for rental subsidies, for homeless with mental disabilities.	\$1,129,078
DHS TANF/CalWORKS Homeless Assistance	Combined federal block grant and state funds allocated to Kern County, amount designated for three homeless services, including hotel/motel vouchers, rental assistance, deposits, utilities and supportive services.	\$2,240,649
Cal OES/Domestic Violence Program	Funds for emergency shelter, counseling, victim advocacy, and supportive services for domestic violence victims and their children.	\$682,651
	<b>Total State Allocations</b>	<b>\$5,164,637</b>
<b>County Funds</b>		
Realignment- Behavioral Health	2011 Realignment Behavioral Health Subaccount sales tax funds allocated to County, portion designated for supportive housing services.	\$198,720
First 5 Kern	KC Children and Families Commission tobacco tax funds, portion allocated to domestic violence shelters for childcare.	\$663,692
	<b>Total County Funds</b>	<b>\$862,412</b>



Funding Source	Description	Amount
<b>City Funds</b>		
Workforce Employment	Waste Management Department contract with local shelter to hire homeless people for recycling, highway cleanup, and animal care services, with combination of City, Caltrans, and Greenway funds.	\$1,100,000
	<b>Total City Funds</b>	<b>\$1,100,000</b>
<b>Fundraising</b>		
Charitable Contributions	Combined revenues from private donations and fundraising events, raised by seven homeless providers.	\$3,822,762
United Way	United Way Campaign giving to local non-profits for hunger and homelessness.	\$250,000
	<b>Total Fundraising</b>	<b>\$4,072,762</b>
	<b>GRAND TOTAL ALL DEDICATED HOMELESS FUNDING</b>	<b>\$24,978,366</b>

Seventy-two percent (about \$18 million) of the \$25 million available to agencies last year was devoted to sheltering and housing homeless people, as shown in Table 2, below. This includes: \$11.1 million (44%) for permanent housing, rapid rehousing, and housing placement and support services; about \$2.4 million (9.5%) for transitional housing; about \$3.1 million (12.4%) for emergency shelter; and about \$1-1/2 million (5.7%) for temporary lodging and prevention. The remaining funds (about \$6.7 million, or 27%) are used for a variety of purposes, including medical care, behavioral health care, employment, legal assistance, education, childcare, meals and other basic necessities.

Charitable donations from local residents are used to fill gaps in the otherwise publicly funded homeless service system. Chief among these gaps is emergency shelter, which receives only minimal funding from a few public sources, such as the HUD ESG and FEMA EFSP programs. Private support of emergency and domestic violence shelters may account for 80% or more of their operating budgets, and is an ongoing need that must be met by the community.

**TABLE 2. HOMELESS SHELTER AND HOUSING RESOURCES**

Housing Resource	Housing Cost	Description
Permanent Housing	\$8,227,076	Rent subsidized project-based and scattered site housing, rapid rehousing, and some leased housing, funded by HUD, VA and other sources.
Supportive Housing Services	\$2,880,276	Case management and aftercare to help formerly homeless people keep housing.
Transitional Housing	\$2,408,974	Combined operating and supportive services costs of 8 TH programs, plus capital costs towards new TH program.
Emergency Shelter	\$3,120,687	Combined operating costs of 5 shelters, including staff and meals, exclusive of supportive services, plus capital costs towards new ES program in Delano.
Temporary Lodging	\$919,892	Temporary lodging in hotels and motels.
Prevention	\$534,242	Help with costs needed to access and maintain permanent housing, including security deposits, utility arrearages, and rental assistance, to prevent homelessness.
<b>Total</b>	<b>\$18,091,147</b>	

A rough estimate of the average cost of providing designated services and housing to known homeless people is about \$5,551 a year. This estimate was obtained by dividing the total budget amount of \$24,978,366 by the number of homeless and formerly homeless people (4,500) sheltered or housed in 2016, as previously enumerated.

## IV. HIDDEN COSTS OF HOMELESSNESS

Nationally, it is estimated that about 0.12% of the population are homeless on a given night, and that about 0.5% are homeless during the course of a year.<sup>1</sup> Although their numbers are relatively small in proportion to the general population, homeless people have a very visible presence in the community, particularly those who sleep outdoors or collect in public places during the day. A common point of contention in every American city is about the negative effects such concentrations of homeless people have on retail sales and commercial and residential property values. Other concerns center on the threats homeless encampments and makeshift shelters pose to the environment and public health.

Although the impact of homelessness on businesses and property values has yet to be studied, there is considerable research on the disproportionate reliance on public services by homeless people. Typically, this research has involved extensive analyses of service histories, by using integrated administrative databases to identify cases, service utilization patterns and costs.

The present analysis was more modest in nature, limited to contacting some, but not all, of the public services in Kern County that serve, but do not target services to, the homeless population. Its purpose was to determine if and to what extent key agencies experience any disproportionate service utilization and cost impacts, similar to those reported in the literature.

Nine agencies representing law enforcement, emergency medical care, and hospitals, were asked to identify the numbers of homeless people within their caseload, the frequency and/or length of services provided, and the costs associated with these services. All the agencies contacted were very cooperative, but were limited in the information they could provide because most do not formally identify or track homelessness, or keep cost centers for them, within their management software systems.

### Law Enforcement

Four law enforcement agencies including the Bakersfield Police and Code Enforcement departments, the Kern County Sheriff's Office, and the Kern County Probation Department were all able to provide some useful information about their contacts with or activities involving the homeless population.

#### Bakersfield Code Enforcement

The Bakersfield Code Enforcement Department is responsible for enforcing local public safety laws regulating the upkeep of properties and removal of public nuisances. Since 2012, the Department has partnered with the Kern County Homeless Collaborative on a City project called DCE 645—Kern River Encampment Cleanup, which involves periodically removing and cleaning up dozens of illegal homeless camps along the Kern River Corridor in north Bakersfield. The Homeless Collaborative role is to help homeless people preserve their personal properties, including medications, and link them to supportive services or shelter, if requested, after which City Code Enforcement officers accompanied by police officers clean up and restore the properties.

Because this project is specific to the homeless population, the City is able to track dates, employee hours and payroll costs of the participating code enforcement officers. Between August 2014 and April 2017, 13 city staff accrued a total of 1,327 hours working on the riverbank clean ups. Combined salary and benefits during this 31-month period amounted to \$94,229, which translates to about \$36,476 per year, paid for from the City General Fund. Code Enforcement performs numerous other clean up and abatement activities related to homeless people sleeping outdoors, or squatting in vacant buildings and properties, but does not track or assign costs to these.



**1,327 Hours**  
working on riverbank  
clean ups  
August 2014 to April 2017

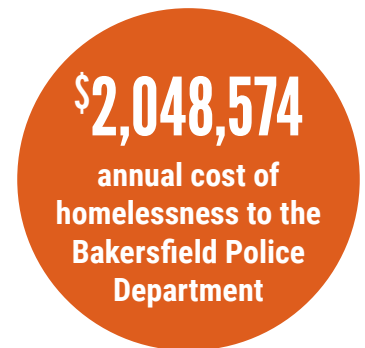
<sup>1</sup> Homelessness in America, Homelessness Statistics, FAQs, National Alliance to End Homelessness, 2017.

## Bakersfield Police Department

The Bakersfield Police Department does not track homeless data because “homelessness is not illegal.” However, they were able to provide an estimate based on officer surveys, but cautioned that the numbers were almost certainly not precise. The focus of the analysis was on the BPD Street Impact Team, consisting of 2 sergeants and 11 officers who work with businesses to address crime prevention, and also partner with local community groups to conduct outreach with the homeless population.

Impact Team officers completed a survey in which they were asked to estimate the amount of time spent in an average day enforcing or investigating misdemeanor crimes that were a result of homelessness (i.e., trespass, illegal camping, panhandling, etc.), versus the time spent on other non-homeless related duties. Officers were also asked to estimate the number of misdemeanor arrests and citations made in an average week from crimes involving homelessness. More serious crimes such as assault, theft or drug sales were not included, because these are not necessarily related to homelessness.

The officers’ responses to both questions were then averaged, and it was estimated that they spent about 72% of their time on enforcing or investigating crimes involving homelessness. This percentage was applied against their combined annual salaries and benefits to produce a yearly cost estimate of \$1,499,889. Similar estimates were developed for the Department’s 126 other patrol officers, indicating that non-Impact Team officers averaged about 2.5% of their workdays involved with homelessness, estimated to cost an additional \$548,685 per year. Thus, the BPD estimates the annual cost of homelessness to the Department to be about \$2,048,574. This amounts to about 2.3% of the total BPD budget, which is supported primarily by the City’s General Fund.



Regarding arrests, the BPD estimates that Impact Team members make an average of about 26 misdemeanor arrests and citations per officer per week (or 1,248 per year each) for crimes involving homelessness. Thus, the total number of these arrests and citations made by the Impact Team is estimated at about 13,700 annually. An unknown number of these arrests may involve people who are not strictly homeless, but co-mingle with the homeless population in parks and other public places.

## Kern County Sheriff’s Office

Like most public agencies, the Sheriff’s Office does not routinely include a category for homelessness in its software database. However, in 2015, it conducted its own query about homeless people who were arrested and processed for misdemeanor and felony charges. This was done by searching the records for people who self-identified as “homeless” or “transient”, or who gave the address of a homeless shelter. The query found that there were 2,459 distinct homeless individuals who had been arrested and booked on 4,596 occasions, or an average of 1.9 times per person. From this, it can be estimated that homeless people accounted for at least 13% of the total of 34,756 bookings that year.

Although the Sheriff did not track the number of these people who were subsequently incarcerated, the percentage is consistent with a San Francisco study that found that 11% of all county arrestees were homeless within the past 30 days<sup>2</sup>, and other studies reporting rates as high as 15% for jail inmates who had been homeless during the previous year.<sup>3</sup>

The Kern County Sheriff does not report annual jail occupancy, instead tracking “average daily population,” which was 2,189 a day in 2016. Assuming that 10% to 15% of the inmates had been homeless in the year preceding their incarceration, it can be estimated that there are from 219 to 328 homeless inmates in the county jail on any given day. Using the Sheriff’s estimate of an average jail stay of 21.4 days at a cost of \$95.47 per day, a rough estimate is that just the cost of incarcerating these 219 to 328 homeless inmates could be from \$447,430 to \$670,123.

2 “Who Gets Arrested in Sacramento? A Male Arrestee Profile,” Institute for Social Research, California State University, Sacramento, 2003.

3 “Incarceration and Homelessness,” Metraux S., Caterina R, Cho R, Presented at National Symposium on Homeless Research, Wash. D.C., 2008.

### Kern County Probation

The Kern County Probation Department identifies probationers as homeless under their address field in its current database system, by indicating if they are homeless or transient, or residing in a homeless shelter. On this basis, the Probation Department estimated that there were about 470 homeless individuals on probation out of 9,302 active probationers, as of July 5, 2017. Thus, about 5% of adult probationers may be homeless at any given time. Probation does not calculate the average annual cost of supervising an adult probationer, so a cost estimate using their numbers was not possible. However, it's clear from these numbers that homeless people are disproportionately represented in the county probation system.

*About 5% of adult probationers may be homeless at any given time*

## Emergency Medical Care and Hospitalization

Three healthcare agencies including Hall Ambulance, Kern Medical and Kern Health Systems provided information about the numbers of unduplicated homeless people served, their service utilization, and average costs for services.

### Ambulance Transports

Hall Ambulance, a privately owned ambulance company that serves Metro Bakersfield and most of Kern County, provided information about the numbers of uninsured homeless patients transported annually, and the frequency distribution and costs of these trips. The company does not track homeless patients with insurance, only the ones without. Homelessness must be verified by two sources, documentation by an ambulance crew or a hospital, and/or confirmation by the patient or a family member.

As shown in Table 3, on the next page, Hall Ambulance transported a total of 156 uninsured homeless patients to hospitals on 243 occasions in 2016, averaging 1.56 times per patient. Hall absorbed a loss totaling \$562,982 for the year, based on an average cost of \$2,168.56 per trip. One-fifth of the 156 patients transported were multiple users, accounting for almost one-half of the transports and total annual cost. The frequency of transports taken by these multiple-users ranged from 2 to 14 trips. Six homeless patients used ambulance services seven or more times during the year, accounting for almost one-quarter of all non-reimbursed trips and total costs.

Hall Ambulance's losses for non-reimbursed homeless ambulance trips the previous year, in 2015, was \$642,125, about \$115,000 more than in 2016. As of March 2017, the company's projected loss was about \$405,000, possibly due to an increase in the numbers of homeless people with MediCal.

**TABLE 3. NON-REIMBURSED HOMELESS TRANSPORTS BY HALL AMBULANCE, 2016**

# Patients	# Transports	# Transports/ Patient	Cost (@\$2,168.65/Txp)	% Total Cost
127	127	1	\$275,419	52%
14	28	2	\$60,722	11%
5	15	3	\$32,530	6%
3	12	4	\$26,024	5%
1	5	5	\$10,843	2%
1	7	7	\$15,181	3%
2	16	8	\$34,698	7%
1	9	9	\$19,518	4%
1	10	10	\$21,686	4%
1	14	14	\$30,361	6%
<b>156</b>	<b>243</b>	<b>1.56</b>	<b>\$526,982</b>	<b>100%</b>

### Emergency Room and Hospital Visits

Two health care agencies provided information about the use of medical services and costs incurred by homeless people. Kern Medical is a non-profit, public hospital authority, previously owned and operated by the County. Kern Health Systems is a managed health care agency that includes three-quarters of local MediCal recipients in its managed care membership, and handles claims for all but one Kern County hospital. Although neither agency currently flags homeless consumers among its clientele, they were both able to conduct informal searches for consumers who “self-identified” as homeless, or who had no address or gave the address of a homeless shelter as their home.

**Kern Medical.** Kern Medical provided information about the numbers and frequency of emergency room visits and in-patient hospitalizations and the charges for these services, for calendar year 2016, but cautioned that the actual volume of services may be higher than can be detected by their existing software. As reported in Table 4, below, at least 151 unduplicated homeless people were hospitalized on 176 occasions, for an average of 1.2 times each. These patients were hospitalized for a combined total of 1,161 in-patient days, which, at an average of \$3,298 per day, amounted to about \$3.8 million.

**TABLE 4. HOMELESS EMERGENCY ROOM AND HOSPITAL USE AT KMC, 2016**

Type Service	Patients	Encounters	Patient Days	Total Costs	Ave. Cost per Encounter
Hospital	151	176	1,161	\$3,829,007	\$21,755
Emergency Room	969	1,381	n/a	\$930,793	\$674
			<b>Total</b>	<b>\$4,759,800</b>	

*Note:* 1) Encounters refer to unique inpatient stays or emergency room visits. 2) Per KMC, the average cost per day for a hospital bed is estimated to \$3,298/day; ER visits average \$674 per visit.

KM also treated 969 unduplicated homeless people in its emergency room a combined total of 1,381 times, or 1.4 visits per patient. Given an average charge of \$674 per visit, the total annual ER cost was estimated at about \$931,000. Combined costs for ER and hospitalization were estimated to be about \$4.8 million. Most, if not all, of the homeless patients had MediCal coverage, so it is assumed that most of these charges were reimbursed.

**Kern Health Systems.** Kern Health Systems identified 1,321 homeless people among its total membership of 248,471 MediCal recipients, as shown in Table 5, below. KHS then compared provider claims for MediCal reimbursement for homeless members against those of the entire membership during a 16-month period, for Prescriptions (RX), Emergency Room (ER), and Claims w/o ER, a category covering hospital and outpatient claims (exclusive of emergency room services).

Although only 62% of homeless members used RX services, compared to 74% of the total membership, they incurred significantly greater costs on average than other members. The same was true for Claims w/o ER, where the average cost incurred by homeless patients was more than five times that of the general membership.

Forty-one percent of homeless members were treated at a hospital ER at least once during the 16-month period, versus 24% of the general membership, and their average ER claims were 58% higher (\$1,078 versus \$623) than other members. These homeless members used ER services 6.7 visits per person on average, versus 3.9 visits each for the general membership.

**TABLE 5. COMPARISON OF SERVICE USE AND MEDICAL CLAIMS OF HOMELESS MEMBERS TO TOTAL MEDICAL MEMBERSHIP SERVED BY KERN HEALTH SYSTEMS (16-MONTH PERIOD)**

Type Medical Service	Total Membership 248,471		Homeless Members 1,321	
	# Members Utilizing Service	Average Cost (Approx.)	# Members Utilizing Service	Average Cost (Approx.)
Prescriptions (RX)	185,413 (74%)*	\$721.64	823 (62%)**	\$1,193.82
Claims w/o ER	222,239 (89%)*	\$2,295.61	958 (73%)**	\$11,020.90
Emergency Room (ER)	60,219 (24%)*	\$623.19	635 (41%)**	\$1,078.11
Cost Per Claim	\$160.28		\$160.69	
Ave. Visits	3.89		6.71	

\* Percent total members \*\* Percent homeless members

Earlier studies of the impact of homelessness on healthcare costs were done before Medicaid Expansion in 2014. Since then, many, if not most, homeless Californians have been able to obtain MediCal or other insurance through Covered California. Prior to this, when Kern Medical was still a county department, the County bore most of the cost for emergency and hospital treatment of uninsured, indigent people. Now, with MediCal coverage, homeless people have access to a range of hospitals and health care previously unavailable to them, and attention has turned to the sub-group of MediCal beneficiaries who misuse or disproportionately use emergency rooms and hospitals.

In January 2017, Kern Medical was awarded a state Health Care Services Whole Person Care (WHC) Pilot grant, to be the lead entity to plan, implement and coordinate a comprehensive care management system in Kern County, targeting MediCal beneficiaries with complex medical problems and frequent use of multiple health systems. The project aims to coordinate physical health, behavioral health, and social services in a patient-centered manner, improving the health and well-being of beneficiaries through a more efficient and effective use of resources. Among the patient groups that are the focus of the program are people released from institutions or incarceration, have mental illness or a substance use disorder, or are currently homeless or at risk of homelessness. Necessarily, the project will also involve sharing the same data resources with multiple applications or users in identifying and tracking services to the target populations.



## Behavioral Health Care

### Acute Care Inpatient Psychiatric Hospitalizations

The Kern Medical Psychiatry Department provides acute care, short-term psychiatric inpatient services to all of Kern County. By tracking housing status, Kern Medical was able to identify 56 unique homeless patients who were admitted to Ward 3B, the hospital's inpatient psychiatric unit, in calendar year 2016, for a total of 562 days, as shown in Table 6, below. These homeless patients accounted for about 8.2% of all admissions to 3B that year, and incurred a total cost of almost \$1 million for their combined stays.

**TABLE 6. HOMELESS PATIENTS ADMITTED TO KMC INPATIENT PSYCHIATRIC UNIT, 2016**

Status	Patients	Admissions	Total Patient Days	Ave. Cost/Day	Cost	% Costs
Non-Homeless	629	742	6,990	\$1,670.7	\$11,678,123	92.4%
Homeless	56	64	562	\$1,696.6	\$953,461	7.6%
<b>Total</b>	<b>685</b>	<b>806</b>	<b>7,552</b>	<b>\$1,672.6</b>	<b>\$12,631,584</b>	<b>100%</b>

### Crisis Intervention Services

Kern County Behavioral Health and Recovery Services (BHRS), formerly known as the Kern County Mental Health Department, includes a field for homelessness in its Cerner/Anasazi management database system. In 2016, more than 20% of the 3,467 unique adult clients who received crisis-counseling services at its 24-hour Psychiatric Evaluation Center/Crisis Stabilization Unit (PEC/CSU) were homeless, as shown in Table 7, below. At an average annual cost of \$1,479 per client, this amounted to a total of \$1,029,511 for homeless clients for the year. Funding for these services consists of a combination of MediCal reimbursement and Kern County Behavioral Health Services Realignment sales tax dollars. Although the frequency of usage of crisis services was not provided, it is clear from the data that homeless adults were disproportionately represented among this clientele.

**TABLE 7. HOMELESS CLIENTS RECEIVING CRISIS INTERVENTION, 2016**

Status	Clients	% Clients	Average Cost	Total Cost
Non-Homeless	2,771	79.9%	\$1,479	\$4,098,815
Homeless	696	20.1%	\$1,479	\$1,029,511
<b>Total</b>	<b>3,467</b>	<b>100%</b>	<b>(\$1,479)</b>	<b>\$5,128,326</b>

### Correctional Mental Health

The BHRS Correctional Mental Health Program, also known as the Jail Team, provides case management, therapy, linkage and other rehabilitation services to help jail inmates with mental health and/or substance abuse problems reintegrate into the community. Of 4,259 inmates served by the Jail Team in 2016, 12.4% (or 529 inmates) were homeless prior to incarceration, as shown in Table 8, on the next page. At an average annual cost of \$983 per client, the total cost to BHRS to serve these homeless inmates was \$520,092. The cost to the Sheriff's Office to jail these same inmates, calculated at \$95.47 per day for an average stay of 21.4 days each, is estimated at \$1,080,778. Funding for the Correctional Mental Health Team consists entirely of County AB 109 Public Safety Realignment Act dollars.

**TABLE 8. HOMELESS INMATES RECEIVING CORRECTIONAL MENTAL HEALTH SERVICES, 2016**

Status	Clients	% Clients	Average Cost	Total Cost
Non-Homeless	3,730	87.6%	\$983	\$3,667,191
Homeless	529	12.4%	\$983	\$520,092
<b>Total</b>	<b>4,259</b>	<b>100%</b>	<b>(\$983)</b>	<b>\$4,187,283</b>

# V. HOUSING FIRST IN KERN COUNTY

When the Kern County Homeless Collaborative came together in 1998, housing opportunities for homeless people were largely limited to emergency shelter and transitional housing. There was only one HUD McKinney funded permanent supportive housing program; otherwise, homeless people had to compete with other low-income people for a limited number of Section 8 rental apartment subsidies, rent “welfare” hotel rooms on a weekly or monthly basis, or continue sleeping in shelters or outdoors.

Projects funded through the HUD Continuum of Care application process at the time consisted primarily of transitional housing and supportive service programs to prepare homeless people for permanent housing, under a strategy known as “Housing Readiness.” In the early 2000s, when it became apparent that federal funding had not resulted in decreased homelessness, HUD shifted its emphasis to require that at least 60% of CoC funds be used for housing.

Since then, HUD has promoted an evidence-based “Housing First” approach, and redirected grant funding almost entirely to the creation of new housing opportunities, with supportive services focused on helping people access and succeed in housing. Two programs that HUD funds that incorporate a Housing First approach are permanent supportive housing (PSH), targeted to homeless people with disabilities who require long-term support, and; rapid re-housing (RRH), which provides short-term support for homeless people while they increase their self-sufficiency.

Basic tenets of the Housing First approach are: 1) that stable housing is a platform from which people can rebuild their lives; and, 2) that homeless people should be housed without delay, regardless of problems they may present, rather than be forced to undergo a graduated service process leading to housing. Homeless people should be treated like any other renter, and be empowered by allowing them to choose their housing and services.

The Homeless Collaborative officially adopted the Housing First approach in 2008.<sup>4</sup> In 2014, it also began to implement a coordinated entry and assessment system in which multiple agencies act as “access” points for homeless people seeking help anywhere in Kern County. No one is turned away because of lack of income, mental illness, substance abuse or criminal history, conditions that were once barriers to accessing services and housing.

A shared referral tool is used to quickly link people to the appropriate housing and service programs, where they undergo a comprehensive standardized assessment and eligibility determination. Street outreach workers complement this system by locating and offering help to the most isolated homeless people, many of who avoid traditional services.

As a component of the entry process, the Homeless Collaborative has also adopted HUD recommended housing priority standards to ensure that chronically homeless individuals and families with the severest service needs receive priority consideration for permanent supportive housing.<sup>5</sup> This involves use of an interactive software program to prioritize housing placement, based on answers to a standardized assessment tool. The housing prioritization list is updated on a weekly basis, and weekly case conferences are also held to discuss housing vacancies and placements.

The coordinated entry and assessment system complements the Housing First approach by removing service barriers, ensuring uniform and fair treatment, facilitating linkages to housing and services, and prioritizing available housing according to HUD preferred procedures.

4 Home First! Kern County’s 10-Year Plan to End Chronic Homelessness, May 2008.

5 HUD CPD-14-012: Prioritizing People Experiencing Homelessness in Permanent Supportive Housing and Recordkeeping Requirements for Documenting Chronic Homeless Status, July 2014.



## Homeless Housing Inventory

Since 2006, there has been a complete reversal in the composition of the county's homeless bed inventory, as seen in Table 9, below. Whereas, in 2006, permanent housing accounted for only 22% of all beds, by 2016 it had grown to 74%. This 655% increase in permanent housing (from 257 to 1,941 beds) was accompanied by a 44% decrease in transitional housing resources (from 405 to 225 beds). Emergency shelter beds have remained at about the same level since 2011, after decreasing by 14% from 2006. These should increase again soon with the opening of a new domestic violence shelter in Delano, and a planned women and children's shelter in Bakersfield.

**TABLE 9. HOMELESS BED INVENTORIES IN KERN COUNTY BETWEEN 2006 AND 2016**

	2006			2011			2016		
	Family Beds	Adult Only	Total Beds	Family Beds	Adult Only	Total Beds	Family Beds	Adult Only	Total Beds
Emergency Shelter	227	302	529	226	230	456	169	288	457
Transitional Housing	84	321	405	24	236	260	48	177	225
<b>Subtotal</b>	<b>311</b>	<b>623</b>	<b>934</b>	<b>250</b>	<b>466</b>	<b>716</b>	<b>217</b>	<b>465</b>	<b>682</b>
Rapid Re-Housing	--	--	--	139	62	201	122	42	164
Perm. Sup. Housing	76	181	257	368	298	666	418	649	1,067
Other PH	--	--	--	--	--	--	580	130	710
<b>Subtotal</b>	<b>76</b>	<b>181</b>	<b>257</b>	<b>507</b>	<b>360</b>	<b>867</b>	<b>1,120</b>	<b>821</b>	<b>1,941</b>
<b>TOTAL</b>	<b>387</b>	<b>804</b>	<b>1,191</b>	<b>757</b>	<b>826</b>	<b>1,583</b>	<b>1,337</b>	<b>1,286</b>	<b>2,623</b>

Source: HUD CoC Programs Housing Inventory Chart Reports.

New housing resources added to the inventory, in addition to permanent supportive housing, included HUD funding of rapid rehousing in 2010 and housing choice vouchers in 2014, as well as increased funds targeted to veterans. In 2011, the Homeless Collaborative also made a commitment to prioritize at least 30% of its annual CoC allocation for new permanent housing beds for chronically homeless people. By 2016, it had increased the number of chronically homeless beds by 245% (from 161 to 557 beds), and chronically homeless beds now account for 52% of all permanent supportive housing.

## Comparison of Housing Costs

The types of housing frequently used by homeless and formerly homeless people in Kern County and their average annual and daily bed costs were compared, as shown in Table 10, below. Beds were used for common comparison across the range of housing types, rather than housing units or bedrooms. Bed costs of other types of living arrangements (i.e., hospitals, jails, residential care) that homeless people often experience were also included.

HUD considers permanent housing (PH) as community-based, rent-subsidized housing without a designated length of stay, in which formerly homeless individuals and families live independently. Permanent supportive housing (PSH) is permanent housing targeted to homeless people with disabilities, paired with supportive services to help them achieve housing stability. Rapid Re-Housing (RRH) consists of housing search and move-in services and short- to medium-term rental assistance, and some aftercare services, to move homeless people as rapidly as possible into permanent housing.

Transitional housing (TH) is temporary housing (from 3 to 24 months) with intensive supportive services designed to prepare homeless people for eventual placement in permanent housing. Emergency shelters (ES) provide overnight sleeping accommodations in congregate or family quarters. They offer personal safety and protection from the weather, while also reducing the environmental impact of homelessness on the community. Local shelters also offer meals and other basic necessities.

**TABLE 10. BED COST COMPARISONS FOR DIFFERENT HOMELESS HOUSING TYPES**

Housing Type	Range of Annual Bed Costs	Ave. Annual Bed Cost	Ave. Cost Day
<b>Permanent Housing Types</b>			
Perm. Supportive Housing	\$7,100 - \$9,418	\$7,530	\$21
Rapid Re-Housing	\$4,974 - \$6,101	\$5,534	\$15
Housing Choice Vouchers (w/o supportive services)	--	\$2,959	\$9
<b>Transitional Housing</b>	\$7,895 - \$16,303	\$10,857	\$30
<b>Emergency Shelter</b>	\$4,444 - \$8,605	\$6,246	\$17
<b>Bridge Housing</b>			
Motel/Hotel Voucher*	--	--	\$36
Respite Healthcare**	--	\$36,500	\$100
<b>Residential Care</b>	--		
Room-and-Board	--	\$8,400	\$23
Licensed Board-and-Care	--	\$13,032	\$36
<b>KMC Psych. Inpatient Bed</b>		--	\$1,697
<b>KMC Hospital Bed</b>	--	--	\$3,298
<b>Kern County Jail</b>	--	\$34,675	\$95
<b>State Prison</b>	--	\$70,812	\$194

\*Weekly rate. \*\*10 to 14 day program.

Bridge housing refers to short stays (1 to 14 days) in hotel or motels rooms paid for by agencies for homeless families temporarily awaiting permanent housing. Another type of bridge housing offered locally is respite care, also referred to as rest and recovery, for homeless adults who are too infirm to manage on the streets or in a shelter, but not sick enough for hospitalization.

The per bed costs for permanent supportive housing, rapid re-housing, and transitional housing shown in Table 10 were calculated by averaging budget costs for a number of local programs, and include both the actual housing rental subsidy or operating costs plus the costs of supportive services, divided by the number of beds in these programs. Emergency shelter bed costs were calculated by averaging the operating costs for two large shelters, including staffing and meals, exclusive of any supportive services offered at the sites. The average bed costs for other types of residences and institutions were obtained directly from the agencies in question, or by researching industry standards.

The costs per bed for various types of permanent supportive housing, especially rapid re-housing and permanent housing without services, are less than or comparable to emergency shelter bed costs, and considerably less than for transitional housing.

According to the 2014-15 AHAR, the average number of homeless people served in a year by one emergency shelter bed was 6.2 people, meaning that the average cost per person sheltered (not bed) was only about \$3.00 per day. Respite health care beds, although comparatively expensive (\$100/day), involve short-term stays and have the potential to save hospitals thousands of dollars a day by avoiding overstays.

Because of the high costs involved, lengthy stays, and fewer people served, HUD has recommended that transitional housing be limited to special populations such as domestic violence victims and youth, and that most of the funds once spent on these programs be reallocated for permanent housing. HUD has also stressed the importance of shortening stays in both emergency shelter and transitional housing, by moving homeless individuals and families into permanent supportive housing or rapid rehousing as quickly as possible.

Two major factors affect the rate and extent to which homeless people can be housed, however. Federal housing funds are limited, and may decrease in the near future. The Housing First approach depends on the availability of housing subsidies. There is also a shortage of affordable housing in Kern County and other areas, making it difficult to place people quickly even when funds are available. Consequently, emergency shelter will continue to be a mainstay of the homeless support network for the foreseeable future.



## VI. HOUSING FIRST SURVEY

Ordinarily, studies of the benefits of the Housing First approach to addressing homelessness are done longitudinally, by following subjects for a year or more after they have been housed. Any changes in the type, frequency and costs of services can be compared over time to baseline data taken before they were housed. This was not possible for purposes of this project due to time constraints; therefore, alternative means were explored, including the possibility of extrapolating from outside studies to estimate potential cost savings to Kern County.

The alternative selected was to examine a group of formerly homeless people already placed in permanent supportive housing using the Single Prioritized Permanent Supportive Housing Waiting List adopted by the Homeless Collaborative in 2014. Homeless individuals and families are placed on this list and prioritized by the HOME LINK (Performance Management Communication Platform) database, which incorporates vulnerability scores, length of time homeless, severity of service needs and other factors derived from the individual or family versions of the VI-SPDAT (Vulnerability Index—Service Prioritization Decision Assistance Tool).

The VI-SPDAT and VI-F-SPDAT include specific questions about the interviewee's history of housing and homelessness; interactions with health and emergency services in the previous six month; socialization and daily functions; medical and behavioral conditions; demographic and background information; and family situation. If questions having to do with service utilization and law enforcement involvement are asked again at a later date for a subsequent six-month period, the responses can be quantified and compared to determine what, if any, changes have occurred. After three years, there were an adequate number of formerly homeless people placed in housing from the prioritized waiting list for a follow-up survey covering the first six months of their housing.

The survey intentionally focused on formerly homeless people who were frequent users of emergency services and hospitals, and/or had frequent contact with the justice system, as reported on their SPDAT interviews. The assumption was that if the Housing First approach is effective with the most problematic homeless people, this should be readily apparent after they had been placed in permanent supportive housing for a period of six months or more.

### Survey Implementation

The SPDAT was revised and shortened to two pages, to include follow up on selected questions about interactions with health and emergency services, including ER visits, ambulance transports, hospitalizations, contact with law enforcement and arrests, incarceration, insurance coverage, and income. Questions were rewritten to remind people of their original answers while homeless, then they were asked the same questions for the six-month period after they were housed. Additional questions were asked about some of their original answers, where clarification or more details were needed about certain interactions, such as numbers of arrests, type and length of hospitalization, and number of days incarcerated in jail or state prison. An additional question was added asking people to check whether or not a list of problems had improved after they had obtained housing.

A similar revision was done for the family version of the SPDAT (VI-F-SPDAT), which differs somewhat from the SPDAT used for single adults. The family version asks questions about children living with or separated from the interviewee. It also frames most questions in terms of the entire family, not just the interviewee. The follow up surveys for families, including families with children and families with adults only, were revised accordingly to reference the entire family.

The survey was voluntary and required written consent. Orientations were held to explain the interview process to three separate agencies that agreed to conduct the interviews with formerly homeless people living in permanent supportive housing who were their clients. Restaurant gift coupons were provided to the agencies as an incentive for their clients to participate. The interviews were conducted in person by agency case managers trained in the use of the SPDAT.

## Survey Group

Thirty-five formerly homeless people were selected from the housing prioritization list as potential survey subjects, all of who had been housed for at least six months. Selection was done based on frequent use of multiple high cost services, as reported in their original VI SPDAT interviews. Of these 35 people, three had lost their housing and one could not be located. The remaining 31 people all agreed to be interviewed.

The interviewees included 19 males, 11 females and one transgendered person, ranging in age from 20 to 66 years, with an average age of 42 years. Twenty-three people were single adults. Eight people were heads of families, including five mothers in families with children, and three people in adult only families. Together, these family households contained a combined total of six additional adults and four children, bringing the total number of formerly homeless people covered by the SPDAT interviews to 41 people.

Racially, the group consisted of 22 White, 9 Black, and one American Indian people. Of the 22 White people, 10 were of Hispanic ethnicity. Two people were military veterans; six were youth under 25. Eight had lived in foster homes. The five mothers interviewed were younger on average (24 years) than the entire group; otherwise their demographics and circumstances were similar.

At the time of the original interview, all but three of the households were chronically homeless. Vulnerability index (VI) scores ranged from 11 to 18, with an average of 14.1, out of 19 possible points. Length of time homeless ranged from three months to 20 years, with an average of 56 months and median of 36 months homeless. Twenty-three households were repeatedly homeless, having lost housing at least once in three years. Twenty-six households usually slept outdoors or in a vehicle; only five used a shelter. The 26 unsheltered households were all initially contacted and interviewed by street outreach workers.

Thirty households reported one or more serious medical problems, 29 had histories of mental illness and/or substance abuse, and five had a member with a permanent physical disability. Thirty households had visited the ER one or more times in six months, 25 had used an ambulance, and five had been hospitalized. Three households lacked health insurance, the others had MediCal or state health insurance. Thirty people had one or more interactions with the police in the previous six months, 12 had been incarcerated in jail or prison. Fourteen reported legal issues that might result in incarceration or fines. Thirty people reported that they had been physically attacked since becoming homeless.

When re-interviewed in June 2017, the 31 households had lived in permanent supportive housing for from six to 18 months, averaging 13 months each. After being placed on the housing prioritization list, while still homeless, they had to wait from one week to up to 30 months for their housing placement, at an average of nine months wait each. While waiting for housing, most people preferred to remain unsheltered; only seven slept in shelters; and three who had shorter waits were vouchered in hotels or motels.

## Survey Results

Thirty-one formerly homeless people who had lived in permanent supportive housing for at least six months were interviewed in June 2017, to determine if their use of emergency medical services, hospitalization and criminal justice system involvement had changed since they were homeless and first assessed for housing placement.

Table 11, on the next page, compares service utilization and costs for the six-month period prior to their assessment with the first six months after being housed, as reported by the interviewees. Costs were estimated using cost averages obtained from service providers and law enforcement. Where costs were not available, service utilization was compared numerically.

Utilization and costs of most services declined dramatically during the first six months that people resided in permanent housing. Most pronounced was a decline in county jail and prison time from 671 to 10 days, for a 99% reduction in costs between the two six month periods. Medical hospitalization costs declined by 88%, ambulance transports by 65%, ER visits by 49%, psychiatric hospitalizations by 10%.

Combined decreases in these five areas amounted to a total of \$731,534 for 31 households (containing 37 adults and 4 children) in a six-month period. When six months of housing costs, including shelter costs while homeless and permanent supportive housing costs, are factored in, the net decrease is \$580,514. This amounts to \$14,159 per person for six months, or translates to about \$28,318 per person annually in savings to public services.

Interactions with police also decreased dramatically by 91%, from 260 down to 24 interactions, between the two six-month periods, and arrests also dropped by 50%, although cost savings could not be calculated in either case. Other findings not shown in the table are that 18 of 31 people who originally reported having no regular income or insufficient income on a monthly basis had increased their income after being housed; and that the four people who had no insurance when first interviewed obtained MediCal once they were housed.

**TABLE 11. SERVICE UTILIZATION AND COSTS, PRE- AND POST-HOUSING**

Service	Pre-Housing			Post-Housing			Cost Change	% Chg
	# Households	# Times or Days	Total Cost	# Households	# Times or Days	Total Cost		
Ambulance Transports	26	92	\$199,548	10	32	\$69,408	-\$130,140	-65%
ER Visits	29	182	\$122,668	26	92	\$62,008	-\$60,660	-49%
Hospitalizations – Medical	15	158	\$521,084	5	19	\$62,662	-\$458,422	-88%
Hospitalizations – Psych.	3	10	\$16,970	2	9	\$15,273	-\$1,697	-10%
County Jail	11	491	\$46,645	5	10	\$950	-\$45,695	-98%
State Prison	1	180	\$34,920	1	0	00	-\$34,920	-100%
Housing (ES/PSH)	5 (11 beds)	1,980	\$33,660	31 (38 beds)	6,840	\$184,680	+\$151,020	+82%
<b>Totals</b>	--	--	<b>\$975,495</b>	--	--	<b>\$394,981</b>	<b>-\$580,514</b>	<b>-60%</b>
Interactions w/Police	30	260	Unknown	7	24	Unknown	Not Known	-91%
Arrests	5	6	Unknown	3	3	Unknown	Not Known	-50%

Responses to a series of questions about whether certain problems had gotten better since participants had obtained housing were quite positive. Most people checked that their physical health (87%), problems with the law (94%), personal safety (94%) and family relations (80%) had improved. Seventy-five percent of those who had history of substance abuse and 71% of those with a history of mental health treatment indicated that these problems had also improved. All five mothers in households with children reported that their relations with their family members and children had improved, including three mothers who were reunited with some or all of their children once they obtained housing.

## VII. CONCLUSIONS

- 1. Survey.** The survey of formerly homeless people, most of whom had been chronically homeless, clearly demonstrates that affordable housing, coupled with supportive services, can significantly decrease dependence on costly emergency medical services and involvement with the criminal justice system. Simply put, it is more cost effective to house homeless people than to leave them on the streets or in shelters.
- 2. Housing First.** The Housing First approach advocates for people to be housed as quickly as possible, but ultimately this depends on the availability of new housing funds. Most of the people surveyed had to wait months for a housing placement; most also preferred to remain unsheltered during this time. The major factors in ending homelessness for these people may have been the offer of permanent housing without pre-conditions, and the assistance provided by their case managers in helping them to overcome barriers and access housing. Street outreach was also a critical factor in enlisting the most vulnerable, long-term homeless people.
- 3. Tracking Homelessness.** Because they do not formally track homelessness in their management database systems, the public agencies participating in this study were unable to provide complete information showing service utilization and costs for this population. Despite this, the informal searches and expert estimates done were adequate to show that these agencies are significantly impacted by homelessness. If some or all of these agencies were to include a field for homelessness in their databases, the county would have a much more comprehensive picture of the full extent of the problem. This information would be very useful to planners and decision makers. It would also promote further collaboration between agencies, and provide another means to determine the effectiveness of efforts to reduce or end homelessness.
- 4. Homeless Population.** The homeless population has a very visible and seemingly growing public presence in Kern County, especially in Bakersfield<sup>6</sup>. Yet, except for the annual PIT count, there is no definitive information as to the total numbers of homeless people present annually. Reports by various public agencies covered in Sections II and III suggest that the homeless population might be significantly higher than reported by the PIT Count or HMIS. Between them, the Homeless Collaborative and County Human Services Department serve most of the homeless families who seek help from public or private agencies. If they were able to share unduplicated client data, this would provide a more accurate count of homeless families, including those who are temporarily or cyclically homeless.

*Simply put,*

***it is more cost effective to house homeless people  
than to leave them on the streets or in shelters.***



<sup>6</sup> "Helping Bakersfield's Homeless," 23 ABC News, July 21, 2017.



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