



New Mexico Coalition to End Homelessness

PROPOSAL TO EXPAND SUPPORTIVE HOUSING STATEWIDE November 2015

The New Mexico Coalition to End Homelessness proposes \$4.5 million in new, recurring state funding to be combined with Medicaid and other leveraged resources to expand supportive housing in every part of New Mexico, based on several successful models including the New Mexico Linkages Program, Albuquerque Heading Home model, SOAR, Housing First, and Rapid ReHousing.

Permanent Supportive Housing: The Coalition proposes an investment of \$2.5 million annually to expand the State of New Mexico Linkages program to provide an additional 280 Linkages Vouchers to house the most vulnerable homeless people with behavioral health disabilities. The NM Coalition to End Homelessness (NMCEH) estimates that creating 280 new Permanent Supportive Housing Linkages vouchers in New Mexico will reduce homelessness among single adults with disabilities by 25%.

Rapid Rehousing: The Coalition proposes an investment of \$2 million annually to expand the State of New Mexico Rental Assistance program to provide rapid rehousing to an additional 280 homeless households per year, with an average rental assistance period of 6 months per household. NMCEH estimates that serving an additional 280 families in Rapid Rehousing through the existing Rental Assistance Program would mean that every family who accessed emergency shelter in a year could quickly exit the shelter into permanent housing.

Cost Effectiveness: A 2013 cost-effectiveness study by UNM, funded by the City of Albuquerque, has shown that providing permanent supportive housing for people with disabilities is more cost-effective than allowing people to remain homeless. **The study looked at Albuquerque Heading Home participants' use of expensive public resources in the year before and after obtaining housing, and found that they used \$21,498 less per participant in expensive public resources in the year after they obtained housing.** This included a 64% decrease in jail costs, a 36% decrease in emergency room costs and an 84% decrease in inpatient hospitalization costs.

An analysis of our data shows that the most vulnerable homeless people in New Mexico are similar to the participants in the Albuquerque Heading Home study. Therefore, we estimate that housing homeless people with disabilities under this proposal would lead to a similar cost savings. **Under our proposal, expensive public resources costs could be reduced by \$6 million annually (280 participants x \$21,498) which is more than the proposed cost of the program.**

Rapid Rehousing is also more cost effective than emergency shelter. The U.S. Department of Housing and Urban Development (HUD) released a study in July 2015 that found emergency shelter is far more expensive than Rapid Rehousing. The study, which included cost analyses for hundreds of programs in 12 U. S. cities, found that **the average monthly cost of providing emergency shelter to a homeless family is \$5,000, while the average monthly cost of providing Rapid Rehousing to a homeless family is just \$880 per month.**