

Fairfield 08

A Partnership to end chronic homelessness in Fairfield County

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Cost Effective Supportive Housing for Frequent Users of Costly State Services

March 12, 2010

Honorable Representatives and Senators:

My name is David Rich and I am the Executive Director of Fairfield 08, a collaborative effort to eliminate chronic homelessness in Fairfield County. My home address is 202 Farnum Road, Lakeville, CT. Thank you for the opportunity to speak this afternoon to urge your support in SB #405.

33,000 people – including 13,000 children – experience homelessness at some point during the year. Worse still, homelessness in Connecticut is increasing. Emergency shelters are full; the length of stay in shelters has increased; and turnaways have increased by over 200% from 2000 to 2009.

The question one might reasonably ask in these times of fiscal crises is how we can afford to fund these supportive services. Simply – providing permanent supportive housing is an extremely cost effective and proven means to save the state money. After entering Permanent Supportive Housing, tenants reduce their use of inpatient and crisis-oriented services, increase their incomes, and are likely to be employed or participate in education or job training programs.¹ The annual cost of supporting a household in permanent supportive housing is estimated at less than \$10,000 per year, a 50% to 67% reduction from the cost of maintaining households in shelters.²

The Reaching Home Campaign brings together an incredible array of partners and resources from throughout the State with a common goal of ending chronic homelessness in Connecticut.

¹ Connecticut Supportive Housing Demonstration Program, Evaluation Report, July 1, 2002.

² Per estimates by the Corporation for Supportive Housing

The Campaign includes:

- Scores of well trained social service providers ready and able to provide high quality social services to the homeless in all 169 towns in Connecticut;
- Support from a large number of for-profit developers willing to set aside units for the homeless in their market-rate and mixed-income developments (in Fairfield County alone, over 250 units are committed for the homeless);
- Most, if not all for-profit and non-profit developers seeking federal capital financing for affordable housing are willing to set aside up to 20% of their units for the homeless;
- Housing Authorities willing to set aside over 200 Section 8 Rental Vouchers for the homeless in 2010; and
- Strong funding from the federal government to support housing and services for homeless veterans through our local VA; nationwide 25% of the homeless are veterans.

These initiatives can potentially create thousands of units of permanent supportive housing. However, these units will not be created without some financial support from the State of Connecticut. The critical missing piece is supportive service funding and some rental subsidies.

So what will the reinvestment of \$ 2 million in supportive services funding in the DMHAS 2010 budget "buy"? Most importantly, permanent housing for over 200 homeless families and individuals.

It would also leverage:

- Approximately \$50 million in private capital financing for new apartments set aside for the homeless; and
- Over \$1.5 million a year in Section 8 Rental Vouchers for the homeless, this equates to over \$30 million over the next 20 years.

So it is not a stretch to claim that the State's reinvestment of \$ 2 million for supportive services in 2010 would leverage \$80 million in federal and private investments in permanent supportive housing.

And this is in addition to the saving to the state of over \$2 million by taking 200 families and individuals off the streets and out of the shelters.

I trust we would all find this a wise investment of our States' resources. Thank you for your time this afternoon and for your continued commitment to ending chronic homeless throughout Connecticut.

David Rich