



Washington State Coalition
for the
Homeless

2010 Legislative
Priority

Improve care for vulnerable homeless people while reducing state expenditures by allocating two \$500,000 investments to the Home Security Fund to house chronically homeless, high systems utilizers.

What is the Home Security Fund?

The state Home Security Fund provides for the creation and operation of homeless housing programs as part of the statewide plan to end homelessness. The Department of Commerce awards funds to counties in a competitive process called the Homeless Grant Assistance Program. Awards are made based on the quality of the proposals.

What are current funding and service levels?

Home Security Fund revenues have come from a surcharge on documents recorded with county auditors. The decrease in real estate financing activities in the current economic recession has reduced the annual revenues for this program from approximately \$8.6 million to \$5.9 million. This jeopardizes the continued funding of projects already approved and in operation in 20 counties across the state, and prevents funding for new programs for the foreseeable future.

Why is it important to increase funding for the Home Security Fund?

Homelessness numbers are high and rising across the state. The State estimates that 87,000 Washingtonians experience homelessness in the course of a year, a number expected to go up more than 17% due to the recession.

For chronically homeless people with the greatest needs, the Department of Commerce's 2010-2014 Consolidated Plan for HUD estimates that 4,200 units of permanent supportive housing with ongoing services are still needed in the state. Some people in this population use extremely high amounts of public crisis services in the health care and criminal justice systems, costing taxpayers exorbitant amounts. These costs can be reduced by the provision of supportive housing, resulting in lower state expenditures than the cost of the housing. This was demonstrated most recently by DESC's 1811 Eastlake project in Seattle. A study published in the Journal of the American Medical Association in 2009 showed that the provision of supportive housing to chronically homeless adults with severe alcohol problems reduced their annual costs to public systems by more than \$42,000 per person per year. 56% of the reductions were in Medicaid expenditures.

How will investing in the Home Security Fund help us achieve our goal of ending homelessness?

Targeting resources to some of the most visible and costly subsets of the chronically homeless population will reduce overall state expenses and provide relief to communities struggling with street homelessness. The individuals served will also show improvement in health and other conditions through decreases in harmful behaviors such as alcohol consumption. An annual legislative investment of \$1 million in the Home Security Fund to be used in two geographically dispersed, new supportive housing projects will leverage other capital and operating resources needed to create two projects of 50 units each for the highest utilizers of crisis services. The state investment would be used to cover on-site services costs in the targeted supportive housing project. The financial result would be one-year cost offsets of approximately \$4 million, nearly \$2.4 million of which would be in lower Medicaid payments to health care providers.