

**REPORT OF FINDINGS AND RECOMMENDATIONS OF THE
HOUSING AND HEALTH SERVICES COORDINATION COUNCIL
(THE “COUNCIL”)**

TEX. GOV'T CODE §2306.1096 has three subsections: (a) which lists the Council's duties, (b), which requires creation of a biennial plan, and (c), which requires by August 1 of each even numbered year a report to the Governor and the Legislative Budget Board (“LBB”) of findings and recommendations. In prior biennia the Council has combined the Plan required by (b) and the Report required by (c) into a single document. This biennium the Council has separated these very different documents. As the Plan is prepared and finalized, copies will be available from the Council by contacting Terri Richard at terri.richard@tdbca.state.tx.us or at 512.475.2953.

The Council finds that Texas, like the rest of the country, continues to experience a supply of safe, decent, affordable housing insufficient to meet existing need. Currently, there are about 535,972 units of affordable housing throughout the state. Competing for those units are approximately 2,908,012 Texans, age 16 and over, living below the poverty level (in 2016, the income for a family of four living in poverty is \$24,300 or less)¹ and of that 2,908,012 person number approximately 589,602 also experience one or more disabilities². The number of Texas households living at 50% or less of the Area Median Family Income (“AMFI”) that are rent burdened, *i.e.* pay more than one half of their income on rent and utilities, is roughly 863,856³.

Significant subpopulations within the larger sector of low and moderate income Texans experience specific conditions that mean that in order for them to have good outcomes they need to be able to connect with specific services in addition to accessing stable housing.

These subpopulations (which are not mutually exclusive) include:

- Older Texans, many of whom have specific disabilities;
- Persons with disabilities in general, many of whom live on limited means such as Supplemental Security Income (“SSI”);
- Veterans, including homeless veterans and veterans who have service-related injury or trauma;
- The larger homeless population, including:
 - persons with substance use disorders;
 - persons with psychiatric disorders, chiefly untreated; and
 - persons with ongoing medical issues requiring treatment (such as diabetes, hypertension, etc.);
- Youth aging out of foster care;

¹ Federal Register, Volume 81, No. 15, Thursday, January 25, 2015

<https://www.federalregister.gov/articles/2016/01/25/2016-01450/annual-update-of-the-hhs-poverty-guidelines#t-1>

² Census Bureau, ACS 5-year 2010-2014, Table S1811

³ 2008-2012 Comprehensive Housing Affordability Strategy (“CHAS”), Table 3

- Persons with disabilities who are exiting institutional settings to live in their communities; and
- Persons with intellectual and developmental disabilities.

The range of supportive services with which these subpopulations need to connect includes but is not limited to:

- Assistance with essential daily life activities such as eating, bathing, and dressing;
- Treatment for chronic diseases such as diabetes and hypertension;
- Treatment for alcohol or substance use disorders or dependency;
- Treatment for significant psychiatric disorders;
- Assistance in adapting to prostheses and other physical changes as a result of injury, including wounded warriors; and
- Habilitation services to enhance independent living skills.

2) The intersection of housing expertise and expertise in navigating, coordinating, and delivering supportive services is most efficiently accomplished when providers utilize efficient coordination mechanisms to ensure that areas of need are well addressed. For example, a business adept at developing affordable housing needs to establish linkage with local service coordinators who, in turn, will link to actual service providers. While Texas has several active developers and operators of specific types of service-enriched housing in which the housing provider is also a mission driven service coordinator and/or provider, the approach of coordination and delivery through local linkages will enable more affordable housing developments to offer service-enriched housing options.

3) One model that is becoming a promising practice throughout the country for delivering housing and services in a coordinated way is the Housing First model. Dr. Sam Tsemberis with Pathways to Housing developed the model as an alternative method to addressing homelessness.⁴ He points out that the traditional method of first engaging individuals in services to address their medical, psychiatric, or substance use disorders then trying to find housing has generally not been successful. Housing First changes the paradigm and seeks to house the individual first then wrap around services to maintain stable housing while continuing to address the individual's service needs. Once a person has a roof over their heads they can focus on recovery versus focusing on fundamental issues such as personal security and where they will sleep and eat each night.

Based on a synthesis of various views on Housing First it appears that some of the key principles of a Housing First model include:

- Individuals being respected and treated with dignity;

⁴ Housing First, The Pathways Model to End Homelessness for People with Mental Illness and Addiction, Sam Tsemberis, Ph.D., Hazelden, 2010.

- Services and housing being directed by the individual;
- Services offered being recovery oriented;
- Individuals being given the opportunity to live with the greatest possible level of independence
- Selection or acceptance of offered services not being directly tied to housing or *vice versa*
- There being a focus on reducing risk of harm;
- Services being offered for as long as necessary; and
- An underlying value that access to housing should be extended to persons in need of services, including treatment for substance use disorder, as well as to persons who do not need those services.

Based on a review of significant studies and receiving in depth reports on the housing first model, the Council finds that there is strong support for the adoption of a Texas Housing First approach in many state and local efforts to address the significant issues that impact individuals and households of extremely low income who are homeless, at risk of homelessness, or unstably housed.

Austin Travis County Integral Care (“ATCIC”) has been supporting individuals who experience homelessness using a Housing First approach since 2013. In Austin, there are over 2200 people who are homeless on any given day. ATCIC staff and community stakeholders including the City of Austin recognized that about 60% of individuals experiencing homelessness in Austin were struggling with mental illness, substance use disorders, physical disabilities, or chronic medical problems. As a result, the City of Austin identified a need for another 1,889 units of Permanent Supportive Housing (“PSH”). The initiative began in 2010 and embraces the Housing First principles as listed above.

The Ending Community Homelessness Organization (“ECHO”) reports that over the past two years 2,560 individuals have been housed and 88% of those with mental illness remained housed 12 months after entering PSH. ATCIC conducted a pre and post PSH analysis and found that after entering PSH clinic visits went down by 73%, community mental health facility stays decreased by 82%, Emergency Room visits went down by 74%, Emergency Medical Services were down by 78%, inpatient hospital bed days were reduced by 86%, and psychiatric hospital bed days were down by 85%. The initiative has been so successful that ATCIC plans to build a PSH apartment complex in Austin that would house 50 individuals who would have onsite services available to them.⁵

Another Texas Housing First project is in Fort Worth and is called Directions Home. The project is Fort Worth’s 10-year plan to address homelessness in their community. It is a community collaboration of public and private entities in the community with one goal, to make homelessness rare, temporary, and non-recurring by 2018.⁶ The Tarrant County Homeless Coalition serves as the

⁵ Austin Travis County Integral Care 2016 <http://housingfirstatx.org/>

⁶ Directionshome.org

lead agency in the Housing first initiative. Housing the homeless, the first priority, and combining rental assistance with wrap around supportive services are the two key components of the effort. Texas Christian University school of social work evaluated the project looking at costs incurred prior to the entering the program and 24 months after entering the program.⁷

Similar to the ATCIC initiative, TCU staff reported a reduction in:

- Public hospital services, down 24%;
- Public hospital charges, down 40%;
- Ambulance services reduced by 28%; and
- Ambulance charges reduced by 34%.

In addition, the Directions Home evaluation found an increase in mental health and prescriptions charges by 8% and other services by 13% which may indicate access to needed services. However, overall charges by the health network, mental health services, and emergency medical services were reduced by 36%, indicating the costs incurred were producing larger scale savings.

4) Numerous studies and reports put forward the conclusion that service-enriched housing is cost effective. This has been documented on a local level in studies that show, for instance, how housing a homeless person may be more cost effective than dealing with frequent issues of emergency response, emergency room treatment, hospitalization, and incarceration.

One study was conducted in Travis County. The Healthy Community Collaborative is a group of organizations working together to address homelessness in the county. The collaborative included the local mental health authority, ATCIC, ECHO, and nonprofits who worked together to increase Austin's PSH resources. Austin Travis County Integral Care reported that housing 2,560 individuals in PSH resulted in a potential savings of one million dollars annually. Over a six month period after enrolling in PSH, savings included fewer emergency room visits (74% reduction), EMS responses (78% reduction), inpatient hospital bed days (86% reduction), psychiatric hospital beds days (85% reduction), clinic visits (73% reduction), and community mental health facility stays (82% reduction).

Another example is the initiative underway with Ending Community Homelessness Coalition ECHO in Austin. ECHO partnered with a variety of stakeholders to participate in a Pay for Success program. The program uses private and public investment in services to meet the needs of chronically homeless in Austin. Private investors invest in the program and metrics are rigorously measured whereby investors are repaid their investment when metrics are met. Metrics include but are not limited to fewer emergency room visits, hospital visits, etc. While the project is ongoing, ECHO estimates a per person per year cost avoidance of \$44,618.

A collaboration between CSH, ECHO, and United Healthcare is also studying the impacts of supportive housing for individuals eligible for Medicaid who also are homeless. The study involves

⁷ Petrovich, J. & Haynes, J. (2012). Critical service use and supportive housing: An assessment of Directions Home supportive housing (unpublished manuscript). Fort Worth, Texas: Texas Christian University and JPS Health Network

matching Medicaid and Homeless Management Information System (“HMIS”) data. The early findings of the study demonstrate that a number of United Healthcare members were accessing homeless services provided by ECHO, the Continuum of Care in Austin.

The linkage is less clearly defined on a state level. Specifically, the Council believes, and therefore advances the notion that the state should know if state investment of general revenue in service-enriched housing will yield corresponding opportunities to save general revenue elsewhere in the appropriations process. In the 2016-2017 General Appropriations Act, Eighty-fourth Legislature, 2015, \$2.7 billion in general revenue-related funds were appropriated to 18 state agencies for behavioral health and substance use disorder services⁸. A deeper understanding of the correlation of certain expenditures to specific savings would aid the legislature and the Governor in making sound strategic decisions in consideration of funding levels for affordable housing development and other affordable housing assistance, such as rental vouchers.

Recommendations

- 1) In order to promote a continuing focus on the development not only of more affordable housing but the development of more affordable service-enriched housing, the state and local funding and assistance providers for such development need to consider the creation and use of appropriate rule-based tools as a way to promote more affordable housing developments that access local service coordination and, ultimately offering of service choices and options.
- 2) The state and local parties that oversee the creation and provision of service coordination need to consider the development of ways to promote broad geographic coverage and awareness, so that local housing providers can readily identify and link with the appropriate coordinators. For example, Aging and Disability Resource Centers (“ADRCs”) help people with disabilities identify and access long-term services and supports (“LTSS”). They also have responsibilities to provide housing navigation services. ADRCs should be encouraged to conduct training for public housing authorities and other housing providers, to better educate them about LTSS and facilitate cross-referrals.
- 3) The Council needs to continue coordinating the Housing and Services Partnership Academy as a key tool to promote awareness and linkage among housing solutions and service solutions, all coordinated in a manner that prioritizes locally identified need. This is accomplished within the ongoing appropriation of general revenue to the Council. One outcome of the Academy was the coordination of two local housing summits. The summits brought together housing and service providers, disability advocates, and local government officials to share information, learn more about service-enriched housing, and develop strategies to address the lack of affordable, integrated, and accessible housing.

⁸ Legislative Budget Board, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures, Overview and Funding presented to the Senate Committee on Finance, January 2016.

- 4) If the state finds it would be beneficial to develop hard data on potential savings of general revenue as a direct result of increased dedication of general revenue to the development of service-enriched housing it should consider the commission of a study of this issue. Because the likely areas of savings are in state Medicaid contributions and in support of hospitals, the most logical body to oversee this study would be the Health and Human Services Commission in coordination with other state agencies as needed.