

The Housing Trust Fund: A Cost-Effective Solution to Ending Homelessness in New Mexico

**By Andrea Gross
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Throughout the course of a year, there are over 17,000 people experiencing homelessness in New Mexico who would greatly benefit from an affordable housing trust fund. The homeless population is diverse, comprised of children, women, families, veterans, immigrants, and the mentally and physically disabled. Due to the precarious nature of homelessness, those experiencing homelessness often utilize emergency services such as hospitals, shelters, and jails more than people who are housed. This can make the cost of homelessness quite high.

The *New England Journal of Medicine* found that a homeless person is hospitalized an average of four days longer than a non-homeless person. This was an extra cost of \$2,414 per hospitalization. Similarly, the homeless are frequently incarcerated, often for misdemeanor crimes such as loitering, which further increases the cost incurred by the state, county and municipalities. The good news is that there is a cost-effective measure that reduces the use of emergency services by the homeless, and offers a long-term solution to ending homelessness through the development of permanent supportive housing. However, in order to finance the development of housing for the homeless, there needs to be annual recurring money for the New Mexico Housing Trust Fund.

Supportive housing is independent, affordable housing linked to support services. In October 2006, the New Mexico Coalition to End Homelessness conducted a study to compare the nightly cost of supportive housing with that of local hospitals, jails, and shelters. The cost per bed, per night at Santa Fe facilities was as follows: \$716 at UNM Hospital, \$550 at St. Vincent's Hospital, \$82 at the Santa Fe County Detention Center, \$77 at the state penitentiary, \$33 for supportive housing, and \$30 for emergency shelter. It is clear that supportive housing is the most affordable option, and although shelter costs are comparable, they do not provide the stable environment that comes with being housed. Because of this, emergency services are still frequently used by those staying in the shelters.

Researchers from the University of Pennsylvania also found that once the chronically homeless are placed into supportive housing, there is a significant reduction in the costs of emergency services. Enhanced case management and housing services creates a more stable and autonomous environment which leads to a decrease in hospitalization and incarceration. The researchers also report that the retention rate for such housing is upwards of 70 percent. This in turn, lessens the burden on hospitals, jails, prisons, and shelters.

In addition to cost effectiveness, there are other benefits to developing supportive housing such as neighborhood revitalization, beautification, economic development, and housing for community members living on the streets. Unfortunately, communities often protest, "Not in my back yard" (NIMBY), when they find out about affordable and supportive housing developments in their neighborhood. This stems from fear and a lack of knowledge about homelessness, the mentally disabled, and the quality of the housing development's design. Supportive housing is an asset to the community, not a liability.

For example, the New Mexico Coalition to End Homelessness, with the Supportive Housing Coalition of New Mexico, and Care 66 are partnering on a low-income tax-credit project to develop the Chuska Apartments in Gallup, New Mexico. These apartments won the New Mexico design competition award for tax-credit projects and will include 30 energy efficient apartments for low-income families along with a community center and garden. Additionally, the Supportive Housing Coalition has completed several beautiful supportive housing developments in Albuquerque.

With all of the benefits, how can we afford not to build permanent supportive housing in New Mexico? It is quite simple; the solution to ending homelessness is housing for all New Mexicans. However, in order to be successful in this endeavor, there needs to be a source of dedicated funding for supportive housing projects. As it stands, the Housing Trust Fund in New Mexico is only dispersed through loans for builders and developers typically for homeownership rather than supportive housing. According to Governor Richardson's budget, he is proposing \$10 million in non-recurring money for the Housing Trust Fund. We need to expand the role of the Housing Trust Fund to include recurring funding distributed through grants for the development of supportive housing for our most impoverished citizens. If we do not do this, it will cost us not only financially, but morally as well.