WHITE PAPER

Estimating the Fiscal Impact of a Permanent Supportive Housing Model

Projected Costs and Benefits Based on the Initial Findings of the Rhode Island Pay for Success Permanent Supportive Housing Pilot Program

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Executive Summary

This white paper estimates the potential fiscal impact of providing direct housing rental subsidies, paired with supportive services, as a targeted intervention for individuals experiencing homelessness in Rhode Island. Drawing on two years of findings from the Rhode Island Pay for Success (PFS) Permanent Supportive Housing (PSH) pilot, the analysis models the projected impacts of sustained housing subsidies and supportive services for a cohort of 50 Rhode Islanders with historically high utilization of publicly funded social programs.

What the PFS PSH pilot has shown so far

The PFS PSH program targets Rhode Islanders facing significant challenges securing housing who have a history of high Medicaid utilization and/or involvement with the Rhode Island Department of Corrections (RIDOC). Through the first two program years, the pilot has exhibited meaningful and measurable results. Among 81 enrolled clients, and measured against a non-intervention baseline for a comparable population experiencing housing instability[2]:

- Housing stability tripled — the number of participants maintaining a lease every month, without a long-term absence, rose from 11 in program year 1 to 37 in program year 2.
- Shelter use fell sharply — total shelter nights dropped from a baseline of 3,443 to 931, a 73% decline, while the share of participants with any shelter stay fell from 38% to 19%.
- Inpatient hospitalizations declined by half in program year 2, from 2,199 to 1,057 days per 1,000 participants.
- Time in the community increased for participants with a history of incarceration, from a baseline of 65.5 to 77.6 days per quarter (an 18.5% gain)

These results provide a solid foundation for assessing how sustained investment in these services could further improve favorable outcomes and cost savings over time.

The benefit-cost comparison for sustained PSH investment

The white paper analysis shows that an initial investment of $1.8 million — $1.5 million in housing subsidies and $300,000 in case management staffing and program administration for two years has the potential to generate system cost savings of approximately $6.6 million over 10 years. These estimated benefits are based on potential cost savings from reduced shelter, emergency department, and inpatient hospital use; Medicaid coverage transitions; and nursing-home diversion. That amounts to a net benefit of $4.8 million, or roughly $3.70 in projected savings for every $1 invested.

This estimated net fiscal benefit is conservative by design. The $6.6 million excludes potential savings that are directionally positive: an estimated $4.9 million in avoided Rhode Island

Acknowledgment: *The Rhode Island Coalition to End Homelessness (RICEH) contracted with Faulkner Consulting Group (FCG) to serve as the independent evaluator for the Rhode Island PFS PSH program.*

[2] Rhode Island Pay for Success Permanent Supportive Housing Program: Performance Year 2 Metrics

Department of Corrections (RIDOC) costs, which the model treats as notional rather than cashable, and a further $350,000–$460,000 in potential avoided police and court costs drawn from comparable supportive-housing programs in the published literature. Table 1 summarizes the comparison; the full analysis appears in the Benefit-Cost Comparison section below.

Table 1. Benefit-Cost Snapshot (Net Present Value (NPV), Years 1–10)

Category	Amount
State Investment for Cohort of 50 Individuals over 2 Years	
Housing subsidies	$1,500,000
Case management staffing	$150,000
Program administration (Rhode Island Coalition to End Homelessness)	$150,000
Total State investment	**$1,800,000**
Modeled Gross Savings	
Short-term (Years 1–2) due to Avoided Shelter Nights, ED Visits, Inpatient Days	$400,000
Long-term (Years 3–10) due to sustained utilization reductions, as well as Medicaid coverage transitions, and nursing home diversion	$6,254,000
Total modeled gross savings	**$6,654,000**
Return on Investment	
Net fiscal impact	$4,854,000
Benefit-cost ratio	≈ 3.70 to 1
Memo: Notional Additional Savings Not Included Above	
Avoided RIDOC incarceration costs (notional)	≈ $4,850,000
Avoided police / court costs (illustrative, literature-based)	$350,000–$460,000

Note that these figures are gross (total-system) savings expressed in net present value. Only a portion of these benefits will translate to direct savings to the Rhode Island state budget. The share that relieves the Rhode Island general fund depends on the Medicaid match. Assuming that half of the non-seniors are eligible under the Expansion criteria, the **total state savings over the 10 years would be approximately $2.4 million inclusive of state share of Medicaid and shelter savings** with no direct cashable savings assumed from reduced justice and law enforcement related costs. See Data Notes for additional information.

How this paper is organized

The remainder of this paper provides background on the PFS PSH pilot, describes the analytical approach for the white paper, and summarizes potential short-term and long-term benefits and cost savings. There is additional information on the data sources and potential limitations in the **Data Notes** section.

Background

The Rhode Island Pay for Success (PFS) Permanent Supportive Housing (PSH) pilot focuses on individuals experiencing homelessness who are high utilizers of public systems, including services financed by Rhode Island Medicaid and the Department of Corrections (RIDOC). The program aims to improve housing stability while, in parallel, reducing utilization of high-cost, crisis-driven

services, such as emergency departments, inpatient hospitalizations, shelters, and correctional services.

Authorized in the State's SFY 2022 budget and launched in Fall 2023, the pilot is administered jointly by Rhode Island Coalition to End Homelessness (RICEH) and the Rhode Island Executive Office of Health and Human Services (EOHHS), as part of a broader statewide effort to coordinate housing and service delivery systems.

The program combines two components. **Permanent supportive housing** gives participants access to affordable housing through housing subsidies, with the goal of stable, long-term housing. **Intensive supportive services** — case management, tenancy supports, and coordination of health and behavioral health care — help clients obtain and maintain housing.

Initial results from the pilot have demonstrated evidence that the intervention can drive meaningful improvements in housing stability and reduce utilization of high-cost public services. **Among the 81 clients enrolled in the most recent performance year (October 2024 and September 2025)**[3], and measured against a non-intervention baseline for a comparable population experiencing housing instability:

- The number of participants achieving housing stability (defined as maintaining a lease each month without an intervening long-term absence) increased from 11 in the prior year to 37.
- During PFS Year 2, total nights spent in shelters among PFS participants declined from a baseline of 3,443 to 931, while the share of participants with at least one shelter stay fell from 38% to 19%.
- During PFS Year 2, the number of inpatient hospital days declined by 50 percent: from 2,199 per 1,000 to 1,057 per 1,000.
- The average number of days in the community, among those with a history of incarceration, increased from a baseline of 65.5 days per quarter to 77.6 days per quarter, an 18.5% increase.

These results provide the foundation for assessing how a sustained investment could extend these gains, and their associated cost savings, over time.

Analytical Approach

Leveraging the approach and results of the PFS PSH pilot, this analysis models a similar program in which direct housing subsidies and supportive services continue beyond the pilot period. The goal is to assess how sustained investment can reduce utilization of high-cost public programs and thereby generate long-term cost savings.

[3] Rhode Island Pay for Success Permanent Supportive Housing Program: Performance Year 2 Metrics

This section sets out the cost-offset hypothesis, the rationale for targeting high utilizers, the program's logic model, and the assumptions regarding the state investment required and the profile of the modeled cohort.

The cost-offset hypothesis

Homelessness is expensive to the public sector even when no housing is provided. People living unsheltered or cycling through emergency shelter consume a predictable stream of high-cost, crisis-driven public services: emergency department visits, inpatient admissions, ambulance transport, detox and psychiatric crisis care, shelter operations, and contacts with the criminal-justice system. These services are costly because they are delivered in the highest-acuity settings, at the point of crisis, without the continuity that would prevent the next one.

The cost-offset hypothesis holds that a stable housing platform interrupts this cycle. A person with a stable address and a case manager is more likely to attend a primary-care appointment than to present at an emergency department, more likely to take medication as prescribed, and less likely to be incarcerated for offenses associated with street homelessness. The public sector continues to spend on this population, but it spends differently — and, the hypothesis predicts, less in total. The net fiscal question is therefore whether the cost of the subsidy and services is more than offset by the reduction in avoidable crisis spending.

Targeting high utilizers of public systems

Public costs associated with homelessness are highly concentrated. A small share of individuals — often those with co-occurring physical health, mental health, and substance-use conditions — accounts for a disproportionate share of emergency, inpatient, and justice-system spending. Supportive housing programs that serve this population address the most complex, persistent needs; as a result, they also tend to generate the greatest fiscal return, since the potential savings from any intervention are bounded by the costs a participant would otherwise generate.

Reaching people with the highest level of need is core to the Rhode Island model. The PFS PSH program conducts outreach to, and enrolls, individuals with a history of homelessness who are also high utilizers of Medicaid – and RIDOC-financed services — generating greater potential savings and a stronger fiscal case.

Theory of change and logic model

The program's expected effects can be expressed as a logic model that links inputs to outcomes and, ultimately, to fiscal impact (Table 2).

Table 2. Stages and Assumptions of the Logic Model

Stage	Element	What the model assumes
Inputs	Rental subsidies; intensive supportive services	Subsidy is sufficient to secure housing in the local market; services capacity exists
Outputs	Housing placement; service engagement; lease retention	Participants are placed and retained at rates consistent with the pilot and the supportive-housing literature
Short-term outcomes	Reduced shelter, ED, and inpatient use	Utilization reductions observed in the pilot persist and apply to the modeled cohort

Stage	Element	What the model assumes
Long-term outcomes	Sustained stability; coverage transitions; nursing-home diversion	Stability supports employment and coverage change; some seniors divert to home- and community-based care
Impact	Net fiscal savings for public systems; improved participant well-being; other public benefits	Gross savings exceed subsidy cost; a defined share is cashable to the State budget

Modeled cohort and state investment

The model is built around a cohort of 50 Medicaid-eligible individuals who are currently experiencing homelessness and are high utilizers of public programs, approximately 85% of whom have prior RIDOC involvement. In Year 1, the cohort composition is assumed to have a similar profile as the population served during the PFS PSH pilot (Table 3). For Year 2, we assume a similar attrition rate as in the PFS in Year 2, with 5 individuals leaving stable housing from the cohort. We also assume a Medicaid transition rate of 20%, with 10 non-senior individuals moving off Medicaid to the Rhode Island health insurance marketplace for private insurance as they become stably housed and employed.

Table 3. Cohort Composition

Population category	Year 1 Assumptions	Year 2 Assumptions
Total Stably Housed Participants	50	45
Seniors and/or individuals with disabilities	5	4.5
Medicaid coverage	50	40.5
Medicaid transition rate (% of non-seniors who transition off Medicaid to private insurance)	0%	20%
Medicaid expansion adults	30	27
Medicaid non-expansion adults	15	13.5

The model treats the full cost of program administration — not just the housing subsidy — as the State's investment. Housing subsidies of $1.5 million ($750,000 per year for Years 1 and 2) will finance 50 participants, each receiving a subsidy of approximately $1,250 per month for two years (50 × $1,250 × 24 = $1.5 million). On top of that subsidy, the program will include $150,000 for intensive case management staffing and $150,000 for program administration by RICEH, bringing the total State investment to ~$1.8 million over the two-year period.

The model assesses the cost of this investment against anticipated benefits across two timeframes:

- Short term (Years 1–2): Initial changes in public-service utilization, including shelter stays, emergency department visits, and inpatient hospitalizations.
- Long term (Years 3–10): Changes based on sustained housing stability, resulting in greater system savings due to further reductions in public-service use and lower utilization of needs-based welfare programs.

Short-Term Outcomes (Years 1–2)

Table 4 summarizes the projected short-term outcomes of a 50-person cohort receiving direct housing subsidies and supportive services over the program's first two years.

Clients who become stably housed and receive consistent case management and other supportive services are expected to rely less on crisis-driven services and more on routine, community-based supports. Based on the experience of the PFS pilot, individuals are less likely to cycle through shelters, seek care through emergency departments, or require extended inpatient hospital stays. These changes improve stability for participants while also reducing high-cost public expenditures. The most significant driver of savings is inpatient hospitalizations (IP): the estimated 706 days avoided in Year 1 represent approximately $155,000 in Medicaid savings. Reduced shelter and emergency department (ED) utilization add approximately $88,000 in Year 1 savings, with total potential short-term savings across these three metrics estimated at approximately $400,000 across Years 1 and 2.

The model assumes that the cohort will also have a similar history of RIDOC involvement as the participants in the PFS pilot. The initial results of the PFS pilot indicate that as participants maintain housing and receive supportive services, they experience fewer interactions with law enforcement and spend less time incarcerated. For clients, these changes translate to increased time in the community and continuity in employment, health care, and social supports. For public systems, these outcomes may reduce demand for police, court, correctional, and probation services. However, while these reductions represent meaningful benefits, the associated savings are considered non-cashable as they would only result in direct budget relief only if police, court system, and RIDOC capacity were reduced as a result of lower utilization, which the model does not assume (see Data Limitations).

Table 4. Projected Change in Service Utilization and Cost Savings, Years 1–2

Outcome Metric	Baseline	Year 1	Year 2
Shelter Nights			
Estimated Shelter Nights Avoided	0	1,551	1,265
Total Estimated Shelter Nights	2,125	574	648
Estimated Shelter Cost Savings — NPV **Assumption: $36 per shelter night*[4]	$0	$55,477	$44,932
Emergency Department (ED) Visits			
Estimated ED Visits Avoided	0	46.1	33.3
Total Estimated ED Visits	177.2	131.1	126.1
Estimated ED Visit Cost Savings — NPV **Assumption: $720 per ED visit*[5]	$0	$32,939	$19,399
Inpatient (IP) Days			
Estimated IP Days Avoided	0	706	493
Total Estimated IP Days	1,357	652	728
Estimated IP Day Cost Savings — NPV	$0	$154,509	$87,970

[4] Rhode Island Department of Housing, Consolidated Homeless Fund Partnership, Request for Proposals 2025-26.
[5] Rhode Island Medicaid Expenditure Report SFY 2024

Outcome Metric	Baseline	Year 1	Year 2
**Assumption: $220 per IP day*[6]			
Total System Cashable Cost Savings from Reduced Utilization		**$242,925**	**$152,301**
		$395,226 (Years 1 and 2 combined)	
Department of Corrections (DOC) Avoidance Non-Cashable Cost Savings			
Participants with DOC History	42.5	42.5	38.3
Est. Days of Incarceration Avoided	0	2,125.0	1,915.0
Estimated DOC Cost Savings — NPV **Assumption: $308 per day of incarceration*[7]	$0	$629,848	$545,773

Long-Term Outcomes (Years 3–10)

The model assumes that the benefits of housing stability continue to accumulate over time. As participants remain housed, they are better positioned to manage chronic conditions, maintain employment, strengthen social supports, and age safely in the community. Based on the PFS pilot, as they achieve greater stability, they will continue to have fewer emergency department visits, inpatient hospitalizations, and shelter stays. Over the long term, some may also experience increased employment and income, allowing them to transition from Medicaid to private health insurance. Older adults in the program may be better able to remain in their homes and communities rather than entering nursing home facilities. Together, these changes improve outcomes for participants and reduce demand on high-cost systems. In the model, Years 3 through 10 are projected to generate an additional $0.8 million in savings through avoided inpatient hospital days, emergency department use, and shelter stays, along with $5.5 million in potential savings associated with Medicaid coverage transitions and nursing home diversions. Key highlights include:

- The program is estimated to continue generating substantial reductions in high-cost service utilization across shelter, emergency department, and inpatient settings, with IP day savings the largest driver: an estimated 3,818 IP days avoided, generating $0.3 million in savings.
- As participants obtain and maintain housing stability and employment, an estimated 75% of non-senior participants are projected to transition off Medicaid to private insurance by Year 4, generating Medicaid savings of approximately $3.5 million between Years 4 and 10.
- As stably housed seniors avoid nursing-home placements in favor of home- and community-based care, the program could generate an additional $1.6 million in nursing-home cost savings Years 3 - 10.

[6] Inpatient days were calculated using a proxy: Per diem rate of Specialized Mental Health Psychiatric Rehabilitation Residences, Medicaid FFS Fee Schedule
[7] Rhode Island General Assembly, RIDOC Brief (2020): https://www.rilegislature.gov/Special/comdoc/Senate%20Finance%205212020/SFO%20RIDOC%20Brief.pdf

- Based on the PFS pilot results, continued stable housing will likely continue to reduce incarcerated days among program participants, translating into over $3.7 million in avoided costs of incarceration in Years 3 - 10. These savings are treated as notional rather than cashable in this model, given that the reduction in incarceration will not likely result in a reduction in RIDOC capacity. Reduced incarceration also has other associated potential notional cost savings – such as reduced police department and court system costs.

Table 5. Estimated Utilization and Cost Savings (Net Present Value, NPV), Years 3–10

**see appendix for detailed analysis of Years 3-10*

Metric[8]	Yrs 3–10
Shelter Nights	
Baseline Shelter Nights	1,913 (avg)
Shelter Nights Avoided	11,828
Shelter Savings — NPV	$407,000
Emergency Department (ED) Visits	
Baseline ED Visits	159.4 avg
ED Visits Avoided	467.3
ED Savings — NPV	$111,000
Inpatient (IP) Days	
Baseline IP Days	1,222 avg
IP Days Avoided	3,818
IP Savings — NPV	$286,000
Days Incarcerated (Notional)	
Baseline Days Incarcerated	4,250 avg
Incarcerated Days Avoided	1,915 avg
Notional Incarceration Savings — NPV	$3,675,000

Notional incarceration savings are excluded from the $0.8 million long-term utilization total and from Table 1; see Data Notes for the cashable-versus-notional distinction.

Table 6. Estimated Nursing Home Avoidance and Cost Savings, Years 3–10

Metric	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Yrs 3–10 Total
Senior / Disabled Participants	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5 avg
Assumed NH Avoidance Rate	30.0%	40.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	—
Seniors Diverted from Nursing Home	1.4	1.8	2.3	2.3	2.3	2.3	2.3	2.3	16.7
NH Avoidance Savings ($000s)[9]	$135	$178	$221	$220	$218	$217	$215	$214	$1,619

[8] Baseline figures from Rhode Island Pay for Success Permanent Supportive Housing Program: Performance Year 2 Metrics
[9] May 2026 Caseload Estimating Conference

Benefit-Cost Comparison

Bringing together the cost and savings estimates from the preceding sections, Table 7 presents the full ten-year benefit-cost comparison for the modeled program. The comparison isolates savings that are cashable under current program assumptions from those that are notional or illustrative.

Table 7. Ten-Year Benefit-Cost Comparison (NPV, Years 1–10)

Line Item	Amount
State Investment	
Housing subsidies (50 participants × $1,250/mo × 24 mo)	$1,500,000
Case management staffing (Service Providers)	$150,000
Program administration (RICEH)	$150,000
Total State investment (A)	$1,800,000
Modeled Gross Savings (Cashable)	
Short-term: shelter, ED, IP (Years 1–2)	$400,000
Long-term: shelter, ED, IP, Medicaid transition, NH diversion (Years 3–10)[10] [11]	$6,254,000
Total modeled gross savings (B)	**$6,654,000**
Result	
Net fiscal impact (B – A)	$4,854,000
Benefit-cost ratio (B / A)	≈ 3.70 to 1
Memo: Additional Potential Savings (Not Included in B)	
Avoided RIDOC incarceration costs, Years 1–10 (notional)	≈ $4,850,000
Avoided police / court costs (illustrative, literature-based; see data notes below) (Police $397 per person per year and Court $520 per person per year)[12]	$350,000–$460,000

Data Notes

PFS Data availability

Data presented is based on the PFS pilot data available at the time of collection in June 2026. While efforts have been made to ensure accuracy, there may be limitations or inconsistencies in the data due to various factors such as self-reporting, data entry errors, or incomplete/conflicting records.

Additionally, some of the cost data underlying this analysis reflects assumptions from the program's original 2016-2017 design. Actual housing and service costs may differ from those reflected in the original model.

Baseline utilization and cost sources

Baseline utilization is derived from PFS PSH Year 2 data and converted to a per-participant annual rate applied to the 50-person cohort. Reductions in utilization are based on observed

[10] Medicaid PMPM estimates for Medicaid expansion population based on SFY 2027 composite rate for expansion population

[11] Medicaid PMPM estimates for Medicaid non-expansion population based on SFY 27 RHP for non-expansion population

[12] Gillespie, S., Hanson, D., Leopold, J., & Oneto, A. D. (2021). Costs and Offsets of Providing Supportive Housing to Break the Homelessness-Jail Cycle.

changes from the pilot program, as well as results from similar supportive-housing programs in other states. Cost estimates are based on available Rhode Island data, supplemented by assumptions from secondary sources where Rhode Island-specific figures were not available. The police and court costs are drawn from a single, out-of-state evaluation (the Denver Supportive Housing Social Impact Bond) rather than from Rhode Island administrative data, because Rhode Island does not currently publish per-person police-contact or court-processing costs for this population.

Gross versus net, and State versus other payers

All dollar figures in this paper are gross (total-system) savings expressed in net present value, unless otherwise labeled. Cost savings may accrue to the federal government, the state government, and shelter funders. The share of any given savings category that relieves the Rhode Island general fund specifically is smaller than the gross total and depends on the Medicaid federal matching rate.

Cashable versus notional savings

This paper distinguishes savings that reduce actual State outlays ("cashable") from reductions in utilization that do not automatically translate into budget relief ("notional"). RIDOC incarceration-day avoidance is the clearest example: a reduction in the number of days a participant spends in custody only produces a cashable saving if it allows the State to reduce RIDOC capacity or cost. Absent that capacity reduction — which this model does not assume — the freed bed-days are more likely to be backfilled by other admissions, making the saving notional. For this reason, police/court/RIDOC savings (Tables 5 and 6) are reported separately and excluded from the $6.65 million headline total in Table 1 and Table 7.

Additional System Benefits Not Quantified

The benefit-cost comparison described above only analyzes and models the specific metrics directly related to the PFS PSH evaluation: shelter, emergency department, inpatient, nursing home, and Medicaid utilization. It does not attempt to quantify the broader set of system benefits associated with housing stabilization, as these outcomes are not directly translatable into discrete, unit-cost categories that this evaluation is designed to assess.

For example, law enforcement resources currently directed towards unsheltered individuals could be redirected to other public-safety priorities. This likely translates to a benefit to the broader community, but not a directly cashable reduction or savings. A larger cohort, sustained over a longer program period, would allow for a more detailed analysis of these system-level effects.

Limitations and Sensitivity Considerations

The projections in this paper are a structured estimate, not a guarantee of savings. The following limitations should be weighed by any decision-maker relying on the results.

- **Small sample and short observation window.** The pilot enrolled 81 clients over a limited period, and the model applies these results to a 50-person cohort over ten years. Long-horizon projections compound any error in the underlying rates.

- **Regression to the mean.** Because participants are selected as high utilizers, some reduction in their utilization would likely occur without the program.
- **Generalizability.** Results depend on Rhode Island's housing market, service-delivery capacity, cost structure, and participant mix. Savings may not transfer to other settings.
- **Out-of-jurisdiction proxy for criminal justice estimates.** The police- and court-cost figures come from Denver, Colorado, not Rhode Island. Differences in policing practice, court structure, and cost levels between the two jurisdictions mean the RI-specific magnitude of these savings could be materially higher or lower than the illustrative range presented.

Conclusion

The findings from this white paper demonstrate that housing stabilization has the potential to be a cost-effective intervention for individuals experiencing homelessness. Underwriting stable housing can lead to lower utilization of high-cost public services in the short term, and, by helping clients develop robust tenancy habits, clients will experience positive outcomes that lower enrollment in needs-based public programs such as Medicaid in the long term. These reductions have the potential to generate long-term cost savings that offset the direct cost of the State's initial investment in housing subsidies.

Selected References

The following sources inform the theoretical framework and assumptions in this paper.

Aubry, T., et al. (2020). "Effectiveness of permanent supportive housing and income assistance interventions for homeless individuals in high-income countries: a systematic review." The Lancet Public Health. https://www.thelancet.com/journals/lanpub/article/PIIS2468-2667(20)30055-4/fulltext

This article is a systematic review investigating the effectiveness and cost-effectiveness of permanent supportive housing and income interventions on the health and social well-being of individuals who are homeless in high-income countries. The authors screened nearly 16,000 citations and identified 72 articles for analysis. The review found that permanent supportive housing interventions increased long-term housing stability for participants with moderate and high support needs. Permanent supportive housing showed no measurable effect on psychiatric symptoms, substance use, income, or employment outcomes compared with usual social services. Income interventions, particularly housing subsidies paired with case management, showed long-term improvements in days stably housed, though effects on mental health and employment remained unclear.

Gillespie, S., Hanson, D., Leopold, J., & Oneto, A. D. (2021). Costs and Offsets of Providing Supportive Housing to Break the Homelessness-Jail Cycle. Washington, DC: Urban Institute. https://www.urban.org/sites/default/files/publication/104499/costs-and-offsets-of-providing-supportive-housing-to-break-the-homelessness-jail-cycle_0.pdf

This Urban Institute evaluation of the Denver Supportive Housing Social Impact Bond compares criminal-justice, public-safety, and health-care costs and outcomes for participants who received supportive housing against a randomized control group who received usual care. It reports unit costs for police contacts, arrests, court cases, and jail days, and finds statistically significant annual reductions in jail costs (–$2,386, 23%), court costs (–$520, 29%), police-contact costs (–$221, 35%), and custodial-arrest costs (–$112, 30%) per participant.

Eide, S. (2020). Housing First and Homelessness: The Rhetoric and the Reality. The Manhattan Institute. https://manhattan.institute/article/housing-first-and-homelessness-the-rhetoric-and-the-reality

This Manhattan Institute policy report challenges central claims made by Housing First proponents, arguing that the policy's effectiveness, cost savings, and ability to address behavioral health conditions have been overstated. It contends that while Housing First has demonstrated effectiveness for individual housing placement, it has not been shown to reduce homelessness at the community level. The report argues that cost-savings estimates associated with high-utilizer populations do not hold when Housing First is applied as a system-wide organizing principle, and that some pre- and post-estimates may reflect regression to the mean among high-cost individuals rather than a genuine program effect.

Gubits, D., et al. (2015, and follow-ups). Family Options Study. U.S. Department of Housing and Urban Development. https://www.huduser.gov/portal/sites/default/files/pdf/FamilyOptionsStudy_final.pdf

The Family Options Study is a large-scale, multi-site randomized experiment measuring the impact of different housing and services interventions on 2,282 homeless families. Families were randomly assigned to one of four conditions: a permanent housing subsidy, community-based rapid re-housing, project-based transitional housing, or usual care. At the 20-month follow-up, families offered a permanent subsidy experienced less than half as many subsequent episodes of homelessness and significantly better outcomes across residential stability measures than those offered other interventions.

Latimer, E. A., et al. (2019). "Cost-effectiveness of Housing First With Intensive Case Management Compared With Treatment as Usual … (At Home/Chez Soi)." JAMA Network Open. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6707012/

This article is an economic evaluation of data from the At Home/Chez Soi randomized clinical trial, which enrolled 1,198 initially homeless participants. The intervention cost $14,496 per person per year, but reductions in other service costs offset 46% of that cost, bringing the net cost to $7,868 per person per year. The incremental cost-effectiveness ratio was $56.08 per additional day of stable housing; at a threshold of $67 per day, there was an 80% probability that Housing First with Intensive Case Management was cost-effective.

Peng, Y., et al. (2020). "Permanent Supportive Housing With Housing First: Findings From a Community Guide Systematic Economic Review." American Journal of Preventive Medicine. https://pubmed.ncbi.nlm.nih.gov/34774389/

This paper examines the economic cost and benefit of Housing First programs. After a systematic review of published literature, the authors identified 20 evaluation studies (17 from the U.S. and 3 from Canada). In the U.S. context, economic benefits (median ~$18,250 per person per year) exceeded program costs (median ~$16,500 per person per year), a benefit-to-cost ratio of 1.8:1, driven primarily by averted costs of emergency shelters, health care, and judicial and police services.

Stergiopoulos, V., et al. (2015). "Effectiveness of Housing First with Intensive Case Management …: A Randomized Controlled Trial." PLOS One. https://journals.plos.org/plosone/article?id=10.1371/journal.pone.0130281

This randomized controlled trial evaluated Housing First with Intensive Case Management among 378 homeless adults with mental illness in Toronto over a 24-month follow-up period. Housing First participants spent significantly more time in stable housing than those receiving usual care and showed meaningful improvements in community functioning, along with fewer participants experiencing at least one hospitalization during the study period.

Appendix

	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Yrs 3–10
Shelter Nights									
Baseline Shelter Nights	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913 avg
Shelter Nights Avoided	1,346	1,428	1,509	1,509	1,509	1,509	1,509	1,509	11,828
Reduction Rate	81.5%	85.8%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	—
Shelter Savings — NPV ($000)	$47	$50	$53	$52	$52	$51	$51	$51	$407
Emergency Department (ED) Visits									
Baseline ED Visits	159.4	159.4	159.4	159.4	159.4	159.4	159.4	159.4	159.4 avg
ED Visits Avoided	42.9	52.4	62.0	62.0	62.0	62.0	62.0	62.0	467.3
Reduction Rate	38.0%	44.0%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	—
ED Savings — NPV ($000)	$17	$12	$14	$14	$14	$14	$14	$14	$111
Inpatient (IP) Days									
Baseline IP Days	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222	1,222 avg
IP Days Avoided	487	481	475	475	475	475	475	475	3,818
Reduction Rate	51.0%	50.5%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	—
IP Savings — NPV ($000)	$58	$34	$33	$33	$32	$32	$32	$32	$286
Days Incarcerated (Notional)									
Baseline Days Incarcerated	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250 avg
Incarcerated Days Avoided	2,125	1,915	1,915	1,915	1,915	1,915	1,915	1,915	1,936 avg
Reduction Rate	51.0%	50.5%	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%	—
Notional Incarceration Savings — NPV ($000)	$525	$505	$485	$467	$449	$431	$415	$399	$3,675