



# CYPRESS LANDING COST-BENEFIT ANALYSIS REPORT

Prepared for  
Housing First, Steps Forward

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**EXECUTIVE SUMMARY**

The Steps Forward Initiative (SF) established Cypress Landing as a Housing First site for combatting chronic homelessness in the Tampa Bay region in 2012 with funding provided by federal agencies and support from Hillsborough County and Gracepoint Wellness.

The SF is designed to provide comprehensive housing and support services to chronically homeless individuals. Initial federal funding created the capacity to renovate an existing apartment complex (Cypress Landing) and provide health and social services to residents through Gracepoint Wellness. The program uses a housing first strategy providing safe homes for people formerly living on the street, and integrated health, mental health, and substance treatment services.

The housing first approach has been incorporated as a priority strategy based on evidence from other cities – Portland, Seattle, and Denver for example – suggesting this approach is more beneficial for both communities and homeless populations. The goals of the SF are to increase residential stability among chronically homeless people and increase the overall health status of these people while reducing the utilization and costs of emergency services provided to these people with taxpayer funds.

The Cost Benefit Analysis in this study focused on examining the actual health and emergency service costs of the sample of residents prior to and after moving in to Cypress Landing. Cypress Landing residents and Gracepoint representatives provided raw data on these costs including medical, psychiatric, legal, and substance abuse treatments and associated costs for the entire period. Cost data come from official records managed by Gracepoint Wellness in relation to actual cases.

<b>Table 1: SERVICES UTILIZED BY NUMBER OF NIGHTS BEFORE AND AFTER RESIDING IN CYPRESS LANDING</b>				
<b>N=17</b>	<b>Pre-Entry</b>	<b>Post-Entry</b>	<b>Decrease</b>	<b>Percent Decrease</b>
Emergency Room	62	12	50	81%
Detox Services	146	0	146	100%
Incarceration*	1,140	196	944	83%
Emergency Shelter	2,125	0	2,125	100%
<b>Total Nights Used</b>	<b>3,473</b>	<b>208</b>	<b>3,265</b>	<b>94%</b>

\*Data on number of nights in jail was gathered from the Hillsborough Sheriff's website.

<b>Table 2: COSTS OF SERVICE UTILIZATION BEFORE AND AFTER RESIDING IN CYPRESS LANDING</b>				
<b>N=17</b>	<b>Pre-Entry</b>	<b>Post-Entry</b>	<b>Cost Savings</b>	<b>Percent Decrease</b>
Outpatient Services	\$85,878.00	\$12,737.28	\$73,140.72	85%
Inpatient Services	\$204,203.00	\$46,283.00	\$157,920.00	77%
Emergency Room	\$196,788.00	\$38,088.00	\$158,700.00	81%
Detox Services	\$27,156.00	\$0.00	\$27,156.00	100%
Incarceration	\$82,080.00	\$14,112.00	\$67,968.00	83%
Emergency Shelters	Cost estimate unavailable	\$0.00	-----	-----
<b>Total Savings</b>			<b>\$484,884.72</b>	

Table 1 shows how the utilization of services decreased once the homeless were in permanent housing while Table 2 shows the costs associated with these changes. In every case, the costs declined markedly after establishing residency at Cypress Landing.

The study further examined the responses of the participants to ascertain the experiences of these participants with the program in a qualitative fashion. Qualitative data came from participant observation and interviews conducted at the Cypress Landing location with residents in the fall of 2013.

The findings document an overall reduction in cost of **\$484,884.72** associated with the housing of homeless persons at Cypress Landing as well as an overall increase in quality of life reported by these residents. After two years of operation, the data suggest that the SF approach utilized in the Cypress Landing project appears to offer qualitative and quantitative benefit, and the promise of concrete progress in managing chronically homeless populations in the Tampa Bay Region.

## BACKGROUND

The Steps Forward (<http://stepsforwardtampa.com>) initiative is a collaborative between community leaders in Tampa, Florida, Gracepoint Wellness (<http://www.gracepointwellness.org>) and Hillsborough County (<http://www.hillsboroughcounty.org>). Together, the collaborative combines a Housing First approach with treatment and support options provided by teams of multi-disciplinary and multi-agency providers to assist chronically homeless individuals to obtain permanent housing, support services, and eligible benefits to help them gain the stability needed to end their homelessness.

The collaborative was initially funding via federal grants to provide integrated housing and services for chronically homeless individuals. In 2012, the collaborative renovated and opened Cypress Landings as the first property in this program and in early 2013 residents began moving into and living in the apartments. Cypress Landing is an apartment building located in North Tampa wherein each unit offers a one-bedroom, one-bathroom domicile.

## PROGRAM ELEMENTS

The Housing First approach is designed to respond to the most acute need of chronically homeless individuals – housing – and through the provision of housing, to respond to other services participants may need to maintain housing and improve health and functioning. For those who do not require immediate treatment, the Housing First approach allows access to housing immediately. Likewise, for those who need treatment but have had negative experiences or are unable to acquire it, providing housing builds trust and lessens the negative impact of homelessness on overall health while offering positive treatment experience and outcomes. For those who are ready for treatment, the approach assists them in obtaining treatment and holding their housing for them during treatment processes. For those who engage in treatment prior to gaining permanent housing, a housing unit is made available to them following treatment.

Housing is provided through a combination of rental assistance techniques. In the case of Cypress Landings, residents are required to provide a percentage of the cost of housing based upon a sliding scale tied to how much income they have or can acquire through services. The remaining fees and costs of housing units are covered through the program.

The collaborative uses intensive case management strategies that have the capacity to bring integrated support services, such as health care, mental health care, substance treatment, evaluation (mental and physical), case management, benefits acquisition, and employment/education opportunities, to the residents. Part of this process is to bring these resources to the community itself and / or help with transportation so that lesser resources do not forestall participants from gaining benefits. This readiness of care builds trust and collaboration between residents and support services while helping to decrease fear among residents who have had negative experiences with other systems of care.

## PARTICIPATION STATUS

The program began accepting referrals in 2012 as the property was being readied for use. By the end of the year, the property was ready for people to move in and the program had an ongoing list of referral and applicants from which to draw residents. We explore the baseline experiences of these participants in relation to current outcomes below.

The program prioritized individuals who had long-term chronic homelessness experiences and who were primarily living via the streets. In so doing, they sought to capture the potential residents most in need of care.

## **COST BENEFITS METHODOLOGY**

All Cypress Landing residents who lived in the community at any time since the initial move in period early in 2013 were eligible for inclusion in the study. A total of 27 people met the criteria at the times (fall 2013 for qualitative responses, summer 2014 for quantitative records) of the study. Seventeen (17) of these people participated in in-depth interviews about their experiences and reflections prior to and during their stay at Cypress Landing. This report is based on these 17 cases as well as aggregate data from every resident involved in the project collected as part of ongoing evaluation and monitoring by Gracepoint Wellness.

The project utilized two methods of data collection. First, 17 respondents were interviewed about their experiences, utilization of services, and opinions about the property prior to and after moving in to Cypress Landing. From these qualitative reports, we were able to capture the residents' perceptions of the program itself. The second data collection method involved working with Gracepoint Wellness to gather aggregated data on service utilization prior to and following move in to the property. In so doing, we were able to capture a snapshot of the effects of the program on service costs in the area. These data were blinded so that no respondents' identities were obtained in relation to their private records.

Once all the data was analyzed an average cost /saving observation was noted for each type of service outcome, we turned to the qualitative responses to ascertain shared or differential perceptions between providers and residents. No discrepancies emerged, and thus we calculated differentials between service cost before and after initiation into the program for residents as a whole. In this report, we provide samples from both data sources to reveal the benefits – in terms of cost and quality – of the program to date.

## **QUANTITATIVE COST BENEFITS RESULTS**

The following findings come from the second data source noted above – aggregated records kept by Gracepoint Wellness for evaluation and monitoring of programs and services offered. In comparison to qualitative reports from residents, these findings affirm the perspectives and memories of the residents themselves, and point to concrete cost benefits achieved to date by taking a Housing First approach in the Tampa Bay Region.

**Outpatient and Inpatient Services:** Prior to move in at Cypress Landing, Gracepoint's recorded cost for outpatient services totaled \$85,878 in 2012. After 18 months of operation, however, outpatient service costs for the population recorded by Gracepoint Wellness totaled \$12,737.28 after Housing First Team services. Outpatient service costs thus decreased by \$73,141 or 85 percent. We see a similar pattern with Inpatient services where prior to move-in these costs totaled \$204,203, but after residing in Cypress Landing the population's cost totaled only \$46,283 for a difference of \$157,920 (or a 77 percent decrease). The initiation of this program has thus generated dramatic cost reductions in both inpatient and outpatient services.

**Emergency Room Services:** As measured by nights in the emergency room, records reveal that the population accounted for 62 nights utilizing emergency services prior to moving into Cypress Landing. The number of nights in the emergency room following move in at Cypress Landing, however, fell to 12: an 81 percent decrease within the

population. As noted in interviews, residents had less need for emergency services or nights spent in the emergency room when they were able to “go home” when not feeling well.

**Detox Services:** As measured by nights spent in detox facilities, records reveal the population accounted for 146 nights prior to moving into Cypress Landings. However, since moving into Cypress Landings, the population spent **zero** nights in detox facilities.

**Incarceration:** Echoing detox and emergency services, Hillsborough County Sheriff’s records revealed that this population spent many nights in jail in the 18 months prior to moving into Cypress Landing: 1,140 nights in total. After moving into Cypress Landing, however, this number dropped dramatically to 196 nights. A conservative estimate would suggest a decline of 83 percent in the number of nights incarcerated.

**Emergency Shelters:** While the above examples already reveal dramatic declines in service use (and thus cost to taxpayers) generated by providing residents with housing, it is also noteworthy that respondents noted **zero** use of shelters after acquiring housing. This is not surprising, but it is relevant for costs since the same population utilized emergency shelters for 2,125 nights in the proceeding 18 months. Their absence both cut down on costs and freed up space for others in need of a space for the night.

To help clarify and monetize the cost savings resulting from housing chronically homeless persons at Cypress Landing we were able, in most cases, to draw upon reliable public sources of information with which to estimate costs. In 2013, for instance, the average charge for an emergency room visit to Medicaid (the lowest payer in FL) was \$3,174.00 [www.floridahealthfinder.gov](http://www.floridahealthfinder.gov). Based on this figure, we estimate the cost of emergency room visits for residents prior to living at Cypress Landing (62 nights) to be \$196,788.00. Concomitant with the reduction in number of emergency room visits after taking up residency at Cypress Landing (12), the cost decreased to \$38,088.00. This represents a savings in emergency room costs of \$158,700.00 (81%).

Similarly, according to the 2012 Denver Housing First study (2006), the average cost of one night’s incarceration was \$72 while the average cost of detox treatment was \$186 per day. Using these figures, the 1,140 nights spent in incarceration prior to living in Cypress Landing is valued at \$82,080.00. After residing in Cypress Landing, the incarceration rate dropped to 196 nights with a cost of \$14,112.00: hence, a saving of \$67,968.00. Likewise, Cypress Landing residents reported spending a total of 146 nights in detox centers. The estimated cost of \$27,156.00 was reduced to zero (or by 100%) after the homeless individuals moved into Cypress Landing. Thus, conservative estimates suggest a cost savings of \$253,824.00 on three of the five services discussed above, when the homeless are provided with stable housing. When the savings in costs of in/out patient services (see above) reported by Gracepoint Wellness (\$231,060.72) are included, the total saving is estimated at **\$484,884.72**.

## QUALITATIVE COST BENEFIT RESULTS

The following findings build upon the qualitative observations utilizing the first data source noted above – in-depth interviews with 17 residents of Cypress Landing. Rather than an exhaustive catalogue, we note the two main themes in the interviews and provide examples from the conversations. Similar to the quantitative findings, these results point to concrete quality of life benefits achieved to date by taking a Housing First approach in the Tampa Bay Region.

**Hope:** One of the primary patterns in residents' responses involved the ways housing allowed them to come back from hard times. They noted that people often looked down on homeless people, but that everyone needs help sometimes and we would be better off trying to help people who fall on hard times like they do at Cypress Landing. The following illustrations offer typical examples:

"Homeless people (sic) a lot of us just had a bad thing in life...something went wrong...so, stop looking down on homeless people...do things to help the homeless instead...everybody wants and needs some help."

"It was hard out there so it's much better right in here. You got a roof over your head, you can buy whatever, then you can move on with your life now. There is no comparison. This is something so big, here you feel like you have hope."

"When you're on the street you start to feel desperate, you get anxious, and here you start to feel calm. It makes a person feel really good, on the street you feel like a piece of trash, an animal that's just left out there."

**Opportunity:** The other primary pattern that emerged in the interviews involved the ways housing itself generated opportunities for the residents by removing some of the major obstacles – not being able to plan anything, not having a place to regroup, always on the move – to creating better lives for themselves. Residents regularly noted that life on the street was a constant barrage of obstacles and hardships, but that once they had a place to live and sleep much of the difficulty in their lives was already gone. As a result, within homes, they could begin to focus on more long-term changes and goals for their lives. The following examples offer illustrative cases:

"If you're packing a bag and you're out in the rain, you better hope you have a poncho, you better hope you have enough supplies. If you're going to stash it, it's like a child ---there goes your responsibility, people would just pick it up. Being inside here, I don't have an abundance of clothes, but I have what I need. I'm not doing anything so I'm not going through my clothes. You find yourself prepared with some organizational skills."

"It's the environment here. I've been in an environment where there are other recovering alcoholics and other recovering addicts and we talked to one another and were a sounding board for each other. It's been helpful. We had weekly visits and we talk about the issues. They also teach you techniques that when the urges strike certain things that you can do to alleviate the urges and desires."

"Every shelter I've been to was nothing more than a pain in the butt. You couldn't even ask a question, just take your bag and go there. But here, I think the way things have been approached to me always been a very smooth way of let's fact find. It's not the light hanging over the head and we're being interrogated or anything like that, it's a fact finding situation that is growing and evolving with us".

Throughout the interviews, residents' repeatedly mentioned the "life changing," "hope," and "opportunities" Cypress Landing provided them that were nowhere to be found on the streets. In fact, many of them took the time to show the interviewer around their apartments, and talk about the pride they and others took in keeping up the

property, their homes, and their community in the complex. They regularly spoke of their entrance into this property and program as an opportunity that changed their whole lives, and offered examples of ways they were attempting to become more independent through job training, benefits acquisition, and programs offered within the complex by Gracepoint Wellness. While the program saved the city money, it also gave the participants a sense of meaning and purpose in their own lives.

## **CONCLUSION**

The initial establishment and operation of Cypress Landing has demonstrated significant progress in reducing the public cost of chronic homelessness and facilitating a better quality of life for chronically homeless people. By providing housing to chronically homeless persons at Cypress Landing which both anchored their lives in a space of their own and allowed us to better reach them with services, the costs of providing for this population were markedly reduced and the personal benefits to the homeless increased. The reduction of taxpayer costs associated with incarceration, medical services, emergency services, and detox centers also represents a significant way to better serve the larger community and more efficiently use taxpayer dollars.

The data strongly suggest that such an approach has the potential for improving the status – health wise and socially – of chronically homeless populations while reducing taxpayer burdens at the same time. Furthermore, such efforts may significantly improve the quality of life for these populations and the wider community as the negative impacts of people living and sleeping on the streets is eliminated over time.

It is critical to create an ongoing source of funding to continue programs like Cypress Landing in the Tampa Bay Region and to replicate these programs throughout our community.

## **REFERENCES**

Perlman, Jennifer and John Parvensky. 2006. "Denver Housing First Collaborative: Cost Benefit Analysis and Program Outcomes Report." Colorado Coalition for the Homeless.

\*This research was requested by Housing First, Steps Forward, a nonprofit corporation organized by Tampa and Hillsborough County business leaders to provide housing for the chronic homeless in our community. "Housing First" has been shown nationwide to not only to be the path to ending chronic homelessness, but also to provide significant tax payer cost savings over attempting to deal with this population in the streets.

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