**Supportive Housing Services Improve Quality of Life While**

**Saving Money for State and Local Taxpayers**

Supportive housing reduces homelessness and unnecessary institutionalization in Illinois, while improving quality of life for vulnerable men, women and children, reducing demands on local first responders, and saving state and local taxpayer dollars. Those who lack stable housing, a prerequisite for good health, have vastly diminished health outcomes that cost taxpayers more in emergency room and hospitalization costs.

In FY 2020, supportive housing providers respectfully request $39.9 million in general revenue funds (GRF) to support the baseline of critical services needed to access and maintain stable housing for more than 16,500 individuals who are formerly homeless or at risk of homelessness and/or experiencing mental health challenges or other chronic disabilities.

Additionally, we request approval of capital funds, together with companion GRF, to help address the state’s substantial unmet need for supportive housing services.

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| **State Government Funding Request** | **FY 2020 General Revenue Fund** | **Capital Dollars** |
| Funding for Core Supportive Housing Services | $39.9 million  (This represents an increase of $7.2 million, or 22%, over our FY 2019 appropriation) | — |
| Construction and/or Acquisition of New Housing Units | — | $300 million |
| Services for Residents of New Units | $15.75 million | — |
| **TOTAL** | **$55.65 million** | **$300 million** |

**Supportive Housing Providers Also Share the Following Priorities with Other Human Services Providers**

***Appropriation to Cover Greater Cost of Minimum Wage:*** We support the request spearheaded by the Illinois Partners for Human Service for an appropriation of GRF necessary to address increased costs, on the part of providers, that will result from the state’s higher minimum wage.

***Restoration of Homelessness Prevention Funds:*** We support restoration of the Homelessness Prevention Program from $4.9 million to $11 million in the FY 2020 budget. These funds are essential to efforts to combat homelessness; program recipients are 88% less likely to become homeless.

***No Sweep of Affordable Housing Trust Fund:*** We oppose a sweep of funds from the Illinois Affordable Housing Trust Fund (IAHTF), as contemplated by the governor’s proposed FY 2020 budget. These funds help provide affordable, decent and safe housing for low and very low-income households. They are especially critical to support the development of permanent supportive housing units, which saves taxpayers an average of $22,000 per household, annually, from unnecessary institutionalization.

**Supportive Housing’s FY 2020 Budget Request**

For FY 2020, supportive housing providers are requesting $39.9 million in general revenue funding, through the Supportive Housing Services and Supportive MI Housing lines, to continue existing services for approximately 16,500 individuals, help providers restore the services and personnel lost during the state’s budget impasse, and address a portion of the unmet need for services.

This appropriation would represent an increase of $7.2 million, or 22%, over the FY 2019 general revenue funding of $32.7 million. The additional funds requested are in two categories:

* $3.6 million to provide services to another 514 households of individuals who are homeless or at risk of homelessness and who suffer from a chronic disability. This represents an average cost of approximately $7,000 per person. All units would come on line between the 2019/2020 fiscal years. Locations would be scattered throughout the state, with the majority in Chicago and Cook County.
* $3.6 million to compensate supportive housing providers for additional costs incurred but not reimbursed in recent years. These dollars will help providers begin the process of restoring services to 4,080 persons in 2,800 units who lost those services due to the budget impasse.

**Capital Funding & Companion GRF Recommendation**

We endorse a request by a coalition of affordable housing advocates for $1 billion in capital funding to support the construction of affordable housing units as part of the state’s forthcoming capital construction program. More specifically, supportive housing providers recommend that 30% of such a capital appropriation for affordable housing be dedicated to the construction of supportive housing units. This $300 million capital appropriation would support the construction of 3,000 units of supportive housing – units that would serve more than 3,000 men, women and children in Illinois.

The development of these additional units would help address the shortage of affordable housing while creating jobs, leveraging private investment, and generating local business income, wages and tax revenue. Funds dedicated to supportive housing save taxpayer dollars by securing permanent homes for people with disabilities, the elderly and those at risk of homelessness.

Consistent with the state’s established practice, we anticipate that the Illinois Housing Development Authority would be responsible for allocating these capital dollars to projects based on need as determined by an IHDA-administered RFP process. As an indication of the need for this capital funding, IHDA in 2018 received 57 project applications for federal Low-Income Housing Tax Credits but awarded only 26 projects. For the 2018 funding round for IHDA’s Permanent Supportive Housing Development Program, the agency received 13 proposals but funded only six. The City of Chicago’s most recent Low- Income Housing Tax Credit financing round received 65 applications but only nine were funded.

We respectfully request an additional annual appropriation of $15.75 million in general revenue funds to provide the services necessary to support the individuals residing in those new supportive housing units. (This would cover the non-Medicaid portion of the services – approximately 75% of the total services provided.)

**Why Supportive Housing?**

It Saves Taxpayer Dollars, Generates Matching Funds,

and Helps Ensure Compliance with Federal Consent Decrees

Illinoisans not able to access supportive housing services are more likely to reside in nursing homes or state institutions – alternatives that are far more expensive for Illinois taxpayers – or on the street, where they may stress the resources of local emergency rooms, police and other first responders, and jails, thereby increasing costs for local taxpayers.

The cost to taxpayers associated with one homeless person can reach as much as $50,000 when accounting for the costs of inpatient hospitalization, emergency room visits and criminal justice. Extrapolating that to the universe of 514 households who would benefit from the expansion of supportive housing services contemplated by our FY 2020 budget request, the cost of failing to provide supportive housing services for that population could reach $25.7 million.

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| **Supportive Housing v. More Costly Alternatives (Estimated Annual Costs)** | | | |
| Supportive Housing | Institution Costs | Savings Per Unit Per Year | Percentage Saved |
| $27,600  (Includes the cost of services for residents, operations and associated capital funding) | $54,097 (ICF/DD) | $26,497 | 49% |
| $52,195 (jails) | $24,595 | 47% |
| $52,083 (nursing homes) | $24,483 | 47% |
| $39,739 (IMDs) | $12,139 | 31% |
| $38,268 (prisons) | $10,668 | 27% |
| *Source: 2017 Supportive Housing Working Group Report* | | | |

Dedicated state support for these services also generates matching funds from the federal government. The U.S. Department of Housing and Urban Development (HUD) provides Continuum of Care funding that may be used to support housing (leasing and or rental assistance), services (case management), operations (non-direct service staff, supplies) and allowable administrative overhead. This federal match is approximately $3 for every $1 spent by Illinois.

And state funding helps ensure compliance with federal consent decrees – *Williams v. Quinn* (2010), *Colbert v. Quinn* (2011) and *Ligas v. Hamos* (2011) – that require the availability of community-based housing options for individuals with a disability or mental illness.

Thanks to supportive housing services, more than 16,500 individuals who are formerly homeless or at risk of homelessness and/or suffer from mental illness have stable housing – the most elemental need, after food and clothing – while also residing in the community of their choice, where they are far better positioned to lead productive and meaningful lives.

**How Supportive Housing Services are Funded**

Providers have various sources of funding for capital and operations funding, but generally not for service funding – **those dollars come nearly exclusively from the state**. Appearing below are the three core components of supportive housing and the associated funding sources.

* **Capital funding** (bricks and mortar)

*Source: federal, state, local government, corporate or private*

* **Operations** (rental subsidies to make the units affordable for individuals with very low to no income; other operational costs, including administrative overhead)

*Source: mostly federal (some support from the state and foundations)*

* **Services** for families and individuals who are homeless or at risk of homelessness, and individuals with mental illness

*Source: nearly exclusively state government*

**Substantial Unmet Need for Supportive Housing Services**

The most recent comprehensive assessment of demand, published in 2017 by the Illinois Housing Development Authority (IHDA), concluded that more than 23,000 additional units of supportive housing – with each unit supporting an individual or family – are necessary to address the unmet need among individuals who are homeless, at risk of homelessness, or must, under the law, be offered a community-based setting as an alternative to a more expensive and restrictive institutional setting.

Moreover, as a result of the state’s budget impasse that resulted in far-reaching funding cuts for supportive housing providers, these providers were forced to substantially curtail services, reduce staff capacity, close programs and even, in some cases, close entire provider agencies. An estimated 2,800 supportive housing units, from a previous total of nearly 18,000 units, were lost as a result of the impasse. (The remaining universe of approximately 15,200 units serves more than 16,500 people.)

**Supportive Housing Providers Serve Illinoisans in Every Region**

***List of Providers by Location of Projects and/or Administrative Headquarters***

***Alton***

Centerstone of Illinois

***Arlington Heights***

Alexian Brothers Housing & Heath Partners

***Aurora***

Hesed House

Association for Individual Development

***Beardstown***

Cass County Mental Health

***Bloomington***

Mid Central Community Action

Chestnut Health Systems

***Bradley***

Cornerstone Services

***Cairo***

Delta Terrace

***Carbondale***

The H Group (SIRSS)

***Carthage***

Hancock County Mental Health Center

***Champaign***

Rosecrance / Community Elements (MHC/Champaign)

Center for Women in Transition

Community Elements

Courage Connection

***Chicago***

A Safe Haven Foundation

AFC Community Development Corp.

AIDS Foundation of Chicago

Alexian Brothers Housing & Health Partners

Association for Individual Development

Carver Community Action

Center for Housing and Health

Center on Halsted

Chicago House

Deborah's Place

Edge Alliance

Facing Forward to End Homeless

Featherfist

Heartland Health Outreach

Heartland Housing, Inc.

Heartland Human Care Services, Inc.

Housing Opportunities for Women

Human Resources Development Institute

Inner Voice, Inc.

Inspiration Corporation

Interfaith Housing Development

Jewish Federation of Metro Chicago

LaCasa Norte Inc.

Matthew House

Mercy Housing Lakefront

New Misbah MB Church

Northside Housing & Support Services

Primo Center for Women & Children

Renaissance Social Services

Renaissance Collaborative

Revive Center for Housing & Healing

Sankofa Safe Child

Sarah's Circle

St. Leonard's Ministries

Catholic Charities Archdiocese of Chicago

The Children’s Place

Thresholds

Urban Family & Community

Woodlawn East Comm & Neighbors

YMCA of Metropolitan Chicago

***Chicago Heights***

Grand Prairie Services

Respond Now

***Clinton***

DeWitt Co. Mental Health Center

***Danville***

Crosspoint Human Services

***Decatur***

DOVE, Inc

Heritage Behavioral Health Center

***DeKalb***

Hope Haven of DeKalb County, Inc.

***Des Plaines***

Lutheran Social Services

***DuQuoin***

Perry County Counseling Center

***East St. Louis***

Call for Help, Inc.

Lutheran Child & Family Services

Lutheran Social Services of Illinois

***Elgin***

Ecker Center for Mental Health

Larkin Center

***Evanston***

Connections for the Homeless

Impact Behavioral Health

***Evergreen Park***

Interdependent Living Solutions

Interfaith Housing Development

***Ford Heights***

Ford Heights Community Service Organization

***Franklin Park***

Leyden Family Services & Mental Health Center

***Galesburg***

Carver Community Action

Salvation Army-Heartland

Bridgeway, Inc.

***Granite City***

Chestnut Health Systems

***Greenup***

Embarras River Basin

***Herrin***

Southern Illinois Coalition for the Homeless

***Joliet***

Catholic Charities Joliet

Cornerstone Services

Trinity Services, Inc

***Kewanee***

Henry County Housing Development

Bridgeway, Inc.

***LaGrange***

Pillars Community Services

***LaGrange Park***

Pillars Community Services

***Lansing***

Christian Community Health Ministries

***Macomb***

Bridgeway, Inc.

***Marion***

Lutheran Social Services

Southern Illinois Coalition / Homeless

The H Group

***Mattoon***

LifeLinks, Inc (formerly Coles County Mental Health)

***Matteson***

Sertoma Center, Inc

***Maywood***

Housing Forward

***Metropolis***

Massac County Mental Health

Light the Way, Inc

***Northfield***

Thresholds

***Oak Park***

South Suburban PADS

***Olney***

Southeastern Illinois Counseling

***Oregon***

Sinnissippi Center

***Pekin***

Tazwood Center for Human Services

***Peoria***

Goodwill Industries of Central

Human Service Center

Southside Office of Concern

***Quincy***

YWCA of Quincy

***River Forest***

Lutheran Child & Family Services

***Rock Falls***

Tri-County Opportunities Council

***Rock Island***

Project Now, Inc.

DeLaCerda House, Inc

***Rockford***

Carpenter's Place

Lutheran Social Services of Illinois

Zion Development Corporation

Rosecrance (Janet Wattles Center)

Meld Youth Service Network

***Schaumburg***

The Harbour, Inc.

***Shelby***

Embarras River Basin Agency

***Sparta***

Human Service Center of South Metro

***Springfield***

Abundant Faith Ministries

Helping Hands of Springfield

Illinois Association of Community Action Agency

Kumler United Methodist Church

Mercy Communities

SIU School of Medicine - CSN

***Tinley Park***

Together We Cope

Grand Prairie Services

***Villa Park***

Trinity Services, Inc

***Waterloo***

Human Support Services

***Waukegan***

Lake County Health Dept.

Catholic Charities Arch Diocese of Chicago

Independence Center

***Wheaton***

DuPage County Department of Health

DuPage Pads Inc.

***Worth***

Catholic Charities Archdiocese of Chicago

***Zion***

Lake County Crisis /A Safe Place