

Housing for People with Serious Mental Illness

INTRODUCTION

On any given night, more than 36,000 Texans experience homelessness.ⁱ An estimated 26.2% of these individuals are living with serious mental illness (SMI).ⁱⁱ People with SMI who do not have stable living arrangements tend to cycle in and out of psychiatric hospitals, emergency rooms, temporary shelters and local jails where treatment is less effective and more expensive. Texas can take action to prevent chronic homelessness and avoid the unnecessary costs of treatment in inappropriate settings by promoting the development of permanent supportive housing.

Permanent supportive housing is affordable community-based housing that provides full rights of tenancy and is linked with voluntary and flexible health and human services designed to meet residents' needs.ⁱⁱⁱ This evidence-based practice creates opportunities for wellness and recovery from mental illness by helping people with SMI and substance use conditions live independently and avoid institutional level care.^{iv} By providing a stable foundation from which people can access behavioral health services, permanent supportive housing also significantly reduces costs to other public systems.

BARRIERS TO INDEPENDENT LIVING

For far too long, people with SMI who are capable of living meaningful and productive

lives as fully integrated members of their communities have been placed in highly restrictive institutions. In 1999, after decades of advocacy in favor of community-based services, the United States Supreme Court ruled that people with disabilities have the right to receive treatment in the most integrated setting appropriate to their needs (*Olmstead v. L.C.*).^v Unfortunately, Texas' lack of affordable housing and underfunded community mental health system has kept people with SMI from realizing this right.

The Texas Department of Housing and Community Affairs (TDHCA) estimates that the state meets less than one percent of its total affordable housing need.^{vi} As a result, many Texans with disabilities turn to the private housing market where even modest units are well outside their means. People with SMI who live in the community often rely on Supplemental Security Income (SSI) payments as their primary source of income. At less than \$700 per month, SSI payments are almost never enough to secure decent housing. The average SSI recipient in Texas would have had to pay 99% of their income to rent an average one-bedroom apartment in 2010.^{vii}

People with SMI also have trouble accessing housing because of the overwhelming negative stigma associated with mental illness. Without accurate information about the nature and prevalence of mental illness, many people associate it with violence and criminality. The incidence of violence



What is permanent supportive housing?

1. Choice in housing and living arrangements
2. Functional separation of housing management and health and human services
3. Safety and affordability
4. Community integration
5. Full rights of tenancy
6. Immediacy of access to housing
7. Availability of voluntary and flexible services



among people with SMI who do not abuse substances is no greater than that of the general population. Individuals living with SMI are more likely to be victims than perpetrators of violent activity.^{viii}

However, recent surveys indicate that only 45% of people without mental illness feel comfortable interacting with someone with bipolar disorder or schizophrenia.^{ix} More than 70% of participants said they would be afraid for their safety around a person with schizophrenia who has not received treatment.^x These ill-informed perceptions perpetuate the unwarranted assumption that people with mental illness are incapable or unworthy of living meaningful, productive lives in their community.

Permanent supportive housing can help overcome barriers to independent living by providing integrated, affordable housing options with access to vital health and human services for people with SMI.

WHAT IS PERMANENT SUPPORTIVE HOUSING?

Safe and stable living arrangements allow people living with SMI to maintain full utilization of services designed to promote recovery from mental illness. In contrast to emergency shelter and transitional housing programs that move individuals through various stages of independent living, permanent supportive housing is often implemented as a “Housing First” model that focuses on providing immediate access to independent living and establishing the foundation for treatment. There is a great degree of variation among permanent supportive housing sites in terms of choice, affordability, degree of integration and other important characteristics. The Substance Abuse and Mental Health Services Administration has identified seven core components that tend to make permanent supportive housing programs successful:^{xi}

(1) Choice in housing and living arrangements. Tenants should be able to choose from a variety of housing types (i.e., sober living, housing cooperatives, private landlord) and a variety of units within each type. Tenants should also determine important aspects of their living arrangements,

including whether to live with roommates.

(2) Functional separation of housing management and health and human services. Managers of permanent supportive housing should focus exclusively on management activities (i.e., collecting rent, responding to maintenance requests, enforcing lease provisions). Health and human services staff should focus exclusively on providing behavioral health services. Separation of these roles prevents confusion as to the privileges and responsibilities of each party and allows for full participation in treatment by the tenant.

(3) Safety and affordability. The more affordable a particular unit, the more likely a tenant is to remain housed and accessing services. The Department of Housing and Urban Development’s (HUD) definition of a cost burden is met when low-income tenants pay more than 30% of their monthly income for housing. A severe cost burden occurs when low-income tenants pay more than 50% of their monthly income for housing.^{xii} Permanent Supportive Housing programs should aim to impose as little cost burden as is feasible with maintaining the program. Programs should also comply with HUD’s minimum quality standards, ensuring that units are safe and sanitary.^{xiii}

(4) Community integration. Permanent Supportive Housing units should not be clustered with other units occupied primarily by people with disabilities. Consumer preference surveys indicate that consumers of mental health services strongly prefer scattered-site, integrated housing as opposed to segregated housing for people with disabilities.^{xiv}

(5) Full rights of tenancy. Leases should be no more restrictive than state and local landlord-tenant law and must comply with federal law, including the Americans with Disabilities Act and the Fair Housing Act. Lease provisions that condition tenancy on the maintenance of treatment create coercive relationships and pose barriers to recovery.

(6) Immediacy of access to housing. People with SMI should have immediate access to permanent supportive housing with no prior demonstration of readiness or fitness for tenancy. Permanent supportive housing should be able to accommodate people at all stages of the recovery process.

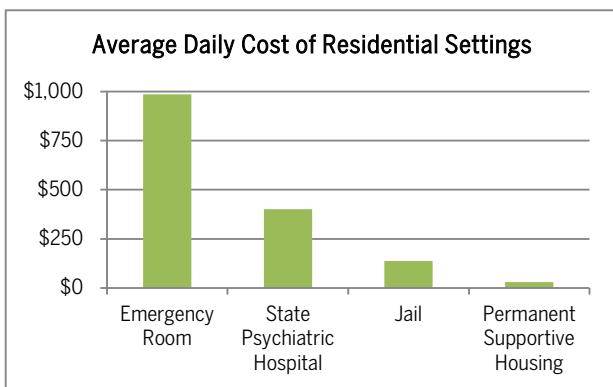


(7) Availability of voluntary and flexible services. Tenants should be able to choose from a wide array of voluntary service options upon entering a permanent supportive housing program. Services should be flexible and modified over the course of the lease period.

Permanent supportive housing programs may not be able to offer each of these core components. For example, a particular site may require prospective tenants to demonstrate their readiness to live independently before leasing an apartment. This denies prospective tenants immediate access to housing, but does not mean the program as a whole will fail. Many permanent supportive housing programs operate under constraints that prevent the full development of one or more core components and continue to facilitate independent living, promote recovery from mental illness and realize cost savings. However, fidelity to the seven core components should be encouraged.

COST-EFFECTIVENESS OF PERMANENT SUPPORTIVE HOUSING

Permanent supportive housing isn't only for the benefit of tenants. The economic value of permanent supportive housing can be measured in avoided costs to psychiatric hospitals, emergency rooms, and the criminal justice system. The average cost per day for a bed in a state psychiatric hospital is \$401. A jail bed costs approximately \$137 per day for an inmate with mental illness. The average emergency room visit costs \$986.^{xv} Cost estimates for permanent supportive housing programs vary between \$20 and \$52 per day depending on the region where the program is located and the services offered by the program.^{xvi}



CURRENT AVAILABILITY OF AFFORDABLE HOUSING IN TEXAS

Texas' current affordable housing options are primarily funded by HUD. Often these funds are part of programs with specific rules about how the funds can be used and who can be served. Some HUD programs provide the capital necessary to acquire property and construct or rehabilitate housing. Other programs are designed to provide rental assistance to tenants. Still other programs provide funds to help coordinate health and human services with affordable housing. Only a few of the programs specifically target people with disabilities, including people living with SMI. The table on the following page identifies some of the affordable housing programs available to Texans with mental illness.

While these programs have proven invaluable to the people they serve, Texas is still far from meeting the state's total affordable housing need. The Housing Trust Fund (HTF) is the only state funding source dedicated to the acquisition, development and operation of affordable housing in Texas. HTF provided \$5.85 million for affordable housing in each year of the current biennium, less than 10% of all affordable housing funds available to TDHCA and a total decrease of \$5.1 million from the previous biennium.^{xvii}

In the past, some state funding sources that are not explicitly dedicated for the development and operation of affordable housing have helped people with SMI avoid homelessness. For example, the Homeless Housing and Services Program (HHSP) created by Rider 18 to Article VII of SB 1 during the 81st Texas legislative session called for an allocation of \$20 million to assist urban areas in providing case management, housing and retention services to homeless individuals and families.^{xviii} HHSP did not receive a direct appropriation during the 82nd legislative session.

Despite recent cuts to many programs that promote independent living, Texas has taken small steps towards realizing the cost-savings and enhanced quality of life that come with permanent supportive housing. Senate Bill 1878 (81st) created the Housing and Health Services Coordination Council (HHSCC). The council is charged with increasing state efforts to offer service-enriched housing, defined as



HUD Program	Description
Section 8 Housing Choice Vouchers and Project Access	<p>Section 8 Housing Choice Vouchers are a HUD rental assistance housing voucher program that helps very low-income individuals afford rent in modest apartments. People with vouchers pay about 30% of their monthly income towards rent. Federal rental assistance funds cover the difference between that amount and fair market rent for the unit. The need for these vouchers is vastly greater than their availability. For example, the waiting list in Dallas is currently closed. When it was last open in May 2011, the housing authority received 21,691 applications in two days and accepted only 5,000 applications for placement on the waiting list.^{xi}</p> <p>TDHCA has reserved a portion of Texas' Section 8 Housing Choice Vouchers to assist very low-income people with disabilities transitioning out of institutions into the community. The reserved vouchers are called Project Access vouchers. There are 120 total Project Access vouchers, 85 of which are utilized by people with disabilities between the ages of 18 and 62. Another 24 have been issued to people with disabilities over the age of 62. Currently, 10 Project Access vouchers are reserved for a pilot program designed to assist people transitioning out of state psychiatric hospitals. Since its inception in 2001, Project Access has served 635 Texans with disabilities.^{xx}</p>
Section 811 Supportive Housing for People with Disabilities	<p>Through this program, HUD provides funding to develop and subsidize rental housing with coordinated access to supportive services for adults with disabilities living on low incomes. TDHCA is in the process of applying for \$12 million in Section 811 funds for a demonstration project targeting people with serious mental illness, people with disabilities exiting institutions with the assistance of various Medicaid waiver programs, and young people with behavioral health issues leaving foster care. The Frank-Melville Act of 2010 revised HUD's Section 811 program that make this demonstration project possible.</p>
HOME Investment Partnership Program	<p>Through this program, HUD provides funds directly to public housing authorities throughout Texas, including TDHCA. Of the funds received by TDHCA, 5% are reserved for people with disabilities. The remaining funds are dedicated to developing affordable housing in rural parts of the state. TDHCA also provides temporary rental assistance vouchers through the HOME program. These vouchers last up to 24 months and are contingent on the voucher holder participating in a self-sufficiency program.</p>

“integrated, affordable and accessible housing that provides residents with the opportunity to receive on-site or off-site health-related and other services and supports that foster independence in living and decision-making for individuals with disabilities, including those with mental health conditions, and persons who are elderly.”^{xxi} The council is also responsible for identifying barriers preventing the development of service-enriched housing and increasing the number of staff at TDHCA and health and human service agencies with expertise in both housing and health services. The council's biennial plan contains recommendations for promoting the development of housing options for people with disabilities and better coordinating vital services and supports. HHSCC's biennial

plan is available here:

<http://www.tdhca.state.tx.us/hhsc/index.htm>.

RECOMMENDATIONS FOR PROMOTING PERMANENT SUPPORTIVE HOUSING IN TEXAS

Implementation of the following recommendations will help increase the availability of permanent supportive housing for Texans living with mental illness:

- Support the Department of State Health Services' (DSHS) legislative appropriation exceptional item request relating to supportive housing. This request will provide a mix of short and long-term supportive housing funds for



individuals with histories of utilizing behavioral health services in the most expensive settings. It will also allow Texas to pursue a Medicaid state plan option, targeting specific populations with individualized service plans in conjunction with affordable housing.

- Increase funding for affordable housing by restoring the Housing Trust Fund, the only state funding source dedicated to developing affordable housing for low-income families.
- Encourage continued collaboration between TDHCA, DSHS and the Health and Human Services Commission to ensure that the housing and health service needs of people with SMI are met and that all possible opportunities for increasing the availability of mental

health services in affordable housing settings through the state's 1115 Medicaid transformation waiver are pursued.

SUMMARY

Recovery and wellness are nearly impossible to achieve if an individual living with SMI does not have a place to call home. Failing to provide opportunities for permanent supportive housing will almost certainly continue the cycle of homelessness, hospitalization and incarceration. Supporting the housing and mental health service needs of individuals with serious mental illness is fiscally responsible and can drastically improve the lives of thousands of Texans.

ⁱ U.S. Department of Housing and Urban Development (December 13, 2011). *HUD's 2011 Continuum of Care Homeless Assistance Programs Homeless Populations and Subpopulations*. Retrieved October 11, 2012 from HUD at <http://www.hudhre.info/index.cfm?do=viewHomelessRpts>.

ⁱⁱ Substance Abuse and Mental Health Services Administration (July 2011). *Current Statistics on the Prevalence and Characteristics of People Experiencing Homelessness in the United States*. Retrieved September 27, 2012 from SAMHSA at http://www.nrchmi.samhsa.gov/ResourceFiles/hrc_factsheet.pdf.

ⁱⁱⁱ Substance Abuse and Mental Health Services Administration (2010). *Evaluating Your Program: Permanent Supportive Housing*. Retrieved July 18, 2012 from SAMHSA at <http://store.samhsa.gov/shin/content//SMA10-4510/SMA10-4510-05-EvaluatingYourProgram-PSH.pdf>.

^{iv} Substance Abuse and Mental Health Services Administration (2010). *Getting Started with Evidence-Based Practices: Permanent Supportive Housing*. Retrieved July 18, 2012 from SAMHSA at <http://store.samhsa.gov/shin/content//SMA10-4510/SMA10-4510-05-EvaluatingYourProgram-PSH.pdf>.

^v *Olmstead v. L.C.*, 527 U.S. 581 (1999).

^{vi} Texas Department of Housing & Community Affairs (August 16, 2010) Legislative Appropriations Request for Fiscal Years 2012 and 2013. Retrieved July 10, 2012 from TDHCA at <http://www.tdhca.state.tx.us/bond-finance/docs/LAR-2012-2013-Final.pdf>.

^{vii} Emily Cooper et al. (June 2011). *Priced Out: The Housing Crisis for People with Disabilities*. Retrieved July 10, 2012 from the Technical Assistance Collaborative at: <http://www.tacinc.org/downloads/Priced%20Out%202010/PricedOut2010.pdf>.

^{viii} Heather Stuart (June 2003). *Violence and Mental Illness: An Overview*. *World Psychiatry*, 2(2), 121-124. Retrieved August 23, 2012 at <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1525086/>.

^{ix} Mental Health America (June 2007). *Ten-Year Retrospective Study Shows Progression in American Attitudes About Depression and Other Mental Health Issues*. Retrieved from MHA August 23, 2012 at <http://www.mentalhealthamerica.net/go/go/news/10-year-retrospective-study-shows-progress-in-american-attitudes-about-depression-and-other-mental-health-issues>.

^x National Alliance for Mental Illness (June 2003). *Schizophrenia Survey Analysis: Public Attitudes*. Retrieved from NAMI August 23, 2012 at http://www.nami.org/Content/NavigationMenu/SchizophreniaSurvey/Analysis_Public_Attributes.htm.

^{xi} Substance Abuse and Mental Health Services Administration (2010). *Evaluating Your Program: Permanent Supportive Housing*. Retrieved July 18, 2012 from SAMHSA at <http://store.samhsa.gov/shin/content//SMA10-4510/SMA10-4510-05-EvaluatingYourProgram-PSH.pdf>.

^{xii} U.S. Department of Housing and Urban Development (May 12, 2012) *Affordable Housing*. Retrieved from HUD August 23, 2012 at <http://www.hud.gov/offices/cpd/affordablehousing/>.

^{xiii} U.S. Department of Housing and Urban Development. *Housing Quality Standards*. Retrieved from HUD October 10, 2012 at <http://www.hud.gov/offices/adm/hudclips/guidebooks/7420.10G/7420g10GUID.pdf>.

^{xiv} Michael Allen (March 2004). *Just Like Where You and I Live: Integrated Housing Options for People with Mental Illnesses*. Retrieved August 23, 2012 from the Bazelon Center for Mental Health Law at <http://www.bazelon.org/LinkClick.aspx?fileticket=4sZj0a313o1%3D&tabid=245>.

^{xv} Health Management Associates (March 2011). *Impact of Proposed Budget Cuts to Community-Based Mental Health Services*. Retrieved July 18, 2012 from HMA at <http://www.ttbh.org/Documents/BudgetCutsCommunity.pdf>.

^{xvi} The Lewin Group (November 19, 2004). *Costs of Serving Homeless Individuals in Nine Cities*. Retrieved from the Corporation for Supportive Housing at http://documents.csh.org/documents/ke/csh_lewin2004.PDF.

^{xvii} Senate Bill 1, Article VII, Department of Housing and Community Affairs. Goal: Affordable Housing (2011).

^{xviii} Senate Bill 1, Article VII, Department of Housing and Community Affairs, Rider 19 (2009).

^{xix} Brandon Formby, The Dallas Morning News (May 12, 2011). *Regional Briefs*. Retrieved August 23, 2012 from Dallas Morning News at <http://www.dallasnews.com/news/community-news/dallas/headlines/20110512-regional-briefs.ece>.

^{xx} Disability Advisory Workgroup meeting October 4, 2012.

^{xxi} Texas Administrative Code Title 10, Part 1, Chapter 11, Subchapter A, Rule 1.11.