



# CITY OF PHILADELPHIA

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DIRECTOR

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The Honorable Darrell Clarke  
City Council President  
City Hall, Room 490  
Philadelphia, PA 19107

Dear Council President Clarke,

This letter is in response to questions raised at the April 18, 2018 hearing before the Committee of the Whole on the Fiscal Year 2019 proposed budget for the Office of Homeless Services (OHS). At this hearing, the following questions were asked:

**Councilwoman Quiñones-Sánchez:** Please provide a detailed financial breakdown of the funding needed to fully address the encampments (including respites and low-barrier housing).

*OHS and the Department of Behavioral Health and Intellectual disability Services (DBHIDS) launched a pilot on 4/23/18 to address two of the encampments. The pilot provides a range of services and respite coupled with a deadline for campers to remove possessions; the deadline will be enforced by L&I and police. It is based on a model that has been used effectively in other cities, builds on local approaches that are working and addresses systemic barriers that have kept people from accessing services in the past. The pilot is being evaluated by a team led by Dennis Culhane of the University of Pennsylvania, the leading national researcher on homelessness, who is donating his time.*

*Early results are promising. In the first two weeks of the pilot more people entered drug treatment from the camps than had entered in the previous six months. The pilot is essentially offering treatment on demand for the first time by making available on-site assessment, treatment authorization and transportation. On-site induction with Suboxone under medical supervision began last week with the hope that it can be expanded. Suboxone helps people work through the haze of addiction to think more clearly about their future. Both the Prevention Point Respite and new Kensington Navigation Center (40 beds each) are now full. Respite beds are still available at a site operated by ODAAT on west Lehigh Avenue. Daytime services are now available seven days a week, 7am to 7pm, at Prevention Point, offering a similar suite of services to those at the Hub of Hope. The pilot is using existing staff and resources, and therefore is not sustainable nor expandable to the remaining camps.*

*We have put together the following multi-year cost estimate (see below) needed to sustain, replicate and expand the successful pilot. It has two main components: 1) street to low-barrier housing, and 2) long-term housing for those who need it. While some people will enter treatment first, more accept a place to stay first, then ease into other services. Treatment is largely funded through Medicaid, but Medicaid cannot pay for housing. To the extent possible, this model is data-informed and evidence-based, building not just on the success of the pilot, but of supportive housing which has an average 90% success rate in preventing a return to homelessness.*

*In implementing this service model, our recommendation is to not dedicate all new housing resources to Kensington and label them as such. In our experience, targeting the resources to Kensington will create a magnet that would draw more people to camp in the tunnels. Rather, we recommend expanding system capacity to serve people who are homeless and have Serious Mental Illness and/or Substance Use Disorder (SUD). This approach will create the capacity for “flow” that will enable us to continue to humanely move campers into services while restoring quality of life for neighborhoods.*

**General Fund Request to Address Opioid-Driven Homelessness (above Proposed Budget levels)**

	FY19 Base Budget	Additional Request		
		FY19	FY20	FY21
<b>STREET TO LOW-BARRIER BEDS</b>				
<b><i>Housing First for People with SUD (Pathways)</i></b>				
GF-supported units above proposed budget levels	103	75	150	225
Annual Unit Cost	\$15,000	\$15,000	\$15,000	\$15,000
<b>Total Housing First</b>	<b>\$1,545,000</b>	<b>\$1,125,000</b>	<b>\$2,250,000</b>	<b>\$3,375,000</b>
<b><i>Safe Haven (Serious Mental Illness and SUD)</i></b>				
GF-supported units above proposed budget levels	0	40	40	40
Annual Unit Cost	-	\$31,025	\$31,025	\$31,025
<b>Total Safe Haven</b>	<b>-</b>	<b>\$1,241,000</b>	<b>\$1,241,000</b>	<b>\$1,241,000</b>
<b><i>Low-Barrier Respite</i></b>				
GF-supported units above proposed budget levels	80	80	80	80
Annual Unit Cost	\$15,695	\$15,695	\$15,695	\$15,695
<b>Total Low-Barrier Respite</b>	<b>\$1,255,600</b>	<b>\$1,255,600</b>	<b>\$1,255,600</b>	<b>\$1,255,600</b>
<b>LOW-BARRIER OR TREATMENT TO PERMANENT HOUSING</b>				
<b><i>Shallow Rent (Long-term, low-rent)</i></b>				
GF-supported units above proposed budget levels	40	80	120	160
Annual Unit Cost	\$8,064	\$8,064	\$8,064	\$8,064
<b>Total Shallow Rent</b>	<b>\$322,560</b>	<b>\$645,120</b>	<b>\$967,680</b>	<b>\$1,290,240</b>
<b><i>Stabilization Housing (Transitional to support recovery)</i></b>				
GF-supported units above proposed budget levels	0	40	40	40
Annual Unit Cost	-	\$18,250	\$18,250	\$18,250
<b>Total Stabilization Housing</b>	<b>-</b>	<b>\$730,000</b>	<b>\$730,000</b>	<b>\$730,000</b>
<b>Supportive Housing (Rent subsidy with Medicaid services)</b>				
GF-supported units above proposed budget levels	25	200	400	600
Annual Unit Cost	\$12,500	\$12,500	\$12,500	\$12,500
<b>Total Supportive Housing</b>	<b>\$312,500</b>	<b>\$2,500,000</b>	<b>\$5,000,000</b>	<b>\$7,500,000</b>
<b><i>Master Lease/Shared Housing (Piloting innovative, new, less-costly model)</i></b>				
GF-supported units above proposed budget levels	3	24	24	24
Rehab of 3 houses	-	\$90,000	\$0	\$0

Annual Rent Subsidy Cost (3 houses/24 units)	\$18,667	\$30,000	\$30,000	\$30,000
<b>Total Master Lease/Shared Housing</b>	<b>\$56,000</b>	<b>\$180,000</b>	<b>\$90,000</b>	<b>\$90,000</b>
<i>Critical Time Intervention (Dedicated staffing, evidence-based, with goal of becoming Medicaid billable)</i>				
Number of Staff	-	5	5	5
Average salary	-	\$62,500	\$62,500	\$62,500
<b>Total Critical Time Intervention</b>	<b>-</b>	<b>\$312,500</b>	<b>\$312,500</b>	<b>\$312,500</b>
<b>TOTAL UNITS</b>	<b>251</b>	<b>539</b>	<b>854</b>	<b>1169</b>
<b>TOTAL COST</b>	<b>\$3,491,660</b>	<b>\$7,989,220</b>	<b>\$11,846,780</b>	<b>\$15,794,340</b>

\*GF = General Fund

The table below outlines these costs by department and major class.

	Additional Request			
	FY19 - Base Budget	FY19	FY20	FY21
<i>OSH</i>				
Class 100		\$0	\$0	\$0
Class 200	\$3,491,660	\$6,435,720	\$10,293,280	\$14,240,840
<b>TOTAL</b>	<b>\$3,491,660</b>	<b>\$6,435,720</b>	<b>\$10,293,280</b>	<b>\$14,240,840</b>
<i>DBHIDS</i>				
Class 100	\$0	\$312,500	\$312,500	\$312,500
Class 200	\$0	\$1,241,000	\$1,241,000	\$1,241,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$1,553,500</b>	<b>\$1,553,500</b>	<b>\$1,553,500</b>

If you have any additional questions, please feel free to contact my office.

Thank you,

Elizabeth G. Hersh  
Director, Office of Homeless Services