

Addressing Homelessness Among People With Justice Involvement: Los Angeles County’s Just in Reach Pay for Success Demonstration Project

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Abstract

This article provides an overview of the implementation and outcomes of Los Angeles County’s first Pay for Success (PFS) initiative. In 2017, the county initiated a program to provide long-term housing and supportive services as an alternative to jail for individuals with a history of homelessness and chronic health conditions using a PFS model. The PFS model included two primary investors, two funding partners, an intermediary team that monitored the implementation and outcome metrics, and an independent evaluation team responsible for evaluating the program’s overall effect. The county operated the program with support from a housing rental assistance and navigation service provider and a team of intensive case management service providers. Participants were enrolled during a 2-year period, and outcomes following post-supportive housing placement were observed along with trends among a comparison group of similar individuals who were not enrolled in the program. In this article, the authors bring together information about program operations, the funding model and outcomes from the metric monitoring, and the broader impact evaluation to highlight Los Angeles County’s experience of applying PFS to supportive housing provision for people involved with the justice system.

Introduction

According to the latest estimates, more than 69,000 individuals in Los Angeles (LA) County experience homelessness—defined as a lack of a fixed, regular, or adequate nighttime residence (HUD, 2019). Moreover, the number of individuals living unsheltered in LA County, approximately 70 percent of the people experiencing homelessness, is larger than any other region in the United

States. Given the scope of the issue in LA County, new approaches are needed to better address the current trends.

Homelessness is often interrelated with incarceration, in that incarceration may increase the likelihood of experiencing homelessness, and homelessness may increase the likelihood of incarceration (Cusack and Montgomery, 2017). Formerly incarcerated individuals are nearly 10 times more likely to experience homelessness than the general population (Couloute, 2018). According to a recent survey of people experiencing homelessness in LA, 64 percent have been involved with the justice system (HPRI, 2020). Moreover, enforcement of quality-of-life ordinances often results in the “revolving door” between homelessness and jail that reduces an individual’s opportunity to become stably housed.

One potential pathway to reducing homelessness in LA County is to provide permanent supportive housing (PSH) for people with chronic health conditions who are currently incarcerated in the LA County jail. PSH combines affordable housing with supportive services to assist people experiencing homelessness who often have one or more disabling conditions to become stably housed. Another potential benefit of a supportive housing provision beyond housing stability is to avoid the unnecessary use of costly public services, including jail stays. Few studies have examined the use of this model for populations that are also incarcerated. Initial work in this area suggests that connecting people who have had frequent jail and shelter stays with PSH may result in a reduction of rearrests and reincarcerations (Aidala et al., 2014; Listwan, Hartman, and LaCourse, 2018; Thomas et al., 2020).

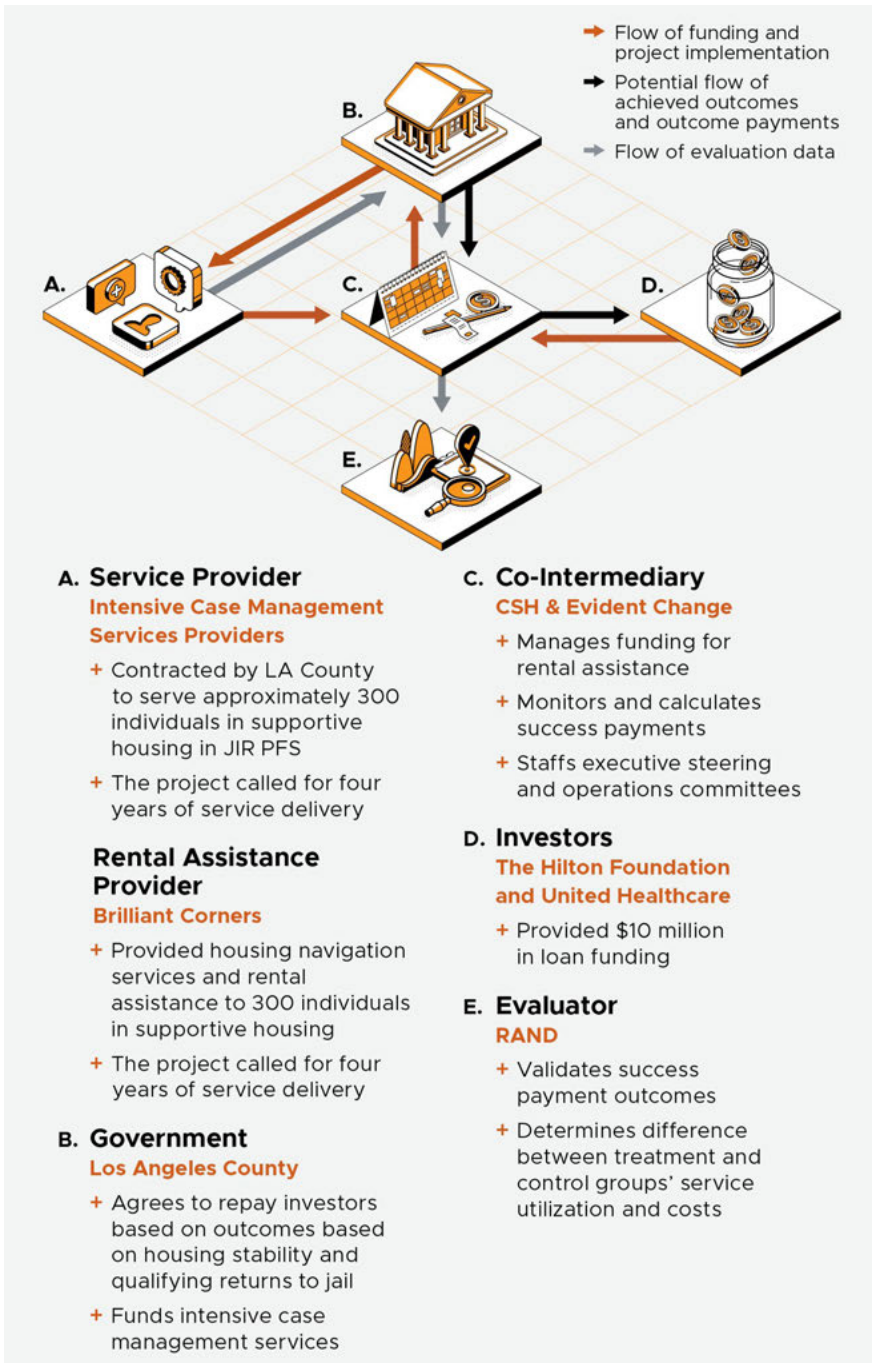
Los Angeles County Just in Reach Pay for Success Initiative

To provide support to individuals in LA County’s jail system who were experiencing homelessness and chronic health conditions, the Corporation for Supportive Housing (CSH) designed Just in Reach (JIR), a program that provided holistic supportive services starting when an individual is still incarcerated (that is, the “in reach” component) coupled with PSH on post-release. The program was first piloted in 2008, and a 2.0 version that yielded more robust mental health service connections and greater involvement from the Los Angeles County Sheriff’s Department (LASD) and PSH providers began in 2014. Preliminary data from the pilot showed a 20-percent reduction in rearrest rates among participants who received PSH compared with participants who were not housed (Lawrence et al., 2016).

In 2015, the LA County Board of Supervisors approved JIR as the county’s first Pay for Success (PFS) initiative. As exhibit 1 outlines, PFS is a funding structure in which one or more private sector entities invest in a public initiative. The government potentially pays back these funds to the initial investors (plus interest) if specific performance metrics are achieved, such as improved participant outcomes. Proponents of the PFS model suggest that it has the potential to create win-win scenarios by which the government needs only to support the costs of the initiative if it is successful, while granting private investors the opportunity to create meaningful social impact (Lantz et al., 2016).

Exhibit 1

Just in Reach Pay for Success Project Structure



CSH = Corporation for Supportive Housing, JIR = Just in Reach, LA = Los Angeles, PFS = Pay for Success.
Source: Adapted from GAO-15-646

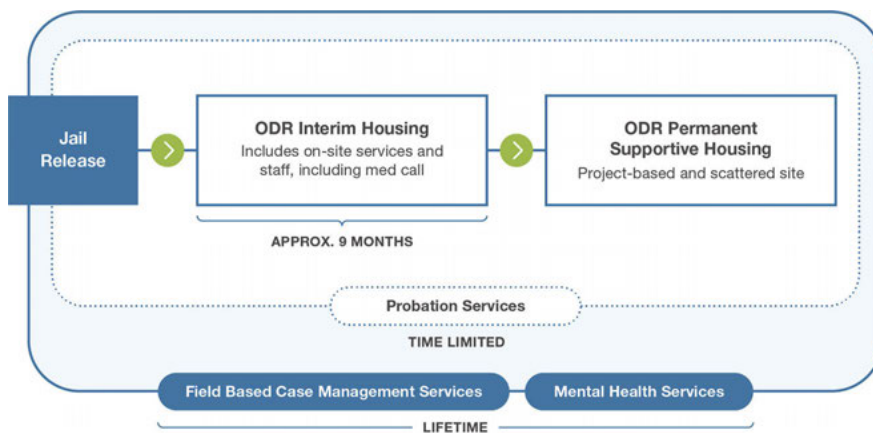
Project Participants and Services Delivered

As noted, the JIR PFS housing program operates within the larger Office of Diversion and Reentry (ODR) portfolio of services that provide housing and related services to people involved with the justice system in LA County. The program was modeled on the LA County Department of Health’s “Housing for Health” program, an existing county program for frequent users of the health system. The ODR supportive housing program was further tailored to address the unique needs of the ODR population, including more clinical support, a lower case management load to participant ratio, and communication with legal stakeholders. ODR program participants could be “enrolled” in the JIR PFS initiative at the point they enter PSH.

Individuals are first identified as potential candidates for the program while incarcerated in the LA County jail (exhibit 2). Those eligible for enrollment included individuals with a history of homelessness and one or more diagnosable chronic behavioral or physical health condition, including serious mental health disorder, substance-use disorder, developmental disability, post-traumatic stress disorder, cognitive impairment resulting from a brain injury, or a chronic physical illness or disability. Using a clinical court diversion approach, program staff determine clinical eligibility, and the court system assesses the potential program candidate for legal suitability.¹ Individuals who are found to be both clinically eligible and legally suitable for diversion and who agree to enroll may be conditionally released to ODR and are placed on probation supervision. ODR then assigns the individual to an intensive case management services (ICMS) provider and to an interim housing or residential care facility based on availability, preference, and fit to ensure that participants have a place to go on release. Interim housing is provided in congregate settings with onsite services, including case management, medication monitoring, meals, and other services (for example, laundry). Individuals with mental health disorders also receive mental health services, typically in partnership with the LA County Department of Mental Health’s (DMH) Full Service Partnership program.

Exhibit 2

Office of Diversion and Reentry Housing Services



ODR = Office of Diversion and Reentry.

Source: Holliday et al., 2021

¹ More information about program criteria is available in Holliday et al. (2020).

Next, ODR makes a plan for longer-term housing placement in collaboration with ICMS staff and other key stakeholders, including interim housing providers, Full Service Partnership providers, and legal stakeholders. On average, individuals spend around 9 months in interim housing before they are placed in longer-term housing settings, including PSH, which may be provided in project-based or scattered-site settings. Some individuals are not placed in PSH but receive a higher level of care called “enriched residential services” that provides more intensive clinical support than PSH settings. A more detailed overview of the ODR supportive housing program operation, not specific to the JIR PFS initiative, is available (Holliday et al., 2021).

Brilliant Corners is contracted through the county to provide housing navigation services and administer rental assistance through the county's Flexible Housing Subsidy Pool. This pool streamlines the housing process by centralizing core functions, including the housing search and application process, housing unit inspections, and security payments. Then, once an individual is housed, it provides rentals payments, tenancy support services to assist in housing stability, and tenant aftercare, including housing damage mitigation services.

Each participant in the broader ODR housing initiative, inclusive of JIR PFS enrollees, collaborates with their ICMS service provider to develop an individualized service plan. This plan outlines the range of services available to help participants meet needs and goals they have identified. These ongoing supportive services include, but are not limited to, connection to mental health and substance-use treatment services, housing stabilization support, enrollment in income support or other mainstream services benefits, mentoring, and other community support.

Program Implementation

Individuals in ODR's supportive housing program who entered PSH between October 2017 and September 2019 were eligible to be enrolled in the JIR PFS initiative. PFS projects require the establishment of performance metrics that are tied to payments to investors. The performance metrics for this project assumed that at least 300 people would be enrolled in the program between October 2017 and September 2019. The established performance metrics were—

1. Housing retention at 6 and 12 months, defined as participant retaining stable housing at the designated time points as reported by ICMS and ODR.²
2. Jail avoidance at 2 years, defined as participant not returning to jail for a qualifying offense, using LASD county data.³

As participants were enrolled in the program, they were organized into quarterly cohorts that were tracked on the performance (also called “success”) metrics. The JIR PFS program had 300 designated PSH slots available during the 2-year recruitment period. If an individual exited a PSH

² Stable housing was defined as continuing to retain a PSH lease or achieving a “good” exit from the program, defined as retaining housing or rental with or without an ongoing subsidy, residing in long-term care, nursing home or other long-term behavioral health facility, or staying with family or friends with permanent tenure.

³ Qualifying offenses included misdemeanor arrests for which a new criminal filing or violation is in lieu of a new criminal filing, felony arrests in which a finding of probable cause is found through a preliminary hearing or grand jury indictment, convictions of a misdemeanor or felony for an event that occurred after PSH placement, and revocation of community supervision or flash incarceration due to violation of parole conditions.

unit during the recruitment period (October 2017–September 2019), then that slot was opened for another individual to be placed into PSH. It was also the case that if a participant died during the enrollment period, then a new participant could be enrolled to fill that available housing slot.

The CSH and Evident Change calculated the success payments for each cohort based on data they received from the ODR (that is, on housing retention) and from LASD (that is, on jail avoidance). These data were also shared with RAND, the evaluation partner who reviewed the CSH and Evident Change calculations and provided validation of the findings prior to the county making investor payments. Specific payment amounts for achievement of the 6- and 12-month housing retention metrics were outlined in the agreement, along with amounts tied to whether participants achieved zero, one, or two qualifying returns during the 2-year post-enrollment period (no payments were made if participants had three or more qualifying returns).

In concert with the monitoring of the eight quarter cohorts of participants across the project life cycle, CSH and Evident Change also managed quarterly executive steering committee meetings in which key stakeholders from the involved entities met to discuss program implementation, including progress on the performance metrics and quality improvement initiatives that were taking place. Participants in the steering committee included representatives from investors, intermediaries, LA County Department of Health Services Office of Diversion and Reentry and Housing for Health Division, LASD, and the evaluation team. In addition to the steering committee, an operating committee—composed of county, Brilliant Corners, CSH, and Evident Change staff—met regularly to discuss program performance. These meetings were a key part of the continuous quality improvement approach of the project through which the performance data served as a jumping off point for robust conversations about challenges and opportunities.

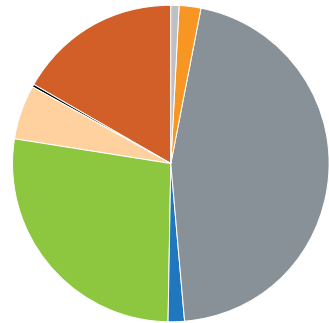
Program Implementation Results

During the project period, 349 individuals were enrolled in the JIR PFS initiative. CSH monitored the demographic composition of participants (CSH, 2022; exhibit 3). Of the group, 67 percent were male, 30 percent were female, and 3 percent were transgender. More than 45 percent of participants were classified as Black or African-American, with nearly 28 percent Hispanic and Latino, and nearly 17 percent White, Non-Hispanic or Latino. Of note, these data reflect an overrepresentation of African-American people compared with the Los Angeles County population (that is, approximately 8 percent) and are consistent with previous reporting of this racial and ethnic disparity (Appel et al., 2020).

Exhibit 3

Racial and Ethnic Background of Just in Reach Pay for Success Participants (n = 349)

Race/Ethnicity (Group)	Number of Persons	Percentage of Persons
American Indian or Alaska Native	3	0.9%
Asian	8	2.3%
Black or African American	159	45.6%
Don't Know/Refused	6	1.7%
Hispanic/Latino	95	27.2%
Multiracial	19	5.4%
Native Hawaiian or Other Pacific Islander	1	0.3%
White, Non-Hispanic/Latino	58	16.6%
	349	100%



Source: Corporation for Supportive Housing, 2022

The findings from the program metric calculations showed that 92 percent of JIR PFS program participants achieved the 6-month housing stability criteria. The overall 12-month housing stability metric was 78 percent; however, it increased during the project lifecycle with the last cohort achieving an 86-percent, 12-month housing stability rate. In terms of the qualifying returns metric, 56 percent of participants achieved zero returns during the 2-year period, with 21 percent having one return to jail, 8 percent having two returns to jail, and 15 percent with three or more returns to jail. These findings were seen as particularly impressive given that some data suggest that the recidivism rate among similar populations is likely to be more than 70 percent (CDCR, 2019, 2015). Based on this performance, investors were repaid their entire \$10 million investment and earned approximately 2.9 percent in blended interest.

Impact Evaluation

The project supported a broader impact evaluation that was not specifically tied to the success metrics. The impact evaluation included an estimation of the PSH effect on usage of a spectrum of publicly funded health, housing, and justice services and the costs of those services using a quasi-experimental design. In addition, the impact evaluation considered the PSH costs to answer whether the program resulted in overall costs or cost offsets to the county. This section provides an overview of the methods used.

RAND obtained information about demographics, service use, and associated costs from administrative data that participating agencies shared and from the Chief Information Office of LA County, which manages an enterprise data warehouse across the different county departments, including the data sources in this analysis (that is, LA County Departments of Health, Public Health, Mental Health, and Los Angeles Homeless Services Authority and LASD).⁴ These data were organized using unique individual identifier numbers. ODR provided a list of participants' names

⁴ RAND received data from the Los Angeles County Department of Public Health on the use of treatment services for substance use, but the data were not at the individual level, so they were not incorporated into the main outcome analyses. Group-level analyses are in Hunter et al., 2022.

and jail release dates to the Chief Information Office to assist with creating the treatment group dataset (that is, JIR PFS participants). Exhibit 4 outlines the different services and cost estimates in this analysis.

Exhibit 4

Service Cost Estimates (Fiscal Year 2019–20)			
Department	Category	Response Source	Unit Cost Estimates
Los Angeles County Department of Health Services	Healthcare	Primary ^a	<ul style="list-style-type: none"> Inpatient, medical: \$5,588 per day Emergency room, medical: \$1,784 per encounter Outpatient, medical: \$1,356 per encounter Inpatient, psychiatric: \$2,804 per day Emergency room, psychiatric: \$4,506 per encounter Outpatient, psychiatric: \$1,202 per encounter
Los Angeles County Department of Mental Health	Healthcare	Primary ^b	<ul style="list-style-type: none"> Inpatient: \$802 per day; residential \$280 per day Outpatient: Variable^b Crisis stabilization: Variable^b
Los Angeles Homeless Services Authority	Housing	Primary ^c	<ul style="list-style-type: none"> All costs per unit per night: <ul style="list-style-type: none"> Crisis housing and emergency shelter: \$65 Interim housing, including hotel and motel vouchers: \$105 Housing choice voucher, tenant-based supportive housing, project-based voucher: \$35 HUD-VASH: \$28 (Non-ODR) permanent supportive housing: \$43 Rapid Re-Housing: \$40 Shelter Plus Care: \$26 Transitional housing: \$101
ODR	Housing	Primary ^d	<ul style="list-style-type: none"> Housing subsidy: \$1,842 per unit per month (FY 2019–20) Intensive case management: \$734 per client per month (FY 2019–20)
LASD	Justice	Secondary ^e	<ul style="list-style-type: none"> Booking fee: \$266 per booking (FY 2019–20) Jail maintenance fee: \$389 per jailee per day (FY 2019–20)
Los Angeles County Probation Department	Justice	Primary ^f	<ul style="list-style-type: none"> Probation supervision: \$174 per month (FY 2019–20)

FY = fiscal year. HUD-VASH = U.S. Department of Housing and Urban Development-Veteran Affairs Supportive Housing. LASD = Los Angeles County Sheriff's Department. ODR = Office of Diversion and Reentry.

^a Cost estimates represent mean values across eight facilities within the network, primarily affiliated with academic medical centers. The Los Angeles County Department of Health Services provided these facility-level cost estimates.

^b Inpatient costs represented as average fee for service for psychiatric inpatient hospital contract rate. Residential costs represented as average Institute for Mental Disease contract rate. Outpatient, emergency, and crisis stabilization costs were unique to individual encounters and reported directly by the Chief Information Office.

^c Cost estimates provided by the Los Angeles Homeless Services Authority.

^d Cost estimates provided by ODR based on service provision in 2021. Service components varied for the duration of the project (2015–2021) and were reflected in cost estimates during this period.

^e Cost estimate for jail maintenance fee includes the composite average of high and moderate observation housing at Twin Towers and Century Regional Detention Facility as a proxy for maintenance fees at facilities throughout Los Angeles County that provide care for those with moderate and serious mental illness. This cost estimate is conservative, as it does not include the cost of correctional health services. Cost estimates provided by the Chief Information Office.

^f Cost estimate provided by the Los Angeles County Probation Department for fiscal years 2015 through 2019.

Notes: All cost estimates adjusted for inflation to 2021 dollars. In cases with missing cost estimates for fiscal years 2014 through 2021, the team performed linear interpolation.

Of the 349 JIR PFS participants enrolled, 13 were excluded from the evaluation for one of the following reasons, leaving the total treatment group sample size at 336.

- Five participants had a release date in 2015; the outcomes data spanned from roughly 2015–2020, meaning that a full year of prerelease information was not available for these individuals.
- Ten participants had an ODR release date that conflicted with the release date in the Chief Information Office dataset.
- Two participants met both criteria.

RAND used propensity methods to create a matched comparison group to examine whether the program had effects on service use and associated costs. A matched comparison group of 672 was identified (using a two-to-one matching strategy) from a larger pool of roughly 5,400 individuals who met the following criteria:

- Had received a service for individuals experiencing homelessness recorded in the Los Angeles Homeless Services Authority (LAHSA) data between January 2016 and October 2019.
- Had at least one continuous jail stay of 30 days or longer recorded in the LASD data between January 2016 and April 2019.
- Had a serious mental, behavioral, or chronic health condition identified by a service record in the Los Angeles County Department of Health Services or the DMH.
- Did not receive a permanent form of housing through the JIR PFS program or other housing program recorded in the LAHSA data—that is, Housing Choice Voucher, project-based voucher, tenant-based supportive housing, Shelter Plus Care, permanent supportive housing, or the U.S. Department of Housing and Urban Development-Veteran Affairs Supportive Housing—in the post-release period.

RAND used regression analyses with propensity score matching—commonly referred to as propensity score analyses—as the primary analytic technique for identifying the program effect (Austin, 2011). Propensity score approaches allow for an observational, nonrandomized design to mimic a randomized controlled trial by seeking a balance between individuals in the treatment and comparison groups on a set of predefined characteristics that could plausibly be associated with the outcomes. In this case, RAND sought balance on a number of demographic characteristics, including age, gender, race, and ethnicity, as well as prior health, homeless, and justice service use (that is, 12 months prior to jail release) and associated costs.

Prior to performing the outcome analyses, it was necessary to define a baseline period for the comparison group members, corresponding to their ODR release data among the JIR PFS participants. For each potential comparison group member, hypothetical “release to ODR custody” data were selected at random from the set of all jail release dates observed in the LASD data corresponding to a jail stay of 30 days or more to calculate the service use metrics for the comparison group.

RAND used the “twang” package in the statistical software program R to calculate the propensity scores via generalized boosted regression (The Comprehensive R Archive Network, 2021; Ridgeway et al., 2014). RAND selected a 2-to-1 nearest-neighbor matched comparison group based on the scores in the MatchIt package in R (Ho et al., 2011). RAND assessed the quality of the comparison group by examining the covariate values between the treatment group to the weighted comparison group.

Next, RAND assigned hypothetical PSH move-in dates for the comparison group to define the JIR PFS analytic period. RAND did this by taking each comparison group member’s selected ODR release date and the number of days from ODR release to PSH move-in corresponding to the treatment group individual to which the comparison group member was matched.⁵

RAND examined the JIR PFS program effects on service use and costs using regression models on the differences in 12-month pre-ODR release and 12-month post-PSH entry outcomes for each treatment and comparison group member.⁶ RAND modeled average changes in use and costs as a linear function of treatment assignment, demographics (age, gender, race, and ethnicity), and other selected variables to determine whether program enrollment was associated with more (or less) service use and costs relative to the matched comparison group.⁷

Evaluation Findings

Exhibit 5 provides the estimated average treatment effects on service use and associated service costs for JIR PFS participants during the 12-month PSH period.

Exhibit 5

Estimated Average Treatment Effects During the 12-Month Post-Housing Period (1 of 2)				
Service Characteristic	Service Use		Service Cost	
	Point Estimate (SE)	Significance (95% CI)	Point Estimate (SE)	Significance (95% CI)
Justice				
Los Angeles County Sheriff’s Department (days)	- 23.84 (7.73)	0.002 (- 39.01, - 8.67)	- \$16,891 (\$4,609)	< 0.001 (- \$25,935, - \$7,846)
Probation (days)	124.51 (13.38)	< 0.001 (98.25, 150.77)	\$672 (\$72)	< 0.001 (\$529, \$814)
Homeless services				
Homeless services (proportion receiving)	- 0.32 (0.04)	< 0.001 (- 0.41, 0.23)	NA	NA
Shelter and temporary housing (proportion receiving)	- 0.22 (0.03)	< 0.001 (- 0.28, - 0.16)	- \$1,643 (\$334)	< 0.001 (- \$2,298, - \$988)

⁵ More details about this process and the comparison group members are in Hunter et al., 2022.

⁶ Outcomes from the interim housing periods and the 2-year post-PSH entry periods are reported in Hunter et al., 2022.

⁷ The team also modeled binary outcomes for the homeless service outcomes using logistic regression. The results were consistent with the linear model, and for simplicity and consistency, the team presents the results from the linear models. The team also explored whether adjusting for the model’s p-values to account for multiple testing changed the statistical significance, finding no evidence to that effect. For simplicity, unadjusted values are reported.

Exhibit 5

Estimated Average Treatment Effects During the 12-Month Post-Housing Period (2 of 2)

Service Characteristic	Service Use		Service Cost	
	Point Estimate (SE)	Significance (95% CI)	Point Estimate (SE)	Significance (95% CI)
ODR housing				
Permanent supportive housing (days)	336.42 (2.82)	< 0.001 (330.88, 341.96)	\$27,295 (\$233)	< 0.001 (\$26,838, \$27,753)
Los Angeles County Department of Health Services				
Outpatient (visits)	0.09 (0.13)	0.47 (- 0.16, 0.35)	\$132 (\$147)	0.37 (- \$157, \$420)
Inpatient (days)	- 0.78 (0.36)	0.03 (- 1.49, - 0.06)	- \$3,308 (\$1,575)	0.04 (- \$6,399, - \$217)
Emergency (visits)	- 0.31 (0.11)	0.004 (- 0.53, - 0.10)	- \$691 (\$246)	0.005 (- \$1,174, - \$208)
Los Angeles County Department of Mental Health				
Outpatient (visits)	20.85 (2.69)	< 0.001 (15.58, 26.12)	\$2,512 (\$381)	< 0.001 (\$1,764, \$3,259)
Inpatient (days)	- 2.36 (0.97)	0.01 (- 4.27, - 0.47)	- \$1,275 (\$470)	0.007 (- \$2,197, - \$352)
Crisis stabilization (visits)	- 0.17 (0.11)	0.11 (- 0.39, 0.04)	- \$470 (\$253)	0.06 (- \$966, \$27)
Total			\$6,202 (\$4,966)	0.21 (- \$3,543, \$15,947)

*CI = confidence interval. NA = not available. ODR = Office of Diversion and Reentry. SE = standard error.
Source: Hunter et al., 2022*

Justice System Services. RAND estimated that JIR PFS participation was associated with a statistically significant decrease of 24 days in jail per participant relative to the comparison group during the 12-month post-housing period. This estimate was associated with a statistically significant decrease in jail service costs of \$16,891 per JIR PFS participant. RAND also found a significantly greater number of average probation days—125 more days—among JIR PFS participants relative to the comparison group during the 12-month post-housing period and an associated increased cost of \$672 per participant.

Housing and Homeless Services. RAND found that JIR PFS participants had an average 22-percent reduction in the use of shelter and temporary housing services, with a corresponding cost savings of \$1,643 per participant. RAND also found a significant increase among JIR PFS participants related to the PSH costs. Specifically, in the first year of the program, the treatment group had an average increase of 336 days of PSH relative to those in the comparison group. This increase in PSH days among the treatment group translated to an average increased cost of \$27,295

per participant, given that the comparison group was restricted to individuals who did not obtain any form of permanent housing in the post-housing period.⁸

Healthcare Services. Regarding the Los Angeles County Department of Health service use, JIR PFS program participants had an average of 0.8 fewer days of inpatient care and 0.3 fewer emergency department visits relative to the comparison group, resulting in average cost savings of \$3,308 and \$691 per participant, respectively. Outpatient visits were not different among the two groups. Regarding Department of Mental Health service use, RAND found that the JIR PFS group had on average an additional 21 mental health outpatient visits per participant relative to the comparison group during the 12-month post-housing period, translating to an average increase in service use costs of \$2,512 per participant. In addition, RAND observed an average decrease of 2.36 days in inpatient mental healthcare that the DMH provided to JIR PFS participants relative to the comparison group, resulting in an average savings of \$1,275 per participant.

Total Cost. RAND also quantified the total cost of service use during the 12-month post-housing period among those in the JIR PFS group relative to those in the comparison group. Although RAND estimated a positive net cost of \$6,202 for the JIR PFS group, this estimate has a high degree of uncertainty, and ultimately, RAND found no statistically significant difference between the two groups. This lack of significant difference between the two groups on overall service costs implies that, despite program costs associated with PSH and more frequent use of mental health outpatient care and probation services among those in the JIR PFS group, cost savings in other areas—most notably, less county jail time, fewer inpatient stays and emergency department visits, and less shelter and temporary housing use relative to the comparison group—potentially offset these higher costs. In other words, it remains plausible that the PSH program may entirely pay for itself in terms of reductions in overall service costs.

Summary

The LA County Just in Reach (JIR) Pay for Success (PFS) initiative successfully enrolled more than 300 participants in supportive housing during a 2-year period, achieving its enrollment goal. Furthermore, 6- and 12-month housing stability rates were high, 92 and 78 percent, respectively. At 2 years, more than one-half of participants had not experienced a qualifying return to jail, and only 23 percent had experienced two or more qualifying returns. Given these results, investors received a return on their initial investment plus interest, demonstrating the “win-win scenario” portrayed in the literature surrounding PFS approaches. The results from the evaluation demonstrated that the costs of providing permanent supportive housing (PSH) could plausibly lead to a neutral effect on the overall county budget, given that the reductions in jail and inpatient or emergency health services offset supportive housing costs. This demonstration project creates a significant opportunity for the county to both sustain and scale this initiative, bolstering its diversion efforts and increasing the availability of supportive housing for this population. It also serves as a model for other regions to consider using to address chronic homelessness.

⁸ The team conducted sensitivity analyses in which comparison group members were allowed to have obtained subsidized housing in the post-period. Only 3 percent of the matched comparison group (23 individuals) received some form of subsidized housing, and therefore, it did not result in any large differences in the outcomes or overall results. For further details, see appendix E in Hunter et al., 2022.

Limitations

Several limitations to the project are worth noting. The JIR PFS participants were diverse in background, and the team was not given the information to determine how well it generalized to others in LA County jail with a background of homelessness and a chronic condition. However, the Office of Diversion and Reentry has served and continues to serve thousands of individuals through its supportive housing program. The impact analyses used a quasi-experimental design indicating that it is always possible that unmeasured (that is, unobserved) variables may influence the study results. Although the propensity weighted approach was successful in identifying comparison group members that were similar to the treatment group members,⁹ the possibility remains that the two groups may have important differences that are not accounted for in this analyses. RAND excluded comparison group participants who obtained subsidized housing in the post-period from the primary analyses, but when the team conducted sensitivity analysis with their inclusion, it did not substantively change the overall findings. This lack of substantive change in results between the two sets of analyses is consistent with what is known about subsidized housing options in Los Angeles County in that the demand greatly outweighs the supply, and many people who may be appropriate for subsidized housing do not receive it (Mazzella and Rosenfeld, 2021). Also, it was recognized that program participants may access other services that are not accounted for in this study, including, for example, court costs, law enforcement costs related to the arrest and booking charges in the field, and homeless and health services received from noncounty-funded entities that are not included in these analyses. For example, other studies have shown that supportive housing may increase pharmacy costs, but the team did not have access to such data to examine this association as part of the study (DeLia et al., 2021).

Conclusions

Los Angeles County's PFS demonstration project successfully achieved its projected goals. More than 300 people were successfully diverted from the criminal justice system into PSH during a 2-year period, meeting the performance metrics regarding housing stability and recidivism. A broader impact evaluation demonstrated that the program led to substantial reductions in costly county service use that offset the PSH program costs. Ongoing collaborations among key stakeholders throughout the program's implementation led to improvements over time that contributed to achieving the project's goals. Other regions may want to consider adopting this approach to address chronic homelessness in their communities.

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⁹ More details on the results from the propensity weighting are available in Hunter et al., 2022.

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