Pay Now, or *Pay More Later*

What we can count. What we cannot. And why "savings" is the wrong word when we talk about what homelessness costs.

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Leaving people outside is not free. The cost shows up in the jail budget and at the hospital. You hear about it when downtown businesses name homelessness as a top concern.

This is a complicated topic, and it divides us. No one wants homeless people sleeping on the streets downtown or in the nearby parks or woods, and no one wants to be homeless. Most of us can agree on that. Where we differ is how to pay for what would end homelessness, or at least greatly reduce it.

We know what it costs to house someone in the local program that already does this work. We will never know the full cost of leaving the same person outside. The second number is always a guess, because most of that cost never shows up on one bill.

THREE KINDS OF COST

- **Costs we can total.** Rent and a case manager. A federal grant helps pay for them, and so does the matching money a nonprofit puts in.
- **Costs we can only estimate.** Extra jail nights. Extra emergency-room visits. Extra hospital stays. Those are ballpark figures, because they use averages from other places, and many of those averages are old.
- **Costs no one has measured here.** Lost customers for downtown businesses. Fewer jobs if those businesses shrink or close. Less tax revenue from lost sales. Fear that keeps visitors and locals from coming downtown. Those effects may be real, but we can't say how large they are or put a dollar figure on them.

If downtown felt safer, would more people eat there? That's a fair question. Common sense says yes. More tables filled can mean more shifts, more sales tax, more visitors who come back. But common sense is not a study.

HOUSING

The housing number *we can count*

Homeward Bound of WNC runs **permanent supportive housing**. That means a long-term apartment plus a case manager. Homeward Bound says tenants have to meet regularly with a case manager to stay in its supportive housing programs, and that those programs serve "highly vulnerable, chronically homeless individuals."

The federal **Continuum of Care** grant for Homeward Bound's supportive-housing projects is $1,420,174 for the grant year that began in January 2026. That money covers private rentals across the county and the Key Commons apartments. It does not cover the 85 apartments at Compass Point Village, which the organization told Asheville Watchdog are **paid for with other money**.

Asheville Watchdog reported in November 2025 that the grant covers 102 households. That's about $13,900 a household in federal money for a year of rent, case management, and counseling. Homeward Bound adds matching money equal to 25 percent of the grant. With the match, that's about $17,400 a household. Tenants who have income pay 30 percent of that income toward rent.

Homeward Bound's own site puts the cost of supportive housing at less than $15,000 a person a year. That figure counts people. Our $17,400 counts households. Asheville Watchdog describes those households as mostly individuals, with several families among them, and gives no count of people. For grant plus match to work out to less than $15,000 a person, the 102 households would have to hold at least 119 people. Nine families of three among them would do it.

So the "pay now" price we can put on paper is about $17,400 a household for the grant-funded program, plus whatever the tenant pays.

The same Homeward Bound page says a chronically homeless person's heavy use of public services costs $30,000 to $50,000 a year. The page gives no source for this range or for its supportive-housing figure. We found no Buncombe study that measures either one. The closest figure we found from anywhere else comes from a 2002 study. It followed 4,679 homeless people with a severe mental illness who were placed in housing in New York City between 1989 and 1997. In the two years before they were housed, the study put the public cost of one of them at $40,451 a year. That lands inside Homeward Bound's range, but it counts a different group, in a different city, and its dollars are from 1999.

WHO COSTS MORE

The expensive group is real. *It is not most people.*

Some people living outside cost the public far more than others. The studies in this article that try to price "savings" mostly look at the smaller, higher-cost group: people who have been homeless a long time, people with a disability, people with a mental illness, or people arrested again and again. That group is not most of the people counted here.

In February 2026, Buncombe's one-night **point-in-time count**, or PIT count, found 824 people. Of those, 254 met the federal test for **chronic homelessness**. That is about three in ten.

The test is narrower than the count. Of the people counted, it reaches those in an emergency shelter, in a **safe haven**, or in a place not meant for people to live in. It doesn't reach transitional housing, and the count found 245 people there. So among the people the test can reach, the share who meet it is closer to four in ten. Broadly, the test requires a disability, as federal homelessness law defines it, and about a year of homelessness in those places. It has its own arithmetic for how the year is counted and for short stays in a jail, a hospital, a treatment facility, or somewhere similar. The glossary has the full rule.

The test also decides who can get some federally funded supportive-housing beds. A program can pledge beds to chronically homeless people, and say so in the records it files. When a tenant in one of those beds leaves the program, the next tenant has to meet the test too, unless no one in the local Continuum of Care's area does. Not every supportive-housing bed is pledged that way. Some federally funded projects are open to more people: meeting the chronic test is one of six ways to qualify. But for a pledged bed, meeting the test is usually the only way to qualify.

Moore Place, a supportive-housing program in Charlotte, took in 85 chronically homeless adults. In the year before they moved in, the 61 tenants who released hospital records averaged 9.3 emergency-room visits each. At least one had 125. For the same period, a national survey put homeless people at about 1.4 visits a year. Those tenants were not typical of the people a one-night count finds.

So an average cost spread across all 824 people can be misleading. It's too high for most people in the count and much too low for the smaller group who cycle through the jail and the emergency room. That's one reason an average can only get us close, and exact costs are impossible to pin down.

Mental illness and addiction are part of why that smaller group is expensive. In the 2026 count, 91 adults reported a serious mental illness and 62 reported a substance use disorder. Inside Buncombe's jail, administrators say 42.6 percent of the people held have some kind of mental-health issue. That is the jail population, not the people in the count. The figure does not mean those people were jailed because of mental illness, or that each one was in an active crisis. Sheriff Quentin Miller has said the jail is essentially the largest mental-health facility in Western North Carolina. He has also said the homeless situation and the mental-health crisis keep adding to the overcrowding. A major at the jail told county commissioners in June 2026 that the wait for a bed at Broughton Hospital in Morganton was six to 18 months.

Here's the realistic picture:

- Most people in the count do not meet the chronic test.
- A smaller group keeps cycling through the jail, the emergency room, and other crisis services, and they cost more. Housing with support is meant for them first.
- We should not talk as if every person counted costs as much as the highest-cost person.

THE JAIL

The jail bill we can see, *and the part we have to guess*

For July 2026 through June 2027, the county's budget for running the jail day to day is $26,429,357. Big repairs and upgrades are budgeted separately, in the county's capital plan, including a $5,168,000 controls-system upgrade for that same year. The jail commissary has its own fund, which the county calls self-supporting. Its money comes from sales to the people held there, not from taxes.

The jail was designed for 524 people. It can safely hold 470. As of August 2, 2026, it held 545 people on an average day, **Mountain Xpress** reported. On July 26 it held 548.

Spread the budget across 545 people, and the average cost of holding one person is $48,494 a year. Use the year-to-date average WLOS reported in early August, about 505 people a day, and the same budget works out to about $52,300. Either way, that's an average, not what the county pockets if the jail holds one fewer person. A jail with fewer people still has to be staffed and run.

How much of the $26.4 million is spent on homeless people? The county does have a way to measure housing status, and it released a one-page summary to Step Up AVL in September 2026. The page is dated November 2025. It defines **"presumed unhoused"** as "anyone with an address of 19 N Ann St. and 20 Davidson Dr. in the database." Those are the AHOPE Day Center and the jail itself. An address can't be both, so we read the county's "and" as "or." By that test, 1,288 of the 7,403 bookings in the year that ended June 2025 were presumed unhoused. The page gives that as 17 percent. In the year that began July 2025, it was 683 of 3,423, which the page gives as 19 percent. That count stops at a date the page does not give.

That test counts bookings, not people. The 1,288 bookings in the earlier year involved 696 people, so the same person was often booked more than once. And an address test is rough. It misses anyone who gives a relative's address. The county's own page says only that an address is often a more reliable sign of housing status than the jail system's "homeless" flag.

A county analyst gave a different-sounding number in public. At a June 2, 2026, briefing, the analyst was asked how many people leave the jail without housing, and **answered** around 20 percent. A reporter paraphrased the answer rather than quoting it. That answer is about people leaving the jail, but the November 2025 page counts bookings. The county has not said where the 20 percent came from. It released that page under our records request without saying which question the page answered. When we asked where the page's figures came from, it replied that there is "no sharable document beyond what we have already provided."

The page stops there. It doesn't say how long people stay, and a dollar figure needs that. So the price below still comes from a national count. The Prison Policy Initiative read 175 jail rosters from July 2023 through June 2024. People recorded as homeless were 4.5 percent of bookings. The authors say that is an undercount, because people may give a shelter or a relative's address. People recorded as homeless stayed 32 days on average, compared with 21 days for all bookings. Their most serious charge was trespassing more often than anything else. Because they stayed longer, we estimate they took up about 6.9 percent of jail nights. Apply that share to this jail, and it comes to roughly $1.8 million a year, or about 37 people a day.

A separate sample from the same report covered people who were booked and released within a two-year period. Of those recorded as homeless, more than 40 percent were booked into the same jail system again within a year of that first booking. For people who were housed or whose housing was unknown, that share was 20 percent.

The national booking count and Buncombe's are not measured the same way. The national one uses whatever each jail's roster recorded. Buncombe's uses two addresses. Even so, the gap is wide. Presumed-unhoused people were 17 to 19 percent of bookings here, about four times the 4.5 percent recorded as homeless in the national booking count.

That does not make the local bill four times $1.8 million. The dollar figure depends on how long people stay, not only on how often they are booked. The county produced no records of how long people stay here. What the gap does mean is that $1.8 million is a floor. For it to be the right figure, people without housing would have to leave the Buncombe jail much faster than everyone else does. Nationally they do the opposite: they stay about 50 percent longer. We have asked how much longer they stay here. Whatever the answer, the jail bill is significant, and it is growing.

Thirty-seven fewer people a day would close about half the gap between the 548 people held on July 26 and the 470 the jail can safely hold. But that wouldn't save the county $1.8 million. The jail's medical contract is one reason. Wellpath is the company that runs health care inside the jail. It is paid a base amount that does not move while the jail's monthly average runs from 474 through 574 people. Above 574 the county pays more, and below 474 it pays less, but only for each person past that number. Take 37 people off an average of 545 and the county owes Wellpath the same base amount.

THE HOSPITAL

The hospital bill *we can only estimate*

We found nothing published by Mission Hospital or its owner, HCA, on patients' housing status or what those patients cost. The figures below apply federal data and other states' rates to Buncombe's count. They are not a Mission invoice.

In 2020 and 2021, the CDC found that homeless people made 310 emergency-room visits a year per 100 people. Everyone else made 40 per 100. That's 675 percent more, almost eight times as many.

For how often homeless people are admitted to a hospital, the rates we used come from **California and Massachusetts**. With emergency-room visits and hospital stays combined, treating one homeless person costs $2,978 to $7,381 a year more than treating a housed person. Across all 824 people in the 2026 count, that is $2.5 million to $6.1 million a year. The range is wide mainly because hospital-stay rates differ a lot by state. The notes at the end explain why that range could be too high or too low.

Forced psychiatric treatment is also expensive. Disability Rights North Carolina's 2025 review said a single day can cost well over $2,000, paid for by public programs, insurers, and people with little or no coverage. It put the bill for one short episode, from the emergency room through a few days in a treatment facility, at $10,000 or more. We found no published figure on how many of those stays involve people without housing.

Add the jail estimate, a floor of $1.8 million, to the hospital range and the pieces we could count come to $4.3 million to $7.9 million a year. That sum leaves out police, courts, shelter, detox, ambulance, involuntary psychiatric holds, and any school or child-welfare costs for the 67 children in the 2026 count.

A much higher number comes from a Denver study of people arrested at least eight times in three years. In at least three of those arrests, the person had no address or gave a shelter address. Public services cost $25,544 a year for each person in the group not offered supportive housing. That figure counts a longer, different list of costs than our estimate does. Part of the total is what Medicaid was billed, not what it paid. Apply that figure to all 824 people here and you get about $21 million. That's a high-end figure, not a local measurement. The Denver study looked only at people arrested again and again.

THE STUDIES

Why the studies feel like they *cancel each other out*

They almost do, if you ask the wrong question: "Does housing pay for itself?"

The studies that used a lottery to decide who was offered housing, in Denver and in a Canadian program called Chez Soi, found the same basic pattern:

- People who get an apartment and a case manager stay housed at high rates.
- They use some crisis services less.
- On the costs those two studies actually counted, the drop covered about half of what the program cost per person. The other half of that cost is new money, and it buys the housing and the support.

Homeward Bound reports that in 2025, 92 percent of people in its permanent supportive housing program stayed housed and did not return to homelessness. It does not say how many people that 92 percent covers. That is one program, one year. In Denver, the program's records run from 2016 through the end of 2020. That gave researchers three full years of follow-up on 243 people, the ones who had moved into the program's apartments before January 2018. Of those still alive after three years, 77 percent were in permanent housing.

In Denver, other public services cost $6,876 less per person each year for the group offered supportive housing than for the group not offered it. In Chez Soi, the drop in other costs brought the program's net cost down by 46 percent. That figure is from society's point of view, in 2016 Canadian dollars.

Two research reviews looked at many studies. The middle result of a 2022 review, for American studies, was about $1.80 in counted benefits for every $1 of program cost. Under its strictest test, the figure was about $1.05, just above breaking even. A 2015 review of programs for people with mental illness said it doubted **Housing First** can be expected to pay for itself. In the same breath, it said the programs still use resources better than traditional services.

Those results are why the evidence can look contradictory. A 1.80 and a 1.05 and a "does not pay for itself" cannot all be the headline. They rest on different sets of studies, of different people, counting different bills, in different countries.

The studies share something narrower, and more useful:

- They mostly studied the expensive minority, not the whole homeless population.
- They counted only some public bills: jail, shelter, emergency rooms, and the like. They did not count a downtown that feels safer, a restaurant that keeps its evening shift, or a visitor who does not cancel a trip.
- They cannot tell us what Buncombe would save next year if the jail held 37 fewer people a day. A building still has to be staffed. A hospital still has to be open.

The studies do not settle whether housing pays for itself. What they do settle is that the public is already paying. Right now its money buys jail nights and emergency-room visits, often for the same people more than once. It also buys police calls, court time and detox beds this article never priced. Housing and support shift part of that spending and bring part of it down. The drop those two lottery studies counted did not, on its own, cover the whole cost of the housing. Denver's researchers say their own figure for the drop is on the low side, and that the true drop in other public costs is likely to be greater than they were able to measure.

DOWNTOWN

Concern is documented. *A dollar loss is not.*

In April 2022, the Asheville Downtown Association **presented a survey** answered by 101 downtown businesses. The top answer on issues affecting business was reducing homelessness, followed closely by increasing safety.

Police calls about trespassing downtown rose from 474 in 2024 to 628 in 2025. The police data does not say how many of those calls involved homeless people.

Visitors spent $2.97 billion in Buncombe in 2023, $2.65 billion in 2024, and close to $2.6 billion in 2025, according to the yearly study prepared for Visit NC.

We found no study that measures how many tourism dollars homelessness costs Buncombe, and the county, city and state records we could find don't give that number. The 2025 visitor figure also covers the first full year after Hurricane Helene, so any effect of homelessness would be hard to separate from the storm.

One percent of $2.6 billion is $26 million, about the size of the jail budget. That is arithmetic, not a measured loss.

So the downtown worry is on the record. What a downtown that feels safer may do for jobs and taxes is easy to picture, but with the sources we have, it's impossible to price.

Could the hotel tax pay for housing? State law limits that. Senate Bill 484 was signed June 22, 2026. It covers every county and city in the state that charges a room occupancy tax. The limit applies to proceeds collected on or after that date. It bars spending the tourism-related share on services a county or city ordinarily provides its residents, or on purposes designed for or mainly benefiting its residents unless a local act explicitly allows it. Affordable housing is one of the six barred uses it names.

IF NOTHING CHANGES

The counted pieces *come due again*

The $4.3 million to $7.9 million figure is a yearly estimate. Multiply it by the number of years, with nothing growing and no inflation:

- **Three years:** about $13 million to $24 million
- **Five years:** about $21 million to $39 million
- **Ten years:** about $43 million to $79 million

That's multiplication, not a forecast. It leaves out the same costs the yearly figure does.

The jail and its budget are not standing still. The jail's **average daily population** rose about 55 percent from 2020 to 2026. The starting year, 2020, included a pandemic drop in the number of people held before trial. In the county budget, the jail line went from $24.6 million adopted for July 2025 through June 2026 to $26.4 million for the year after. County public-safety spending went from $66.22 million in the budget for July 2016 through June 2017 to about $106 million in the budget for July 2026 through June 2027. Neither public-safety figure is adjusted for inflation. The public-safety line covers more than the Sheriff's Office. The jail's operating budget is part of the county general fund, whose largest single source is the property tax.

The Wellpath medical contract took effect on July 1, 2026, with a base amount of $4,253,066 for the first 12 months. It runs for two years and renews for up to three more one-year terms unless someone ends it. The whole agreement depends on the county approving the money each year.

By August 2026, booking cells were being used as temporary space to hold people, and a second person in a one-person cell slept on a mat. The sheriff has talked about a behavioral-health wing and sending some people to other counties.

Mission has told the state it is operating close to capacity. We found no figure for how many of its patients are homeless.

The **PIT count** rose from 527 in 2021 to 824 in 2026. But the method was widened in 2024. The 2025 figure we use, 755, leaves out 1,548 people in FEMA hotels after Helene, though the count sent to the federal housing department included them. We use six counts, one a year from 2021 through 2026. We don't work out a growth rate from them, but the 2026 count is the highest of the six.

Besides paying for housing or paying the jail and hospital bills, there's a third way to spend the money: prevention. Asheville-Buncombe is one of 10 pilot communities for Right at Home: $6 million over three years for at least 1,000 households at risk of losing their housing. Right at Home grew from a program in Santa Clara County.

A Notre Dame study of that program found that people who were offered its temporary financial help were 81 percent less likely to become homeless within six months and 73 percent less likely within a year. That result shows up only among people who joined the study before March 2020. In that group, about 4 in every 100 who weren't offered the help became homeless within six months. Fewer than 1 in 100 who were offered it did. Within a year, the numbers were about 7 in 100 and about 2 in 100.

Among those who joined the study from March through December 2020, only about 1 in 100 became homeless within six months, with or without the offer, so any effect was hard to detect. The authors say pandemic eviction bans and programs offering similar financial help likely kept the number low for people without the offer. Until the national evaluation of Right at Home is published, no one can say how well the pilot works.

So, how do we pay for this, you ask? We already are. The only question is how much we spend and what we spend it on.

THE TAKEAWAY

Someone pays either way. *Only one of the bills is for housing.*

We can total the housing bill: about $17,400 a household a year in the grant-funded local program, plus the tenant's share.

We can estimate only part of the "leave them outside" bill. Jail plus hospital, using rates from other places, comes to $4.3 million to $7.9 million a year for this county. That is not the whole bill.

We cannot total the rest with the records we found: the revenue downtown restaurants and stores might lose, the jobs those businesses support, the taxes on those sales, and the visitor who never books. And we can't total what it costs when a jail is already over its safe number, or a hospital is asking for more beds.

People with mental illness and addiction, and people who have been homeless a long time, tend to cost more. They are not most of the 824. Treating every person in the count as if they cost as much as the highest-cost person makes the math look neater than it is.

"Savings" is the word that keeps getting us in trouble. Some bills fall when people are housed. The two lottery studies are the fairest tests, and in them the drop in those bills covered about half of the program's cost per person. The other half bought the housing and the support.

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Sources & notes, and any corrections, are with the piece online: www.stepupavl.org/files/cost-of-homelessness