

THE STATE OF HOMELESSNESS IN COLORADO

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As we enter the winter season in Colorado, the situation looks bleak for Colorado's homeless and at-risk citizens. **The economic crisis gripping our nation is creating severe financial strain throughout the state.** As unemployment rises, and foreclosures increase, more and more families and individuals are losing their homes and apartments. Homeless service providers across the state report significant increases in requests for emergency shelter and housing.

Furthermore, **the resources available to meet this increased need are declining** due to proposed state and local budget cuts and the impact of the economy on foundations, corporations and individuals.

All of these factors have led us today to declare a **state of emergency** for Colorado's homeless population. For the first time in the 23 years I have been working on homelessness in Colorado, we are facing great risk of significant death on the streets of our state due to rising homelessness, and the lack of affordable housing, shelter, and health care services. While predictions in this rapidly changing environment are perilous, all indications are that things will likely get worse before they get better.

Homeless service providers are serving record numbers of people. For example, the Stout Street Clinic has seen a 16% increase in homeless patient visits over the past year. The Mental Health Clinic was forced to create a waiting list for new homeless patients in October, and now more than 120 persons are on this waiting list, seeking treatment for their mental illness. The Denver Rescue Mission reports serving 5000 more meals and 1000 more shelter nights this October compared to last October. The St. Francis Center is serving 150 more people a day than it did last year.

Philip Mangano, the Executive Director of the US Interagency Council on Homelessness, recently estimated that cities across the country are likely to experience a 20% increase in homelessness in 2009 due to the economy. The US Conference of Mayors last week reported a 12 percent increase in homelessness as of September, just prior to the current financial crisis.

According to the most recent Point-in-Time Studies, more than 16,000 individuals experienced homelessness in Colorado last year. More than 60% of homeless persons were in households with children. Most were homeless for the first time.

Homelessness is not just a Denver problem. Across the state, homeless families and individuals are seen in at least half of our counties, with significant numbers reported in Pueblo, Colorado Springs, Grand Junction, Durango, Alamosa, Fort Collins, and Greeley.

Suburban communities are also seeing an increase in homelessness. For example, Jefferson County reports a 100% increase in families in crises served through the district's homeless education program. Other suburban agencies are reporting 15 to 25 percent increases in requests for assistance – we've seen a 12% increase in those coming to us for help from Adams, Arapahoe and Jefferson counties.

Colorado stands at a critical crossroads. The safety net in our state, and our nation, is seriously frayed and stretching to the breaking point.

We only have a fraction of the resources needed to meet the growing housing and service needs of homeless families and individuals in Colorado. Many of our most vulnerable citizens live just a paycheck or a crisis away from homelessness.

Despite a drop in home prices, those at the lower end of the income scale still do not earn enough to pay for housing. There is no county in Colorado where someone working full-time at the minimum wage can afford an average one bedroom apartment. Indeed, one needs to work 108 hours a week at minimum wage to afford the average apartment.

The increase in home foreclosures has resulted in evictions of both homeowners and renters. Approximately 40% of households losing their homes to foreclosures are renters. The majority of these are low income families who do not have the resources for first and last months rent plus a security deposit required to rent a new apartment. These families are now becoming homeless.

Loss of jobs and rising unemployment are directly impacting homelessness. Colorado's unemployment rate is at a four year high at nearly 6%, and economists recently predicted another 4,000 job loss in 2009. Homeless individuals report that day labor jobs are scarcer than ever, with ten workers competing for every job. Similarly, strong competition for entry-level jobs throughout the economy put homeless individuals at a severe disadvantage.

As the need for shelter and housing increases, homeless service providers are facing significant budget cuts. Foundations are giving less, due to losses in their investments. Tax credit investors are scaling back their investments in affordable housing, as their profits fall. Fannie Mae and Freddie Mac, the two largest investors in affordable housing, are no longer providing funding for development of new housing. Bank financing for housing development is frozen. Individual giving is declining as donors worry about their own financial health.

There is great hope that the Federal government will increase its efforts to address the needs of homeless families and individuals through stimulus programs in the coming year. However, unless the stimulus is targeted to include expanding housing and services for the lowest income families and individuals, it will be too little too late to help prevent this increased homelessness.

At the state level, Colorado continues to be one of the only states in the nation that provides no dedicated State funding to address homelessness. In addition, the state spends only \$2 million of its general fund on affordable housing development – significantly below what is needed to meet the housing needs of low-income and homeless families and individuals.

None-the-less, the Governor has asked his Cabinet to identify additional budget cuts for 2009. These cuts will likely impact the health and human service needs of homeless families. We understand that the state's budget is strained as tax revenues fall. However, it is critical that the state also does its share to address the needs of those most in need – homeless families and individuals.

The City of Denver has proposed \$1.4 million in budget cuts to homeless housing and service programs funded through the Department of Human Services. This represents a 24% reduction in funding from the Human Services Fund for homeless services. These cuts will result in a direct loss of critical housing and services for our most vulnerable citizens and will put at risk the supportive housing for forty-four chronically homeless individuals who previously lived on the streets of Downtown Denver.

In addition, a 30% funding cut to the Denver Street Outreach Collaborative will mean that as many as 105 fewer homeless persons will not have the help they need to move from the streets into housing during the next year. Studies have documented savings of up to \$40,000 per person from providing supportive housing to chronically homeless individuals. Thus, the proposed **funding cuts could actually end up causing \$5.9 million in increased costs** for hospitalizations, detox, emergency room visits, and jail.

Moreover, the quality-of-life improvements experienced by the downtown business community would also be at risk, as those losing their housing return to their familiar haunts, and street outreach is unable to respond to their needs.

Therefore, we issue the following call to action to the community and to our elected officials:

1. To the Community – We ask that you continue to support, or donate for the first time to local and statewide homeless service agencies, so we can all meet the rapid increases in need resulting from this crisis.
2. To the City of Denver – Do not cut city funding for Denver's Road Home programs. It is the wrong time to eliminate any supportive housing and services for Denver's homeless. We urge the Mayor to get the job done, to maintain his financial commitment to end homelessness.
3. To the Governor and State Legislature – Do not cut essential health, mental health and substance abuse treatment programs for the indigent. Colorado provides funding for mental health and substance treatment that serves only a fraction of the unmet need, right now. Only one-third of those requiring mental health services can obtain such services. Colorado citizens with mental illness cannot afford further cuts to this inadequately funded system without sending thousands more into homelessness.
4. The long term solution to homelessness is **permanent, supportive housing**. We call upon the Governor and Legislature to restore the funding to the Division of Housing grant program, back to its 2002 level of \$4.6 million, to fund new supportive housing.

5. We recognize that due to falling revenue, significant state budget cuts will be necessary. We say to the Governor and Legislature: **Don't balance the state budget on the backs of our most vulnerable citizens. Don't balance the budget on the backs of homeless and at risk families and individuals.** To ensure that those persons impacted by cuts in human service programs do not die on the streets of Colorado, we propose that the state create a Safety Net Program from a portion of the budget savings to cushion the impact of the cuts. Set aside 2% of the dollars cut to provide emergency assistance through the network of faith- and community-based organization throughout Colorado.

6. To our Federal Leaders – We ask that any new stimulus legislation include funding to repair the safety net and to create new supportive housing to meet the growing needs of homeless families and individuals across our nation. Specifically, we request that President-Elect Obama include the following in his stimulus program:
 - a. Provide \$2 Billion for the federal Emergency Shelter Grant program for two years to prevent low income households from becoming homeless and to rapidly re-house those that do lose their homes; up to 400,000 households could- be assisted.
 - b. Capitalize the new National Housing Trust Fund at \$10 billion for two years to rehabilitate or build 100,000 rental homes for the lowest income households.
 - c. Fund 400,000 new Housing Vouchers at \$3.6 billion for two years to provide the lowest income households with rent assistance.

These investments will help ameliorate the impact of the economic crisis on our most vulnerable neighbors while helping to stimulate the economy and create new construction and service jobs.

7. Finally, to our Neighbors – Do whatever you can to help your neighbors who are struggling in this economy to ensure that they do not become tomorrow's homeless.

In closing, after all these years, we know what is needed to end homelessness – supportive housing, increased jobs, and access to needed health and mental health services. What we need most now is an investment in programs that work and the political will to make it happen.