Colorado Springs’ Housing First Program from a Cost-Benefit Perspective

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by

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I. Problem Definition

Homelessness has had a constant presence in American cities, towns, and rural areas for many years; although, during the recession of 1981-82, it was identified as a national issue for the first time since the Great Depression. Since the early 1980s, homelessness has been a regular focus of media interest and a topic of policy debate (Sommer, 2001; Wong, Park, Nemon, 2006). Today, the homeless population constitutes a diverse group of people from various ethnic communities, single males and females, families with children, and youth. Many suffer from mental illness, alcoholism, drug addiction, physical disabilities, and poor health while all suffer from economic deprivation (Shlay & Rossi, 1992). Socially, they possess few relationships with family and friends; only a small portion has spouses, with most being separated, divorced, or never married. Compared to other poor people, the homeless possess fewer social ties and more institutional experience, whether as foster children, prisoners, or patients (Hoch, 2001).

According to the U.S. Department of Housing and Urban Development (HUD)’s 2009 Annual Homeless Assessment Report, on a single night in January 2009 there were an estimated 643,067 sheltered and unsheltered homeless people nationwide. More than six in ten people who were homeless were in an emergency shelter or transitional housing program, while 37 percent were unsheltered on the “street” or in a place not meant for human habitation.

Given adverse current economic conditions, the face of homelessness has changed. More two-parent families are in need of homeless prevention and more unemployed or underemployed families are finding it difficult to pay high housing costs. During the height of the economic and foreclosure crisis, which began in December 2007, there were almost 62,000 more family members in shelter at some point during 2009 than had been during 2007, making up almost 40,000 families (HUD’s Assessment Report, 2010). The continued growth in sheltered family homelessness indicates the ongoing effect of the recession.
The Working Poor

According to the National Alliance to End Homelessness, the “working poor” are individuals who work at least 27 weeks a year but still fall at or below the poverty line. The “general working population” is defined as all individuals who worked over 27 weeks per year. Based on U.S. Census Bureau’s American Community Survey (ACS) estimates, in 2008 there were an estimated 8,013,629 working poor people; this population represents 19.4 percent of the estimated 41,317,308 living at or below the federal poverty line and 5.5 percent of the 146,152,382 individuals who comprise the general working population. According to the U.S. Bureau of Labor Statistics (BLS), “there are three major labor market problems that can hinder a worker’s ability to earn an income above the poverty threshold: low earnings, periods of unemployment, and involuntary part-time employment. In 2008, 85.5 percent of working poor people experienced at least one of the major labor market problems” (2010).

Due to low wages and high housing costs, in 2008, approximately 37.6 percent of working poor households experienced a severe housing cost burden, paying as much as 50 percent on rent or living in substandard housing, in comparison to just 3.8 percent of workers in the general population (National Alliance to End Homelessness, 2010). Similarly, 7.8 percent of the working poor were doubled up with family or friends as compared to less than 6.5 percent of the general working population. Doubling up in this case is defined as an individual or family living in a housing unit with extended family, friends, and other non-relatives due to economic hardship. When doubled-up housing situations cannot be sustained and cash is no longer available to help others with rent payments, families turn to homeless shelters. Poor workers face many challenges to economic stability and risk homelessness because of their circumstance—low earnings, periods of unemployment, and involuntary part-time employment. This is a group that may be one unexpected expense away from eviction. While the economy is beginning to recover, unemployment, underemployment, and poverty are expected to remain major issues for individuals in the workforce for the next several years, particularly for those defined as working poor (National Alliance to End Homelessness, 2010).
Risk Factors

There are particular risk factors that make an individual or family more prone to becoming homeless. Such factors include: poverty, low education, unemployment, lack of work skills, physical or mental disability, substance abuse problems, minority status (African-American and Hispanics), and family dysfunction—such as divorce, psychopathology, or conflict (Fischer & Breaux, 1991; Morell-Bell, Goering, & Boydell, 2000; Snow & Anderson, 1993; Makiwane, Tamasane, Schneider, 2010). The number of African-Americans who are homeless is disproportionately higher than the percent of African-Americans in the general population in this country (Glisson, Thyer, & Fischer, 2001). The BLS found in 2008, although 71 percent of the working poor were White, Blacks and Hispanics continued to be more than twice as likely as their White counterparts to be among the working poor, thus increasing their risk for homelessness.

History of Homeless Policy

State and federal policies dealing with homelessness have expanded over time. Early state and federal policies responded to what was viewed as a temporary crisis related to an economic recession by providing short-term emergency shelter and emergency food programs (Couzens, 1997; Sommer, 2001). The array of programs and services for homeless persons has increased greatly since the 1980s, as has the funding needed to support them (Sommer, 2001; Wong, Park, Nemon, 2006). The Stewart B. McKinney Homeless Assistance Act (P.L. 100-77) of 1987, now McKinney Vento provides funding for homeless assistance programs.

Since the passage of this act, there have been two National Symposia on Homelessness Research sponsored by the U.S. Department of Health and Human Services (DHHS) and the Department of Housing and Urban Development (HUD). The first symposium, in 1998 was focused primarily on describing the array of approaches to help the homeless that had been developed during the previous decade, and how they worked. The leaders at the second Symposium, in 2007, learned that the landscape
of homelessness research and practice had evolved significantly since the 1998 Symposium. One significant change was federal policy. In 1995, HUD implemented the competitive continuum of care (CoC) approach for deciding who receives McKinney Act Supportive Housing Program (SHP) funding for transitional and permanent supportive housing. This process created and strengthened new and existing collaborative efforts to address homelessness at all levels of government and among local providers and consumers. This systems change and integration contributed to a more holistic view of homeless interventions. During this time, continuums of care became a common organizing structure for combating homelessness. Additionally, Policy Academies became a tool for prioritizing and coordinating state efforts, and many cities created 10-year plans to end homelessness and engaged mainstream service resources such as Medicaid to expand the services provided through homeless assistance programs (Dennis, Locke, Khadduri, 2007). These collaborative efforts often had other positive results, including attracting new stakeholders that had not previously been involved in homeless assistance networks, as well as increasing resources to fund services and produce housing.

Research to document and evaluate the outcomes of these collaborative efforts has begun to emerge. Thus, it has become more important to collect and use data to better understand the characteristics and dynamics of homelessness. The growing use of Homeless Management Information Systems (HMIS), cost-benefit analyses, and administrative data systems has helped us learn more about what is effective and at what cost, and is helping to move the field from anecdotal to evidence-based approaches.

Social Developments that Have Influenced Homeless Services

Researcher, William Breakey offered at the 2007 Symposium eight social developments that have influenced the evolution and operation of a homeless system of services¹:

¹ Leginski, 2007
1. Increasing poverty
2. An institutionalized response to homelessness
3. The absence of an effective affordable housing policy
4. The lack of a coherent health care system
5. The movement from institutionally-based to community-based care
6. Increased influence by private philanthropy
7. The successes of advocacy
8. Changes in the roles and rights of women

There have also been three approaches that have influenced our current system: the original McKinney legislation implemented primarily as an emergency response, a public health model was used in the early 1990s to address both homelessness and mental illness, and the continuum of care approach introduced in the mid-1990s by (HUD) as a grant funding requirement and initially emphasized a community self-determination model.

The processes of community organizing developed through the CoC process received a substantial boost beginning in 2000, when the National Alliance to End Homelessness (NAEH) developed and disseminated a plan to end homelessness for the whole nation in 10 years (NAEH, 2000). This plan incorporated a major shift in orientation and emphasis, from managing homelessness to ending it.

On May 20, 2009, President Obama signed a bill to reauthorize HUD’s McKinney-Vento Homeless Assistance program. This bill is known as the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. Three months before, on February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009, which included $1.5 billion for a Homelessness Prevention Fund. Funding for this program, called the Homelessness Prevention and Rapid Re-Housing Program (HPRP) was distributed as a formula grant made available to state and local governments participating in the Emergency Shelter Grant (ESG) Program. As a result, HPRP served
more than 300,000 people and approximately 75 percent of the funds have been used for prevention
services (HUD, 2009).

The U.S. response to the contemporary wave of homelessness has varied among communities. Despite recognizing factors that promote collaboration, there remain challenges to true systems change. Homeless assistance services continue to be fragmented in some communities and the popularity of renewal grants in HUD programs may have the unintended effect of reinforcing this fragmentation (Dennis, Locke, & Khadduri, 2007). A relatively small number of communities, including Denver, have created broad-based coalitions of homeless assistance providers, mainstream service providers, politicians, and the business community that are needed to develop a systematic approach to homelessness. Others, like Colorado Springs, have made more modest moves in this direction although fragmentation of services still exists.

II. Methods

Purpose of my Research

There is a wealth of knowledge about the homeless population and their needs, as well as a growing body of research on the effectiveness of alternative homeless solutions (Sommer, 2000). The trick is finding the right mix of alternative solutions that is cost-effective and addresses the specific needs of a given community. Given the increase need in homeless services and tighter budget constraints, many cities struggle to find the right combination of solutions. Colorado Springs is an example of such a city, as it is relatively new in its effort to comprehensively deal with the homeless.

This policy memorandum looks at the homeless situation in Colorado Springs. It also addresses the range of homeless assistance programs and looks at which programs have been effective in other cities by looking at past research. It will also explore which intervention techniques cities of similar size and demographics are currently implementing, what prior research has found to be successful, and what approaches have been shown to be successful in reducing homelessness. Specifically, this memo will look at a nationally recognized model, Denver’s Road Home, and do an analysis if this program’s approach on
the chronically homeless, can be successful in Colorado Springs which is still developing its homeless program. This memo focuses on the chronically homeless for one important reason. Even though Colorado Springs’ chronically homeless population makes up only 15 percent of the total homeless population, they use up a disproportionate share of services, including beds in emergency shelters, hospitals and jails (HUD, 2009). Colorado Springs currently has a Housing First program in place to help the chronically homeless. The author hopes to find if the current program is sufficient by conducting a cost-benefit analysis comparing the current Colorado Springs Housing First with two alternatives: to expand the current program to double capacity, and to implement the Denver’s Housing First Collaborative program model.

For points of comparison, the author will look at six other cities that have been recognized as having successful homeless programs by the National Alliance to End Homelessness, a nonprofit organization dedicated to solving the problem of homelessness and preventing its continued growth. These cities have programs that have decreased the homeless population over time. These cities include: Minneapolis, MN, San Francisco, CA, Columbus, OH, Salt Lake City, UT, Westchester County, NY, and Norfolk, VA.

The author will also examine six more cities that have programs that are considered inadequate to compare with successful cities. These cities include: Los Angeles, CA, Philadelphia, PA, St. Petersburg, FL, New Orleans, LA, Sarasota, FL, and San Diego, CA.

Data Sources

The research gathered came from three primary data sources and one secondary source:

1. *HUD’s 2007 Continuum of Care Homeless Assistance Programs Housing Inventory* data were used to report the number of emergency shelter, transitional, and permanent supportive housing units in each city and to report the demographic information on its homeless population.

2. To find data on unsuccessful homeless programs, the author reviewed the “State Report Card on Child Homelessness, America’s Youngest Outcasts” from *The National Center on Family*


4. For demographic information on each city, I relied on the U.S. Census Bureau, American Fact Finder:
   http://factfinder.census.gov/servlet/ADPGeoSearchByListServlet?ds_name=ACS_2009_5YR_G0 0 &_lang=en&_ts=317935834396 (retrieved March 14, 2011).

Programs

Estimates from the National Survey of Homelessness Assistance Providers and Clients (NSHAPC) data indicate there are approximately 21,000 service locations in the United States, operating about 40,000 homeless assistance programs. A little over half of the service locations (about 11,000) offer only one homeless assistance program, and a little less than half offer two or more programs. Such programs include:

- **Housing services:** emergency shelters, transitional housing, permanent housing for formerly homeless clients, voucher distribution for housing, accepting vouchers in exchange for housing
- **Food services:** food pantries, soup kitchens/meal distribution programs, mobile food programs
- **Health programs:** physical health programs, mental health programs, alcohol and/or drug programs, HIV/AIDS programs, other services: outreach programs, drop-in centers, migrant housing used for homeless clients

Fundamental Components

Past research also states that the goals of successful homeless programs should achieve: housing stability, management of psychiatric symptoms, the attainment of adult living skills, socialization goals, quality of life goals (Bolten, 2005). Others have found that in order to achieve the goals listed above,
cities need to implement an effective homeless system that incorporates the following fundamental components (HUD, 2009; Burt et al., 2001): Prevention, Outreach and Assessment, Emergency Shelter, Transitional Housing, Permanent Supportive Housing, Permanent Affordable Housing, and Supportive Services.

III. Proposed Solutions

Housing First

Past research has also found that Housing First programs have contributed to success of homeless plans because these programs are associated with decreases in costs after a period of time. The longer participants were retained in housing, the more benefits were seen to the community (Larimer et al., 2011; Tsemberis, Gulcur, & Nakae, 2004).

The term “Housing First”, also called “rapid re-housing”, refers to an approach that emphasizes moving homeless families and individuals into permanent housing as quickly as possible, followed by the provision of usually time-limited, home-based stabilization services to promote housing retention. Typically, rapid re-housing tenancies are scattered-site, private-market rentals, funded with time-limited rental assistance that serve both families and individuals, though that term is increasingly being used more exclusively to describe interventions for chronically homeless individuals (Beyond Shelter, 2010). Studies have found that because many homeless men experience the long-term, harmful effects of not only current stressors, but also abuse and victimization that often begin in childhood, homeless men are a subpopulation in need of proactive prevention services that emphasize long-term continuity of care rather than sporadic crisis-based services (Kim, Ford, Howard, & Bradford, 2010). Thus, because the Housing First Program offers intensive case management, it can provide the long-term care these individuals need.

Some cities such as Norfolk, Virginia, San Francisco, California and Westchester, New York have been successful at reducing their homeless numbers by implementing the Housing First approach and increasing their supply of permanent supportive housing. For example, data from the annual point-in-time estimate shows that from 2002 to 2005 the number of homeless people in San Francisco dropped
from 8,640 to 6,248, a decline of 28 percent (National Alliance to End Homelessness, 2005). In 2005, the city launched its Housing First initiative and housed over 900 people; and it was shown to be cost effective. An analysis of system expenditures showed that the city currently spends $61,000 per year for emergency room services and incarceration for each chronically homeless person. Providing permanent supportive housing costs the city approximately $16,000 per year, and results in much better health and housing outcomes for individuals.

In Westchester County, income supplements for rental assistance and Westchester County’s other key initiatives, such as prevention and centralized intake had clear results. Family homelessness decreased 57 percent from 2002 to 2006—from 690 families to 297 families. Ninety-five percent of families that received housing assistance have not returned to the shelter system. Because of the decline in family homelessness, Westchester County had to explore “right-sizing” their shelter system as need for the shelter has decreased. Transitional housing and shelter programs are increasingly shifting to permanent housing models and providing mobile services to families placed in private rental housing throughout the county. Because families have more income to find housing, fewer families need to rely on Housing First services to locate housing, and service providers can shift resources and target those services to families with greater needs (National Alliance to End Homelessness, 2007).

Lastly, when Norfolk, Virginia introduced a Housing First program, a centralized family intake process, and expanded the permanent supportive housing stock, homelessness in Norfolk dropped by 25 percent between 2006 and 2008, from 665 to 502. Additionally, chronic homelessness decreased by almost 40 percent, from 126 to 78, in the same time period. Norfolk’s count of unsheltered homeless people revealed a significant decrease from 196 in 2006 to only 61 in 2008, representing a 69 percent decline.

Denver’s Success

This policy memo focuses on Denver’s Road Home Program as the comparable model due to their successful homelessness program including a Housing First program called the Denver Housing First
Collaborative. Halfway through their 10-year plan there has been significant progress despite the tough economic times. According to the fifth annual report by Denver’s Road Home, panhandling on the 16th Street Mall has decreased by 83 percent since 2006. In addition, the number of chronically homeless in the city and county of Denver has dropped from 942 in 2005 to 343 in 2009. Denver’s Road Home is also responsible for developing more than 1,900 units of affordable housing. Finally, 720 families and seniors have been guided out of homelessness in partnership with the faith community (Denver’s Road Home, 2010).

The U.S. Department of Housing and Urban Development (HUD) has recognized Denver as a national model for helping homeless individuals get better access to mainstream services like Medicaid, food stamps, Social Security and Disability (O’Connor, 2010). In addition, the El Pomar Foundation of Colorado Springs, one of the largest private foundations in the Rocky Mountain region recently named Denver’s Road Home the top non-profit organization in Colorado and awarded them a $50,000 grant (O’Connor, 2010).

This program is a partnership between Downtown Denver Partnership, the Mile High United Way, City Government and individual donors to end homelessness in ten years. Together, they have raised more than $46 million. It is a comprehensive plan focusing on eight measurable goals:

- Permanent and transitional housing
- Emergency shelter systems
- Education, training, and employment
- Public Safety and Outreach
- Prevention Services
- Community Awareness & Coordinated Responses
- Zoning, Urban Design & Land Use

According to the January 2009 Point-In-Time Survey there are more than 6,600 homeless men, women and children living in Denver. 47 percent of the homeless are people in families with children, 42 percent of homeless respondents in Denver are women, and 40 percent of the homeless are working. The most commonly reported reasons for homelessness reported in Denver are loss of a job (35 percent), housing

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2 HUD rates Denver a national model for helping homeless - The Denver Post
3 Denver’s effort to combat homelessness brings success, recognition - The Denver Post
costs (31 percent) and the breakup of a family (20 percent). These men, women and children must have access to affordable housing and the services they need to return to self-sufficiency.

_The Colorado Springs’ Homeless_

During the winter months of 2009-10, Colorado Springs’ homeless individuals created “tent cities” in downtown creek beds. Homeowners and residents in the surrounding area were afraid of crime and conflict when using the parks and trails. Police received 1,800 calls involving the homeless within a one-mile radius around Cimarron Street and Interstate 25 within a six month period (Stanley, 2009). When the homeless left the camps, they headed downtown and aggressively panhandled in front of businesses. By February 2010, the City saw tent cities as a problem and felt they needed to take action. City Council passed an ordinance that made camping illegal on city public property but with nowhere for the homeless to relocate, community players developed a plan. The police department created a Homeless Outreach Team (HOT) to connect these individuals with appropriate housing providers. El Pomar awarded a one-time grant to Homeward Pikes Peak to spearheaded this initiative and provide bus tickets for individuals who had family and a safe place to go. In addition, Homeward Pikes Peak provided temporary shelter through a local Express Inn. Once Homeward Pikes Peak was able to secure enough funding to lease a property, the Aztec Hotel, it became a cost efficient housing alternative for those seeking immediate housing.

The Homeless Outreach Program (HOP) helped 435 of the total 610 homeless campers (see _Graph 1 and Chart 2_). The remaining 175 people were asked to leave the motel or declined services. Phase II of HOP’s action plan, consists of regularly visiting these 175 individuals in attempt to connect them with the different services to get them off the streets. This policy memorandum addresses Phase II of HOP’s action plan.
Graph 1: HOP Phase I
Colorado Springs Homeless Outreach Program (HOP) and Homeless Outreach Team (HOT)
Phase I: Addressing Immediate Concerns with homeless campers; time frame: February 25-
September 15 (7 months). Total Campers: 610

Homeward Pikes Peak (HPP)

Homeward Pikes Peak is the coordinating agency for homeless services in the Pikes Peak Region;
it manages the Continuum of Care, the Housing First program, and has only one staff member who is the
Executive Director (see appendix for more information on Housing First Pikes Peak).
HPP also manages the Aztec motel which provides temporary emergency shelter, job training, and
supportive services. In February 2009, HPP presented “A Ten Year Blueprint to Serve Every Homeless
Citizen in the Pikes Peak Region” to City Council for approval. This working document represented a
year’s work involving nearly every homeless service provider in the community. The plan was approved
unanimously.

Comparison between Colorado Springs and Denver

As mentioned earlier, prior research has found that groups with particular characteristics, such as
living below poverty level, having a minority status, and having a disability are more likely to be at risk
of homelessness. When comparing the demographics of both Colorado Springs and Denver there are a few points that should be discussed. First, not only does Denver have approximately 200,000 more people than Colorado Springs, but it also has slightly higher rates of unemployment, a higher cost of living, and almost double the amount of families with incomes below poverty level. In addition, Denver also has a slightly higher percentage of African-Americans and almost three times the amount of Hispanics. Given its current demographics, it is not surprising that Denver has a larger homeless population with 4,000 more people (see Appendix-Table 2). However, for almost every category of homeless, Denver has a lower number of unsheltered homeless individuals than Colorado Springs (see Graph 2). Denver had roughly 10% less unsheltered homeless than Colorado Springs, even though Denver has more homeless risk factors. Prior research has also shown that a community is more likely to experience homelessness when it has a shortage of low income housing, lack of community support systems for the mentally ill and an inadequacy of social benefits (Hope and Young, 1986). Based on this premise, Denver’s homeless system appears to be working effectively while Colorado Springs appears to be experiencing a lack of resources as mentioned above.

Graph 2: Comparison of Colorado Springs and Denver Unsheltered Homeless
Source: 2009 Continuum of Care HUD data
Comparison among Other Cities

After researching a national model, as well as other programs that have been successful and not successful at reducing homelessness, I found some common elements. Generally, all programs provided what past research has considered necessary: prevention, outreach, emergency shelter, transitional housing, permanent supportive housing, permanent affordable housing, supportive services, employment programs, education and training, income support, treatment in drug and alcohol, mental health, healthcare services, and access to mainstream services. The question however, was not whether these programs provided these fundamental elements, but rather if these programs provided enough support to meet the community’s needs, as is the case for Colorado Springs. For example, the city of Columbus, Ohio has almost 1,000 more homeless persons than Colorado Springs. Yet, Columbus has a lower percentage of unsheltered chronically homeless than does Colorado Springs (see Table 1). To help explain this, Columbus has more than double the total number of emergency beds for individuals and total emergency year round beds than the Colorado Springs. In addition, Columbus has a higher percent of emergency family units per total housing units with .02 percent than Colorado Springs with only .01 percent. Adding more emergency beds, focusing on homeless prevention and regular performance measurement has helped the city of Columbus decrease family homelessness by 46 percent between 1997 and 2004.

Minneapolis is another city showing similar results. Minneapolis has almost three times the amount of homeless individuals but has almost 36% less unsheltered chronically homeless than Colorado Springs. Like Columbus, Minneapolis has more emergency beds (over six times the amount of total emergency year round beds) and a higher percentage of emergency family units per total housing units than Colorado Springs. As a result, from 2000 to 2004, family homelessness in Hennepin County, MN declined by 43 percent.
Table 1: Comparison of 14 Cities: Unsheltered Chronically Homeless and Emergency Shelter

<table>
<thead>
<tr>
<th>Cities</th>
<th>% of Chronically Homeless Unsheltered</th>
<th>Total Homeless Person</th>
<th>Total Emerg Indiv Beds</th>
<th>Total Emerg Yr Rd Beds</th>
<th>% of Emerg Family Units/Total Housing Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minneapolis</td>
<td>13.55%</td>
<td>3281</td>
<td>860</td>
<td>1950</td>
<td>0.05%</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>29.79%</td>
<td>1811</td>
<td>585</td>
<td>839</td>
<td>0.02%</td>
</tr>
<tr>
<td>Norfolk, VA</td>
<td>31.94%</td>
<td>577</td>
<td>200</td>
<td>312</td>
<td>0.03%</td>
</tr>
<tr>
<td>Columbus/Franklin County</td>
<td>35.79%</td>
<td>1359</td>
<td>536</td>
<td>790</td>
<td>0.02%</td>
</tr>
<tr>
<td>Colorado Springs/El Paso County</td>
<td>49.47%</td>
<td>1249</td>
<td>250</td>
<td>315</td>
<td>0.01%</td>
</tr>
<tr>
<td>Denver</td>
<td>51.85%</td>
<td>8752</td>
<td>1081</td>
<td>1650</td>
<td>0.08%</td>
</tr>
<tr>
<td>Westchester County, NY</td>
<td>57.02%</td>
<td>1531</td>
<td>383</td>
<td>496</td>
<td>0.01%</td>
</tr>
<tr>
<td>San Francisco Bay Area, CA</td>
<td>64.20%</td>
<td>5823</td>
<td>1564</td>
<td>1944</td>
<td>0.03%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>68.79%</td>
<td>6304</td>
<td>2178</td>
<td>4744</td>
<td>0.07%</td>
</tr>
<tr>
<td>St. Petersburg</td>
<td>70.52%</td>
<td>3419</td>
<td>535</td>
<td>809</td>
<td>0.01%</td>
</tr>
<tr>
<td>San Diego</td>
<td>76.06%</td>
<td>3,657</td>
<td>105</td>
<td>214</td>
<td>0.06%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>76.44%</td>
<td>42,694</td>
<td>3573</td>
<td>4933</td>
<td>0.01%</td>
</tr>
<tr>
<td>Sarasota</td>
<td>78.40%</td>
<td>1999</td>
<td>356</td>
<td>414</td>
<td>0.01%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>96.81%</td>
<td>8725</td>
<td>431</td>
<td>562</td>
<td>0.03%</td>
</tr>
</tbody>
</table>

IV. Cost-Benefit Analysis

I will conduct a cost-benefit analysis comparing the status quo of the current Housing First Pikes Peak with two alternatives: expanding the current program by doubling capacity and implementing an alternative program such as Denver’s Housing First Collaborative (for more information on each program see Appendix-Table 4). I will model my CBA after similar studies done in Denver, Colorado; New York, New York; and Portland, Maine.

Matrix

For the purpose of setting up my framework, I listed my estimations and assumptions based on previous research.
### Table 2: Cost Benefit Analysis of Homeless Programs for Chronically Homeless

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Weight</th>
<th>Colorado Springs Current Program: Housing First Pikes Peak (Status Quo)</th>
<th>Implementing a Housing First Program in C/S like Denver’s Housing First Collaborative: Colorado Springs Housing First Collaborative</th>
<th>Implementing an expanded version of Colorado Springs current Housing First Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>.30</td>
<td>$5,400</td>
<td>$50,400</td>
<td>$10,080</td>
</tr>
<tr>
<td>Taxpayers</td>
<td>.30</td>
<td>$1,080,000</td>
<td>$10,800,000</td>
<td>$2,160,000</td>
</tr>
<tr>
<td>Local Businesses</td>
<td>.25</td>
<td>$0</td>
<td>$7,020</td>
<td>$2,700</td>
</tr>
<tr>
<td>Homeless Population</td>
<td>.15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Social Benefit</strong></td>
<td></td>
<td><strong>$1,085,400</strong></td>
<td><strong>$10,857,420</strong></td>
<td><strong>$2,172,780</strong></td>
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</tbody>
</table>

### COSTS

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Weight</th>
<th>City</th>
<th>Taxpayers</th>
<th>Local Businesses</th>
<th>Homeless Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>.30</td>
<td>$500,000</td>
<td>$232,000</td>
<td>$153,865</td>
<td>$69,120</td>
</tr>
<tr>
<td>Taxpayers</td>
<td>.30</td>
<td></td>
<td>$1,500,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Businesses</td>
<td>.25</td>
<td></td>
<td></td>
<td>$546,845</td>
<td></td>
</tr>
<tr>
<td>Homeless Population</td>
<td>.15</td>
<td></td>
<td></td>
<td>$691,200</td>
<td></td>
</tr>
<tr>
<td><strong>Total Social Costs</strong></td>
<td></td>
<td><strong>$901,120</strong></td>
<td><strong>$6,201,200</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL (NPV)</strong></td>
<td></td>
<td><strong>$184,280</strong></td>
<td><strong>$4,656,220</strong></td>
<td></td>
<td><strong>$490,540</strong></td>
</tr>
</tbody>
</table>


Determining Weights

Since most of the funding for homeless programs comes from public dollars, I gave the "City" and "Taxpayers" the highest standing (.30). Following these two groups, are local businesses (.25), and the homeless population (.15). Past research states that the collaboration of business owners and other community players is essential to a successful homeless program. Given this and the argument that

21
business owners do not want to jeopardize their sales because of panhandlers and an unsightly storefront. Business owners are placed in the third highest standing. The homeless population is the last stakeholder. Homeless programs are designed to benefit the homeless population and thus any costs and benefits to these individuals must be reported.

*Sensitivity Analysis*

For my sensitivity analysis, I will do a worst-and best-case analysis. I will look at the costs and benefits of my proposed homeless program with 36 percent, 63 percent, and 75 percent use.

First, I will calculate a pessimistic prediction of net benefits and acknowledge that society may be risk-adverse. In my worst-case analysis, I will assume that the program is only able to serve a minimum number (36 percent) of clients or fifteen clients because of limited public support and funding or unsuccessful outreach. This will be a bare bones approach probably addressing short-term, immediate problems and a selected few, if any, long-term issues. This conservative plan will affect the least number of homeless individuals and will accrue more costs than benefits.

I will also calculate an optimistic prediction of net benefits by using the most favorable assumptions. In my best-case analysis, I will assume that my proposed plan will serve 75 percent-100 percent of client capacity and will receive full public support. These services will benefit the greatest number of homeless individuals and will yield large positive net benefits.

**Table 3: Sensitivity Analysis of HFPP-Expanded**

<table>
<thead>
<tr>
<th>Clients Served</th>
<th>15</th>
<th>25</th>
<th>30</th>
<th>40</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Use</td>
<td>36%</td>
<td>63%</td>
<td>75%</td>
<td>100%</td>
</tr>
<tr>
<td>Net Present Value</td>
<td>($48,925)</td>
<td>$202,035</td>
<td>$245,415</td>
<td>$490,540</td>
</tr>
</tbody>
</table>

As shown in Table 3, the worst-case scenario, only serving fifteen individuals has a negative net present value. If the program serves at least sixteen or more people, then the program's benefits will begin to
outweigh the costs. Given that HFPP served 27 individuals in 2009 and has had a 100 percent retention, it is safe to estimate that the program will serve a minimum of 20 individuals. Lastly, my proposed expanded program adds two additional outreach workers, who will work to engage those individuals who may be reluctant.

V. **Issue Analysis**

*Confront the Trade-Offs*

Not everyone agrees that homelessness appears to be a national housing problem. Rather, some believe policies addressing homelessness should be directed at other instruments of change such as mental health funding and expenditures to treat substance abuse (Troutman, William Harris; Jackson, John D.; Ekelund, & Robert B., Jr., 1999). The *Housing First* model used in this memo involves intensive case management to include mental health and substance abuse treatment. Although mental health funding and expenditures to treat substance abuse are critical to any homeless program, it is not enough to just provide resources to these two areas. Given an increase in family homelessness, due to the downturn in the economy, homeless prevention assistance programs and outreach are just as critical. In addition, collaboration among community stakeholders and a coordinated response between agencies are also as vital.

*Political Feasibility*

Homeless programs that provide permanent homes to a group viewed as the least “deserving” by the public may create political qualms about housing programs among potentially supportive politicians. Colorado Springs is relatively new in its effort to comprehensively deal with the homeless. According to their current homeless action plan it is unrealistic to believe that homelessness can be eliminated. Instead, the agencies involved in creating Colorado Springs’ 10-Year Blueprint envisioned providing housing services for every individual who wants it and optimizing solutions for the *causes* of homelessness in the Pikes Peak Region. Their approach is a very different from Denver’s Road Home Program. First, they do not think it is realistic that a city can end homelessness in a given time frame. Secondly, there is little
political support from the public to enact an ambitious plan like Denver’s. Finally, the structure of affordable housing is comprised of a collection of non-profits with less government funding than Denver. In its 10-Year Blue Print, Colorado Springs identified certain factors as barriers to their success:

“The economy, political change and the success of various nonprofit and government organizations often dictates the success of strategic planning. Beyond these, the medical sector agencies identified several additional barriers. First, the local and state funding mechanisms are fragmented for homeless services as well as behavioral and substance abuse treatment…Second, there is a lack of coordination among leaders regarding planning, prioritization, and spending” (2009).

VI. Strategic Recommendations

Since the CBA completed in this memorandum is in medias res, there is the opportunity to assess whether or not it makes sense for Colorado Springs to continue the status quo. Based on the evidence presented, Colorado Springs’ decision makers should expand Housing First Pikes Peak to double its capacity because doing so will provide more social net present value, since the social benefits outweigh the costs. It makes sense economically and morally to provide services to those individuals who are reluctant to seek help. This will allow homeless individuals significantly more efficient and appropriate service delivery with tangible cost savings. More importantly, this approach appears to improve quality of life for all involved.

Although, Denver’s plan yields a higher net present value, implementing a plan like Denver’s may be unrealistic given our tough current economic state. To implement the entire Denver’s Road Home Program would cost the Colorado Springs $7.7 million the first year and $12.7 million/year thereafter. It is not politically feasible to implement such an expensive program without the political support, strong leadership, and the willingness of its residents to fund a comprehensive homeless service system that can achieve better results.
**Strong Leadership**

One of the main reasons for Denver’s success was the support of strong mayor, John Hickenlooper, who placed homelessness as a top priority. He not only included a substantial amount of city dollars to support homeless programs, he also spearheaded the team in charge of creating Denver’s Road Home, as well as the collaborations necessary to enact an efficient and comprehensive homeless system. In addition, his initiative against homelessness has garnered more than $12 million from foundation and private donors and was able to work with City Council to use funds from the City’s general fund in 2009 to finance new housing. It was his support of a long-term homeless plan that has been the driving force for Denver’s success.

Other cities have also seen success by having strong leadership and effective collaboration. Minneapolis and Hennepin County is one such example. The Mayor and a County Commissioner set and accomplished an aggressive goal to create the Ten Year Plan in 100 days. Together, they initiated the planning process and hired a Homeless Coordinator to manage it. More than 125 nonprofit organizations, government agencies, faith-based alliances, businesses and citizen groups help implement *Heading Home Hennepin*. Maximizing their joint impact requires effective coordination and collaboration. Three separate entities—the Hennepin County Office to End Homelessness; the Hennepin County Housing and Homeless Initiatives Department (HHI); and the Hennepin County Housing, Community Works, and Transit Department are responsible for ensuring that Hennepin County’s housing and homeless services operations happen cohesively. Due in large part to the creation and implementation of the Minnesota Family Homelessness Prevention and Assistance Program (FHPAP), Hennepin County reduced family homelessness and homelessness among children between 2000 and 2004. From 2000 to 2004 family homelessness in Hennepin County, MN declined by 43 percent (National Alliance to End Homelessness, *Beyond Planning*, 2010). Furthermore, all but one of the six cities who have successful programs, have Commissions to End Homelessness *(see Appendix-Table 6)*. These members collaborate to develop a city’s homeless plan in which every community player has a responsibility to the cause, giving the
program a greater chance of success. These commissions are diverse and broad-based including individuals who are homeless, homeless service providers, nonprofit providers, funders, city council members, and representatives from the government, business community, and neighborhood organizations.

**Conclusion**

Based on the evidence presented, Colorado Springs’ decision makers should expand Housing First Pikes Peak to double its capacity because doing so will provide more social net present value than the status quo. Colorado Springs’ chronically homeless makes up only 15 percent of the total homeless population, but it costs the city more money to leave them on the street since they use a disproportionate share of services, including beds in emergency shelters, hospitals and jails. In addition, it is important that this initiative be part of a much larger and comprehensive homeless plan to include other elements such as prevention, more affordable housing units, and a centralized intake. All these elements have been shown to produce positive results in other cities. The balance of system elements will still depend on local factors such as population needs, resources available, and political will.

Colorado Springs is relatively new in its effort to comprehensively deal with the homeless and its current plan is inadequate. Given the limited number of resources available, including funding and time, the Colorado Springs Community responded quickly to provide a short-term solution to a very visible problem—tent cities. However, there is not an effective strategic plan in place to comprehensively deal with the homeless situation, to include the chronically homeless in Colorado Springs. Some may argue that the proposed plan presented in this memo would not be adequate to effectively reach these chronically homeless individuals and get them the support they need. Although this may have some merit, expanding the current program is a first step for a city without the political will of the people to do more. Funding may be a major roadblock for the Colorado Springs service providers, but so is the fragmentation of homeless assistance services. Without a coordinated response and centralized intake process, those in need are unsure of where to go to seek assistance. Service providers too, do not know of
the different resources available. Without this holistic and comprehensive approach, housing organizations will continue to compete for federal dollars and will in turn duplicate services. Denver serves as an example of how necessary broad-based coalitions of homeless assistance providers, mainstream service providers, politicians, and the business community are to developing a systematic approach to homelessness.

Part of the Colorado Springs’s strategic plan is to address the remaining chronically homeless individuals however, without adequate resources it is hard to achieve results that are worthwhile to the community. The current Housing First plan in Colorado Springs is inadequate compared to what other cities are implementing. Bob Holmes, the Director of Homeward Pikes Peak has been given a task that may have seemed impossible to take on, yet he has accomplished a lot given his limited resources to include, time, money, and political support.

VII. Weaknesses and Limitations

Addressing lack of funding: Given our nation’s weak economy, many cities do not have the budget to implement all the necessary programs needed for an effective and efficient homeless program. Given that Housing First programs have shown to provide a high social net value in a number of cities, it would be fiscally wise to implement this program.

Visibility: The costs of running a permanent housing system are highly visible. By contrast, the majority of expenses associated with sheltering the homeless are hidden. Therefore, it may be difficult to convince the voting public of the savings involved, thus making it more important to include outreach and community awareness programs.

Moral-political qualms: The program would involve giving permanent homes to a group viewed as the least "deserving" by the public. This may create political qualms about housing programs among potentially supportive politicians. Estimates suggest that permanently housing chronically homeless
individuals could save billions of dollars in government outlays each year. However, these programs face opposition on moral and political grounds. Political support for these programs may hurt politicians' re-elections since voters do not generally support the "least deserving", as well as, the "least deserving" do not typically vote or engage in lobbying.

**Finding Data:** Reliable and comprehensive information about homeless clients has not been easy to obtain at the national level. In 1987, the Urban Institute conducted the first national study to interview homeless clients at some depth on a variety of topics. The data from that study were collected before the passage of the Stewart B. McKinney Homeless Assistance Act of 1987, and before the significant increase in federal involvement and program development that followed. Further, although national in scope, the Urban Institute study only went to central cities and collected data only from shelter and soup kitchen users, so it could not be used to characterize homelessness in the entire United States.

Nine years later, the Bureau of the Census conducted the **National Survey of Homeless Assistance Providers and Clients** (NSHAPC) to provide updated information on homeless assistance programs and the clients who use them to federal agencies responsible for administering homeless assistance programs and to other interested parties. The data are national in scope, and the survey is the first to gather through one effort a wide range of information relevant to the missions of the federal sponsors. NSHAPC was not conducted to produce a count of homeless persons. NSHAPC was conducted under the direction of the Interagency Council on the Homeless (U.S. Census Bureau http://www.census.gov/prod/www/nshapc/NSHAPC4.html. Retrieved 1/15/2011).

This time, homeless clients in smaller cities, suburbs, and rural areas were included for a full picture of homeless service users in late 1996. NSHAPC became the first opportunity since 1987 to update the national picture of homelessness in a comprehensive and reliable way. Occurring as it did before implementation of major changes in welfare programs, it also provides a baseline for the effects of
welfare reform on homeless assistance programs. Although it is comprehensive, some data may be outdated since the Census Bureau completed the last one in 1996.

Limitations to the CBA Analysis

1. It could be argued that external factors could have contributed to the success of Denver’s Road Home. However, the academic literature shows that there are fundamental elements to a homeless program that will make it effective at reducing the homeless population. Denver Road’s Home Program has the elements that past research has shown and proven are necessary to have a successful homeless program.

2. The CBA does not include all administration and overhead costs to run each program.

3. The CBA does not evaluate the entire costs of implementing a full comprehensive plan in Colorado Springs. It looked at implementing two measures: expanding the housing first model and outreach and community awareness. I do not look into prevention, centralized intake, and other measures that other cities have found to be effective.

4. Since no one has done a comprehensive cost-benefit analysis for Colorado Springs’ homeless programs, the author had to use research from other CBAs to determine variables and measurements—Denver Housing First Collaborative (DHFC) CBA and a CBA done by the housing providers in Portland, Maine Permanent Supportive Housing (PSH) Program.

5. Colorado Springs has a smaller population than Denver, approximately 200,000 less people. Denver also has a larger homeless population with approximately 4,000 more people (see Table 2). This may be difficult to fully compare programs given than each city has different demographics and needs for service. Regardless, both cities can learn from each other’s successes and failures.

6. Because of limited past research, it was difficult to monetize particular values in the CBA, such as:

   a. Community Improvement
b. More pleasant shopping experience

c. Overall Improved Quality of Life for homeless individuals – The CBAs referred to in this memo have seen an increase in housing stability, health and mental health status, and income (clients find jobs or receive public benefits for which they are eligible).

7. The CBA does not include non-profits and churches as stakeholders in my CBA. Both play a significant role in providing services to the homeless, however, due to limited research on the costs and benefits to these entities, they are not included.

Future Research

The author hopes that the information provided in this memorandum will provide useful information to predict costs and benefits in future ex ante analyses. Since one does not currently exist, it would be beneficial to do a comprehensive cost-benefit analysis for Colorado Springs’ homeless programs. This study can be modeled after the Denver Housing First Collaborative (DHFC) and Portland, Maine’s Permanent Supportive Housing (PSH) Program. Denver examined the actual health and emergency service records of a sample of participants of DHFC for the 24-month period prior to entering the program and the 24-month period after entering the program. Cost data from the clinical records were analyzed to determine the emergency room, inpatient medical or psychiatric, outpatient medical, Detox services, incarceration, and shelter costs and utilization. Another CBA by housing providers in Portland, Maine also studied clients before and after they entered the city’s Permanent Supportive Housing (PSH) Program. The researchers recorded results one year before PSH and one year after PSH. If Colorado Springs does a similar study, then it could help build a case for the effectiveness and efficiency of its Housing Program. Further, the hope would be to expand the program to fit the needs of the city. In addition, with such a small organization like Homeward Pikes Peak, responsible for coordinating all service providers, it is limited to its reach being understaffed and underfunded. Ultimately, this data could be useful for a nationwide study addressing the issues discussed in the policy memorandum.
Appendix

Homeless

The Face of Homelessness

The face of homelessness is changing. Given the current economic state with high unemployment and even underemployment, many families, individuals and couples are finding it harder to make their mortgage or rental payments. Those facing eviction or foreclosure can qualify for homeless programs as well as those in temporary living situations such as “couch hoppers.”

Types of Homelessness

Situational: Because of a life event, an individual may have turned to drugs/alcohol to cope, this leads to further substance abuse and mental health issues resulting in chronic homelessness if not dealt with.

Crisis: Something large scale happened in an individual’s life and he/she possibly lost everything at once and has nowhere or no one to turn to. Left untreated will result in chronic homelessness.

Chronic: An unaccompanied individual who has been homeless for a period of one year or more, or has experienced four or more episodes of homelessness over a three year period, and has some sort of disabling condition (e.g., mental and/or emotional disorder, substance abuse, etc.)

Elements

Fundamental Components
According to HUD’s Homeless Assistance Programs Continuum of Care 101, there are seven fundamental components of an effective homeless system. They recommend that communities should balance available capacity in each of the key components and respond to the changing needs in the community (June 2009).

Prevention

According to Legiksi (2007), more progress could be made in addressing homelessness prevention if we were more explicit about the type of homelessness being prevented and the subgroup of people to which the prevention interventions were being applied. He identifies three distinct approaches to the prevention from past literature:

- **Prevention through placement:** processes to secure housing and community integration for vulnerable groups exiting long periods of custodial care.
- **Prevention of relapse:** services, treatments, and supports specifically delivered to formerly homeless people and intended to prevent the reoccurrence of homelessness.

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• **Tenancy preservation**: services and interventions directed to house beneficiaries of social service programs who exhibit risk factors likely to lead to the loss of housing.

The following have been suggested as preventive approaches to housing loss:

- cash assistance
- one-time or limited emergency rental assistance to prevent eviction
- financial counseling to handle housing crisis
- legal services
- landlord-tenant mediation
- training in household management
- clinical interventions, such as assertiveness training and trauma services
- advocacy for a living wage

*Outreach and Assessment* – identify and address the immediate needs of homeless persons, specifically to engage with those chronically homeless who may be unable or unwilling to accept emergency shelter

- street outreach to those on the streets
- mobile health care workers

*Emergency Shelter* – provides short term housing to those experiencing homelessness. Oftentimes this is the point of entry into the homeless system. Range: 1-90 days

- congregate building for households with children, homeless single adults, hotel and motel vouchers, short-stay apartments, soup kitchens or drop-in-day centers that provide meals, showers, and access to services, sobering beds

*Transitional Housing* – interim housing for persons or households who are not ready to for or do not have access to permanent housing. It can be an opportunity to gain onsite recover, mental health counseling, and life skills to achieve personal and financial stability. Range: up to 24 months

*Permanent Supportive Housing* – housing assistance and supportive services for homeless persons with disabilities, serious mental health illness, chronic substance abuse problems, physical disabilities, or AIDS and related diseases.

*Permanent Affordable Housing* - production of long-term, safe, decent, and affordable housing units. It also includes housing vouchers or other subsidies to help the poorest families and individuals with their rents.

*Supportive Services* – needed to help a person become more self-sufficient and live independently. Through case working, individuals and families will be able to access employment programs, education and training, and income support, which have been found essential to helping the homeless. (Fallis, 2010). Case workers can also help persons access and apply for different social programs such as Social Security Disability, food stamps, and Medicaid. Past studies have found that instability in housing was associated with less access to Medicaid and food stamps and less treatment in drug/alcohol programs (Nwakeze, Magura, Rosenblum, & Joseph, 2003).
Approaches

Housing First- also known as "rapid re-housing" is a relatively recent innovation in human service programs and social policy regarding treatment of the homeless and is an alternative to a system of emergency shelter/transitional housing progressions. Rather than moving homeless individuals through different "levels" of housing, known as the Continuum of Care, whereby each level moves them closer to "independent housing" (for example: from the streets to a public shelter, and from a public shelter to a transitional housing program, and from there to their own apartment in the community) Housing First moves the homeless individual or household immediately from the streets or homeless shelters into permanent housing.

This is a national model embraced by the federal Interagency Task Force on Homelessness and the National Alliance to End Homelessness. Under this model, it is believed that the more quickly a person or family moves into housing, the sooner they can stabilize their life and address other issues. Housing assistance is the first priority, followed by case-management, mental health and substance-abuse counseling, employment and other services that help sustain stability and self-sufficiency.5

Colorado Springs Current System

Housing First Pikes Peak (HFPP)- present
- Managed by Homeward Pikes Peak
- Scattered site small apartments
- Dual-diagnosed with substance abuse and mental health issues, must agree to case management for both issues, and must agree to abide by the terms of the lease. The client is not forbidden from drinking but cannot use illegal drugs
- 20 units of housing
- At the end of 2009, served 27 people
- 100 percent retention rate
- Intensive case management: health care, mental health care, substance treatment, psychiatric evaluation, medication management, benefits acquisition, and supported employment and education opportunities
- Staff: HPP Executive Director, One case manager and one half time project manager
- Costs $15,000/client/year
  - $6,000/client/year comes from HUD
  - Required to match $6,000/client/year from local services
  - Need $3,000/client/year for intensive case management services

The Comprehensive Homeless Assistance Providers Taskforce (CHAP) is a coalition of more than two dozen homeless service organizations which meets monthly to share information.

Shelters

The homeless can currently go to R.J. Montgomery New Hope Center for a 14-day stay. If they make progress in changing their lives, they can continue living there. If not, cannot recenter for about three months. The center makes exceptions for cold nights and days, when it opens its doors, no questions

asked. Springs Rescue Mission has some extra space available if the shelter overflows on frigid nights. They have family housing and a day care/play area for kids.

With women and kids running around, the shelter cannot take sex offenders or the belligerently drunk or high. It also cannot accept pets, or allow couples to sleep together. The shelter cannot take individuals needing bedside medical assistance — but there are beds for the sick, if they can help themselves.

The Salvation Army has programs, as does Springs Rescue Mission, Liza’s Place, Housing First and many others. But all these programs have requirements. The biggest one is a commitment. And asking for a commitment is tough when you cannot get a person to take a first step.

What is lacking?

- Respite Care - short-term, temporary relief to those who are caring for family members who might otherwise require permanent placement in a facility outside the home.
- Day Shelters –
- Sobering Beds
- Women’s Shelters
- A one stop place or point of contact that people can go to and get the help they need in one facility. The current Colorado Springs homeless system is spread out. It is made up of a number of different non-profits that serve a particular group of people and have special requirements.

Tables:

Appendix Table 1: Colorado Springs Homeless Outreach Program (HOP) and Homeless Outreach Team (HOT) Phase I: Addressing Immediate Concerns with homeless campers; time frame: February 25-September 15 (7 months)

<table>
<thead>
<tr>
<th>Total Helped with HOP</th>
<th>435</th>
<th>71%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asked to Leave Motel or Declined Services – Still attempting to help these individuals with HOT</td>
<td>175</td>
<td>29%</td>
</tr>
<tr>
<td><strong>Total # of Homeless Campers</strong></td>
<td><strong>610</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th># of Homeless Individuals</th>
<th>Result of HOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>160</td>
<td>Re-united with family</td>
</tr>
<tr>
<td>85</td>
<td>Connected with low-cost housing (ex. Section 8)</td>
</tr>
<tr>
<td>35</td>
<td>Entered Rehab (ex. Harbor House, Liza Place)</td>
</tr>
<tr>
<td>90</td>
<td>Left Voluntarily</td>
</tr>
<tr>
<td>65</td>
<td>Temporarily housed at the Aztec Motel while receiving case management by the HOT</td>
</tr>
<tr>
<td>435</td>
<td><strong>Total Homeless Campers</strong></td>
</tr>
</tbody>
</table>

Appendix Table 2: Current State: Colorado Springs and Denver Comparison

<table>
<thead>
<tr>
<th></th>
<th>Colorado Springs</th>
<th>Denver</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>381,771</td>
<td>597,065</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>7.4%</td>
<td>7.72%</td>
</tr>
<tr>
<td>Income Tax</td>
<td>4.63%</td>
<td>4.63%</td>
</tr>
<tr>
<td>Cost of Living</td>
<td>6.4% lower than the U.S. average</td>
<td>3.00% higher than the U.S. average</td>
</tr>
<tr>
<td>Percent Unemployed</td>
<td>4.5%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Percent of households receiving social security benefits</td>
<td>20.63%</td>
<td>19.34%</td>
</tr>
<tr>
<td>Percent of households receiving food stamps/SNAP benefits (past 12 mos)</td>
<td>5.59%</td>
<td>6.58%</td>
</tr>
<tr>
<td>Percent of families whose incomes in the past 12 mos is below poverty level</td>
<td>7.6%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Percent of renters paying more than 35% of income on rent</td>
<td>38.9%</td>
<td>41.1%</td>
</tr>
<tr>
<td>Percent of Black/African American</td>
<td>6.23%</td>
<td>9.93%</td>
</tr>
<tr>
<td>% of Hispanic</td>
<td>13.35%</td>
<td>33.79%</td>
</tr>
</tbody>
</table>

| Chronically Homeless | 600* | 513* |
| Crisis Homeless | 2,000* | 6,103* |

**Total # of Homeless Individuals | 2,600* | 6,600* |

*Note: Approximations used. 2009 Continuum of Care HUD data reveal approximately 1,249 homeless individuals in the Pikes Peak region. However, local homelessness experts (Homeward Pikes Peak, Peak Homeless Clinic and the Colorado Springs Police Department) estimate an additional 800 people remain uncounted. Source: [http://www.bestplaces.net/city?40°14'24.7"N 104°50'18.0"W,Colorado.aspx & U.S. Census Bureau 2005-2009 American Community Survey](http://www.bestplaces.net/city?40°14'24.7"N 104°50'18.0"W,Colorado.aspx).

### Appendix - Table 3: Colorado Springs & Denver Homeless Population Unsheltered

<table>
<thead>
<tr>
<th>City</th>
<th>% of Homeless Unsheltered</th>
<th>% of Chronically Homeless Unsheltered</th>
<th>% Severely Mentally Ill Unsheltered</th>
<th>% Total Chronic Substance Abuse Unsheltered</th>
<th>% Total Veterans Unsheltered</th>
<th>Total % of Persons w/ HIV/AIDS Unsheltered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>19.41%</td>
<td>51.85%</td>
<td>31.16%</td>
<td>28.09%</td>
<td>26.07%</td>
<td>22%</td>
</tr>
<tr>
<td>Colorado Springs</td>
<td>28.66%</td>
<td>49.47%</td>
<td>45.97%</td>
<td>33.6%</td>
<td>43.93%</td>
<td>100%</td>
</tr>
<tr>
<td>Housing First Programs</td>
<td>Organizations Involved</td>
<td># of Chronically Homeless</td>
<td>Units of Housing /# Served at a time</td>
<td>Housing Types</td>
<td>Supportive Services Provided</td>
<td>Staff</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>--------------------------</td>
<td>---------------------------</td>
<td>------------------------------------</td>
<td>---------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Housing First Pikes Peak (HFPP)</td>
<td>Homeward Pikes Peak</td>
<td>600</td>
<td>20</td>
<td>Scattered Site apts</td>
<td>Intensive case management</td>
<td>HPP Executive Director, 1 Case Manager, 1 half-time project manager</td>
</tr>
<tr>
<td>Housing First Pikes Peak (HFPP) - EXPANDED</td>
<td>Homeward Pikes Peak</td>
<td>600</td>
<td>40</td>
<td>Intensive case management</td>
<td>HPP Executive Director, 2 Case Managers, 1 half-time project manager</td>
<td>Executive Director of HPP is responsible for raising funds</td>
</tr>
<tr>
<td>Denver Housing First Collaborative (DHFC)</td>
<td>Denver Housing First</td>
<td>513</td>
<td>Total: 200</td>
<td>Intensive case management: health care, mental health care, substance treatment, psychiatric evaluation, medication management, benefits acquisition, and supported employment and education opportunities</td>
<td>Staff consists of directors from each agency involved</td>
<td>Grant from: ending Chronic Homeless Initiative, Health Resource Service Administration, Housing and Urban Development (HUD), the Substance Abuse Mental Health Service Administration, Department of Veteran Affairs, Denver’s Road Home</td>
</tr>
</tbody>
</table>

## Appendix Table 5: Explanation and Calculations of Cost Benefit Analysis of Homeless Programs for Chronically Homeless (CBA MATRIX EXPLANATION)

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Implementing a Housing First Program in CS like Denver’s Housing First Collaborative</th>
<th>Implementing an expanded version of Colorado Springs current Housing First Approach</th>
<th>Sensitivity Analysis 15 clients</th>
<th>Sensitivity Analysis 25 clients</th>
<th>Sensitivity Analysis 35 clients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>City</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increase in sales tax revenue: If each client worked 26 hrs/week for 30 hrs/week then they would make $12,480/yr ($8x30=$240; $240 x 4=$960/mo; $960 x 2 weeks = $12,480/yr)</td>
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<td></td>
</tr>
<tr>
<td>Since clients spend 30% of their income on taxable items, it is reasonable to assume that they would spend 30% of their income on taxable items. If so, then 30% of their monthly income would be $288 ($560 x 30%=$288)</td>
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<td></td>
</tr>
<tr>
<td>Amount generated from sales tax would be $14,192 (Colorado Springs Sales Tax Rate x $712/0.01)</td>
<td>Amount generated from sales tax would be $14,192 (Colorado Springs Sales Tax Rate x $712/0.01)</td>
<td>Amount generated from sales tax would be $14,192 (Colorado Springs Sales Tax Rate x $712/0.01)</td>
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<td>Amount generated from sales tax would be $14,192 (Colorado Springs Sales Tax Rate x $712/0.01)</td>
<td></td>
</tr>
<tr>
<td>Amount generated for 20 clients = $544.00 (10 x $54.40) or $5,400.00 (624 x 0.10)</td>
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<td>Amount generated for 20 clients = $544.00 (10 x $54.40) or $5,400.00 (624 x 0.10)</td>
<td></td>
</tr>
<tr>
<td><strong>Taxpayers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction in police, fire, AMR, and emergency room costs average $54,000 per each chronically homeless person left on the street. Even though there are 400 chronically homeless Colorado Springs model only serves 20. Therefore, $54,000 x 20 = $1,080,000 SAVED</td>
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<td></td>
</tr>
<tr>
<td><strong>Local Businessess</strong></td>
<td></td>
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</tr>
<tr>
<td>Between Aug 2009-2010 there were 399 calls for service. According to a CBA done in Portland, Maine, police contacts cost $320/contact. 399 x $320=$125,685 (No Social Benefit)</td>
<td>Reduction in police calls = $399 x 5% (approximately) To reduce total police calls of 399 by 5% ($399 x $26) = $10,364. $26 x 399 = $10,364 (26% of our expected visits)</td>
<td>$26 x 399 = $10,364 (26% of our expected visits)</td>
<td>$26 x 399 = $10,364 (26% of our expected visits)</td>
<td>$26 x 399 = $10,364 (26% of our expected visits)</td>
<td></td>
</tr>
<tr>
<td><strong>Homeless Population</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased housing stability, improvement to health and mental status, decreased substance abuse, and quality of life for 20 clients</td>
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<td>Increased housing stability, improvement to health and mental status, decreased substance abuse, and quality of life for 20 clients</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL BENEFITS</strong></td>
<td>$1,085,400</td>
<td>$10,857,400</td>
<td>$2,372,780</td>
<td>$813,780</td>
<td>$1,357,300</td>
</tr>
<tr>
<td><strong>COSTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>City</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Costs</td>
<td>Operating Costs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Currently, it costs Colorado Springs $13,000/kert/year to provide housing and supportive services to 20 chronically homeless individuals</td>
<td>Currently, it costs Denver $13,000/kert/year to provide housing and supportive services to 20 chronically homeless individuals</td>
<td>Currently, it costs Denver $13,000/kert/year to provide housing and supportive services to 20 chronically homeless individuals</td>
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<td>Currently, it costs Denver $13,000/kert/year to provide housing and supportive services to 20 chronically homeless individuals</td>
<td></td>
</tr>
<tr>
<td>$13,000 x 20 = $260,000</td>
<td>$13,000 x 20 = $260,000</td>
<td>$13,000 x 20 = $260,000</td>
<td>$13,000 x 20 = $260,000</td>
<td>$13,000 x 20 = $260,000</td>
<td>$13,000 x 20 = $260,000</td>
</tr>
<tr>
<td><strong>$1,083,400</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Appendix Table 5: Explanation and Calculations of Cost Benefit Analysis of Homeless Programs for Chronically Homeless (CBA MATRIX EXPLANATION)

<table>
<thead>
<tr>
<th></th>
<th>Outreach: Currently, Colorado Springs has only 3 Outreach Workers to include 2 Full Time Police Officers and 2 volunteers - 7 Workers</th>
<th>Outreach: Add 2 more outreach workers (240,000/worker)</th>
<th>Outreach: Add 2 more outreach workers (240,000/worker)</th>
<th>Outreach: Add 2 more outreach workers (240,000/worker)</th>
<th>Outreach: Add 2 more outreach workers (240,000/worker)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxpayers</strong></td>
<td></td>
<td>$750,000</td>
<td>$240,000</td>
<td>$240,000</td>
<td>$240,000</td>
</tr>
<tr>
<td>Amount of tax dollars given to support current homeless program (HIP)</td>
<td>$243,000</td>
<td>$1,500,000</td>
<td>$246,000</td>
<td>$1,312,000</td>
<td>$562,000</td>
</tr>
<tr>
<td>Increase in Outpatient Health, Substance abuse treatment, transportation assistance ($1.5 mill come from Denver’s General Fund)</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Costs to implement program at 20 clients - $243,000</td>
<td>$243,000</td>
<td>$1,500,000</td>
<td>$246,000</td>
<td>$1,312,000</td>
<td>$562,000</td>
</tr>
<tr>
<td>Doubling the program to 40 clients - $486,000</td>
<td>$486,000</td>
<td>$1,500,000</td>
<td>$1,312,000</td>
<td>$562,000</td>
<td></td>
</tr>
<tr>
<td>Local Businesses</td>
<td></td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Amount from private donations to support current program (HIP)</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Costs to implement program at 20 clients - $100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Doubling the program to 40 clients - $200,000</td>
<td>$200,000</td>
<td>$200,000</td>
<td>$200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Homeless Population</strong></td>
<td></td>
<td>$53,685</td>
<td>$53,685</td>
<td>$53,685</td>
<td>$53,685</td>
</tr>
<tr>
<td>Pay 30% of income on rent</td>
<td>$53,685</td>
<td>$53,685</td>
<td>$53,685</td>
<td>$53,685</td>
<td>$53,685</td>
</tr>
<tr>
<td>Pay 30% of income on rent</td>
<td>$53,685</td>
<td>$53,685</td>
<td>$53,685</td>
<td>$53,685</td>
<td>$53,685</td>
</tr>
<tr>
<td><strong>Cost to Access Services</strong></td>
<td></td>
<td>$581,200</td>
<td>$581,200</td>
<td>$581,200</td>
<td>$581,200</td>
</tr>
<tr>
<td>$5,456 rent paid per year x 20 = $109,120</td>
<td>$581,200</td>
<td>$581,200</td>
<td>$581,200</td>
<td>$581,200</td>
<td>$581,200</td>
</tr>
<tr>
<td><strong>TOTAL COSTS</strong></td>
<td>$901,120</td>
<td>$6,201,200</td>
<td>$1,682,240</td>
<td>$862,705</td>
<td>$1,156,265</td>
</tr>
<tr>
<td><strong>TOTAL (NPV)</strong></td>
<td>$184,280</td>
<td>$4,636,220</td>
<td>$490,940</td>
<td>$488,925</td>
<td>$202,035</td>
</tr>
</tbody>
</table>

**Sources:**

### Appendix - Table 6: Coalitions to End Homelessness

<table>
<thead>
<tr>
<th>Cities</th>
<th>Successful Program</th>
<th>Coalition to End Homelessness</th>
<th>% Homeless Unsheltered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westchester County, NY</td>
<td>Yes</td>
<td>Yes</td>
<td>10.84%</td>
</tr>
<tr>
<td>San Francisco Bay Area, CA</td>
<td>Yes</td>
<td>Yes</td>
<td>50.52%</td>
</tr>
<tr>
<td>Denver</td>
<td>Yes</td>
<td>Yes</td>
<td>19.41%</td>
</tr>
<tr>
<td>Norfolk, VA</td>
<td>Yes</td>
<td>Yes</td>
<td>15.77%</td>
</tr>
<tr>
<td>Columbus/Franklin County</td>
<td>Yes</td>
<td>Yes</td>
<td>7.95%</td>
</tr>
<tr>
<td>Minneapolis</td>
<td>Yes</td>
<td>Yes</td>
<td>7.80%</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>Yes</td>
<td>-</td>
<td>6.18%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>-</td>
<td>Yes</td>
<td>67.09%</td>
</tr>
<tr>
<td>St. Petersburg</td>
<td>-</td>
<td>Yes</td>
<td>50.54%</td>
</tr>
<tr>
<td>New Orleans</td>
<td>-</td>
<td>-</td>
<td>84.64%</td>
</tr>
<tr>
<td>Sarasota</td>
<td>-</td>
<td>-</td>
<td>82.59%</td>
</tr>
<tr>
<td>San Diego</td>
<td>-</td>
<td>-</td>
<td>58.68%</td>
</tr>
<tr>
<td>Colorado Springs/El Paso County</td>
<td>-</td>
<td>-</td>
<td>28.66%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>-</td>
<td>-</td>
<td>8.03%</td>
</tr>
</tbody>
</table>
References


Larimer, Mary; Malone, Daniel; Garner, Michelle; Atkins, David; Burlingham, Bonnie; Lonczak, Heather; Tanzer, Kenneth; Ginzler, Joshua; Clifasefi, Seema; Hobson, William; Marlatt, Alan (2011). Health care and public service use and costs before and after provision of housing for chronically homeless persons with server alcohol problems. The Journal of the American Medical Association, 305, 1269-1372.


