



## Homeless Budget Request FACT SHEET

**Voters sought to tax and regulate marijuana to find public health solutions to decrease substance abuse and incarceration. Providing housing and treatment is one of the most effective ways to end the cycle of substance abuse and incarceration amongst one of the most vulnerable populations, our homeless.**

**Proposal:** Appropriate **\$16.3M** annually from Marijuana Cash Fund for housing and supportive services for the Chronic Homeless. **\$12.3M** will be used to develop housing units with supportive services for the chronic homeless, and **\$4M** will develop housing for state mental hospital clients who would be homeless upon discharge. Over the next five years this investment will produce 1,554 units of housing and 300 units/yr thereafter. These units would be paired with 600 rental vouchers for the most vulnerable behavioral health consumers.

**Background/Need:** Over the last five years the number of homeless individuals declined 30%; homeless veterans declined 42%. In 2016 homeless increased. Colorado ranks 4<sup>th</sup> in absolute homeless increase and 1<sup>st</sup> in increases in homeless veterans.

- Last year 10,550 individuals were homeless in Colorado, 1,181 are veterans and 653 are youth
- Of the total, 1,642 were chronically homeless, 188 are chronically homeless veterans
- Each month 150 individuals are released from incarceration to homelessness
- Over 3 years, 160 youth released from Youth Corrections with no permanent residence
- The Department of Human Services estimates 1,500 persons with mental disorders are homeless, at any given time.

### State costs:

- \$666/day or \$243,090/yr for a bed at Colorado's state psychiatric hospitals.
- \$56.02/day or \$20,447/yr is spent per inmate in Colorado correctional facilities.
- \$175/day or \$63,808/yr is spent by public agencies on detox, jails, and emergency rooms for the chronic homeless.
- Colorado's Close to Home says: \$250,000 is a lifetime savings homeless youth who become financially independent.

### New Resources:

- For clients discharged from the State Hospital, 354 permanent supportive housing units will be developed over five years, coupled with 300 rental vouchers.
- For persons discharged from prison, 300 housing units will be built as transitional housing to prevent homelessness, reduce recidivism, obtain training and employment to reenter our communities not homeless, but as a stable citizen.
- For chronic homeless, youth and veterans, 1,200 units of permanent supportive housing will be developed.

**Outcomes:** This investment can end chronic and veteran homelessness and drastically reduce cost. This request expands existing programs that place vulnerable people into supportive housing referred by local organizations and state agencies. A "vulnerability" test is completed for each referral; thereby, prioritizing an individual's health and safety risks.

The economic and social benefits of permanent supportive housing are well documented.

- Up to **70%** of homeless persons are diagnosed as having a substance abuse problem.
- Medical and jail costs can be reduced by **40%** annually, saving taxpayers up to **\$36,000** for each homeless person.
- After one year of housing residents are **3** times less likely to be abusing drugs.
- **80%** detox service reduction and **50%** reduction in jail use for homeless after one year of supportive housing.
- This investment is expected to leverage nearly **\$330** million of non-state funds.
- Expect 60% of participants will successfully complete the program and will transform into independence.
- Over the first five years the public cost avoidance ranges between **\$160M to \$206M**.

DOLA is working with the following entities on ending Homelessness in Colorado: the Governor's Office, DHS, DOC, HCPF, CHFA, behavioral health and human service agencies, local governments, and nonprofit homeless providers.

*Contact Bruce Eisenhauer, DOLA Legislative Liaison (303) 565-9398 (cell) for questions.*