



**THE EFFECTS OF FISCAL INSTABILITY  
ON HOMELESS POPULATIONS IN COLORADO**

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July 29, 2009*

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. We're predicting things will get worse before they get better.

Overall, more than 16,000 men, women and children will be homeless tonight in Colorado. More than 60% of homeless persons will be in households with children – and many of them will be homeless for the first time. In 2008, we estimated there to be more than 2,000 newly homeless each month in the Denver Metropolitan area alone.

Homeless service providers across the state in Pueblo, Colorado Springs, Grand Junction, Durango, Alamosa, Fort Collins, and Greeley are reporting significant increases in requests for emergency shelter, housing and healthcare services – increases ranging from 35 percent (Morgan County) to 82 percent (Western Slope).

The lack of stable funding from the State of Colorado for programs serving homeless and at-risk families and individuals contributes to this bleak outlook. Colorado is one of the only states in the nation that does not directly fund homeless emergency service or treatment programs. Colorado's housing budget is one of the smallest in the nation.

Most recently, the state's budget crisis has reduced payments to needy and disabled individuals through the AND program to \$200 per month. This is not enough money for any individual to survive on – particularly those judged by the state to be both needy and disabled – i.e. unable to work.

Recent cuts to the Primary Health Care Fund budget by the legislature has further reduced health and mental health services for homeless and at risk individuals. At the Coalition – Stout Street Clinic has seen a 20 percent increase in homeless patient visits over the past year. The Mental Health Clinic is now forced to create a waiting list for new homeless patients; more than 300 persons are on this list today. They have nowhere else to turn.

The Colorado Department of Human Services, Division of Behavioral Health will be releasing the Colorado 2009 Population in Need Report in the next few weeks. The study estimates unmet need and disparities in care among those citizens of Colorado with Serious Behavioral Health Disorders who cannot afford to pay for mental health and/or substance abuse services. The very conservative estimate for the unmet need for mental health services is over 70,000 and over 49,000 for substance abuse for the adult population. The unmet need for children and adolescents is estimated to be 18,525 for mental health alone. Colorado citizens with mental illness cannot afford further cuts to this inadequately funded system without sending thousands more into homelessness.

According to the United States Department of Housing and Urban Development, the nature of homelessness is changing significantly during this economic downturn. Early indications point to a sharp rise in family homelessness; and the increase tends not to come from cities, but from suburban and rural areas.

For example, the Jefferson County School District reports a 100 percent increase in families in crises served through the district's homeless education program. Other suburban homeless service agencies are reporting 15 to 25 percent increases in requests for assistance, and at the Coalition, we have seen a 12 percent increase in people coming to us for help from Adams, Arapahoe and Jefferson counties, locations where services are limited.

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. One needs to work 108 hours a week, at minimum wage, to afford the average apartment. There are no more than 63 affordable homes, in *any* state in the country, for every 100 low-income households in need.

The increase in home foreclosures has resulted in evictions of both homeowners and renters. Approximately 40 percent 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 nearly 7.6 percent. 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.

Strains on local government funds have reduced the ability of local communities to fill the gap created by the state. Furthermore, as the need for shelter and housing increases, 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.

So, Colorado stands at a critical crossroads. The safety net in our state 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 our neighbors. Most of our most vulnerable citizens live just a paycheck, or a crisis, away from homelessness.

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 long term solution to homelessness is permanent, supportive housing. However, without a significant investment by the state in housing, homeless services, health care, mental health, substance treatment and other safety net programs, that solution will remain elusive.

The Colorado Coalition for the Homeless has been providing *lasting solutions* to homelessness for almost twenty-five years. We know how to end homelessness – it requires supportive housing, increased jobs, and access to needed health, mental health and substance treatment services. What we need most now is an investment in programs that work; and the political will to make it happen. It is critical that Colorado provides ongoing, dedicated, and stable funding to make good on the Governor's plan to end homelessness in Colorado.

Thank you.

For more information, please visit  
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