Alternative Shelter Analysis

Spring 2023

ECONorthwest

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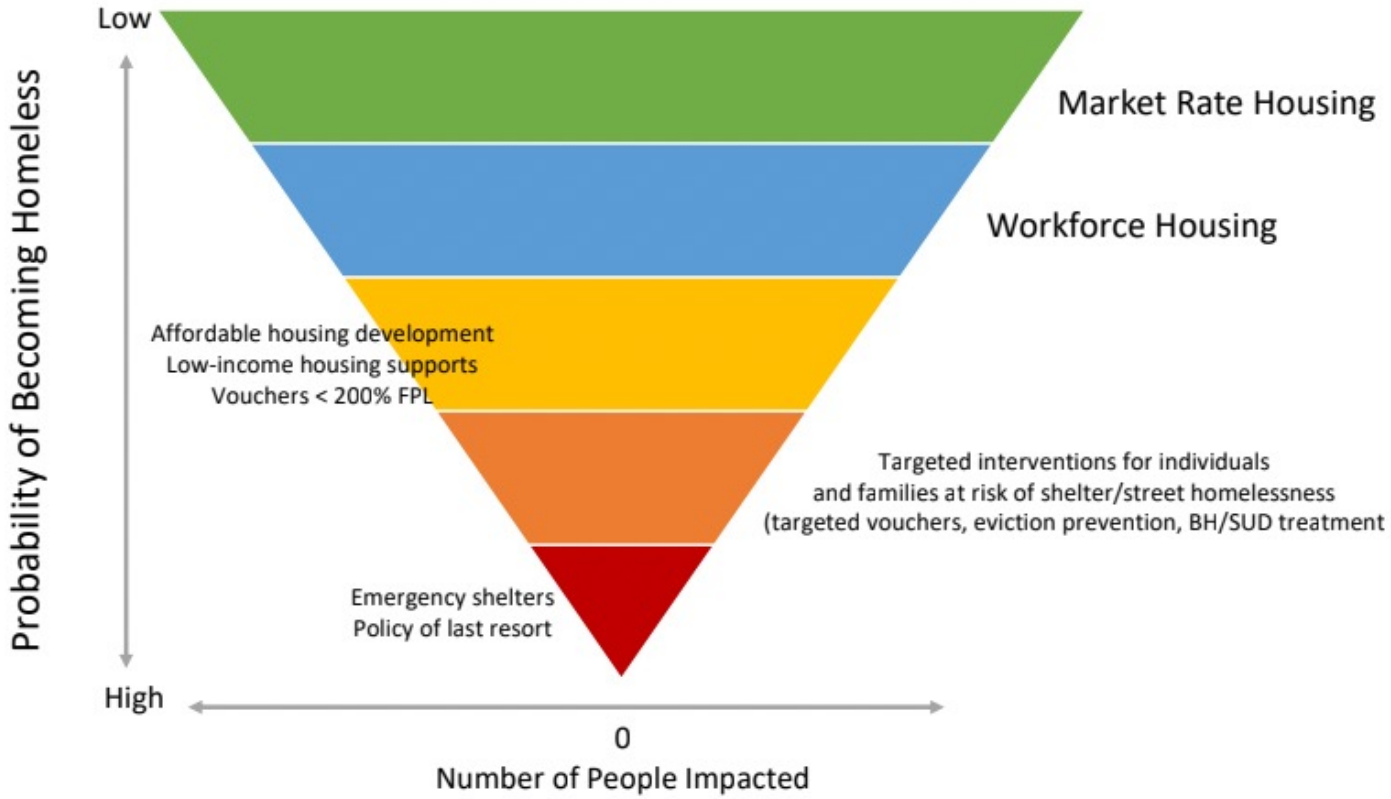
Shelters and alternatives in the context of a broader plan to address homelessness

Elements of a broader plan*

1. Market-based housing supply response (e.g., Residential In-Fill, HB 2003 housing production goals)
2. Means-tested, subsidized housing (e.g., Housing Choice Vouchers)
3. Targeted programming for high-needs individuals (e.g., permanent supportive housing, rental assistance to currently unhoused individuals and families, transitional housing, access to integrated service and coordinated services)
4. Temporary shelters (indoor or outdoor)

* Adapted from Gould-Ellen and O'Flaherty, *How to House the Homeless (2011)*


Low
Probability of Becoming Homeless
Market Rate Housing
Workforce Housing
Affordable housing development
Low-income housing supports
Vouchers < 200% FPL
Targeted interventions for individuals
and families at risk of shelter/street homelessness
(targeted vouchers, eviction prevention, BH/SUD treatment
Emergency shelters
Policy of last resort
High
0
Number of People Impacted

Where we stand

Homelessness is a housing problem, and targeted homelessness interventions buy time to get housing right. The Metro Supportive Housing Services (SHS) measure is a bridge to a better functioning housing market. Absent a boost in supply/production, the region will always struggle with homelessness. A lot of service money in a tight housing market doesn't change the fundamentals of a tight housing market.

Where we stand

Counties are deploying evidence-based interventions, but they will be slower to reduce street and shelter homelessness than some observers expect. The Metro SHS measure prioritizes the only two interventions known to reduce homelessness: long-term (LT) rent subsidies and eviction prevention. But success takes longer than some might expect. That's because the positive effect of assistance wears off (that is, some LT voucher holders eventually resolve their homeless status in the absence of assistance).

A rule of thumb: 100 LT vouchers reduce the PIT by 20-40. The impact possibly could be higher, but it is not 100.

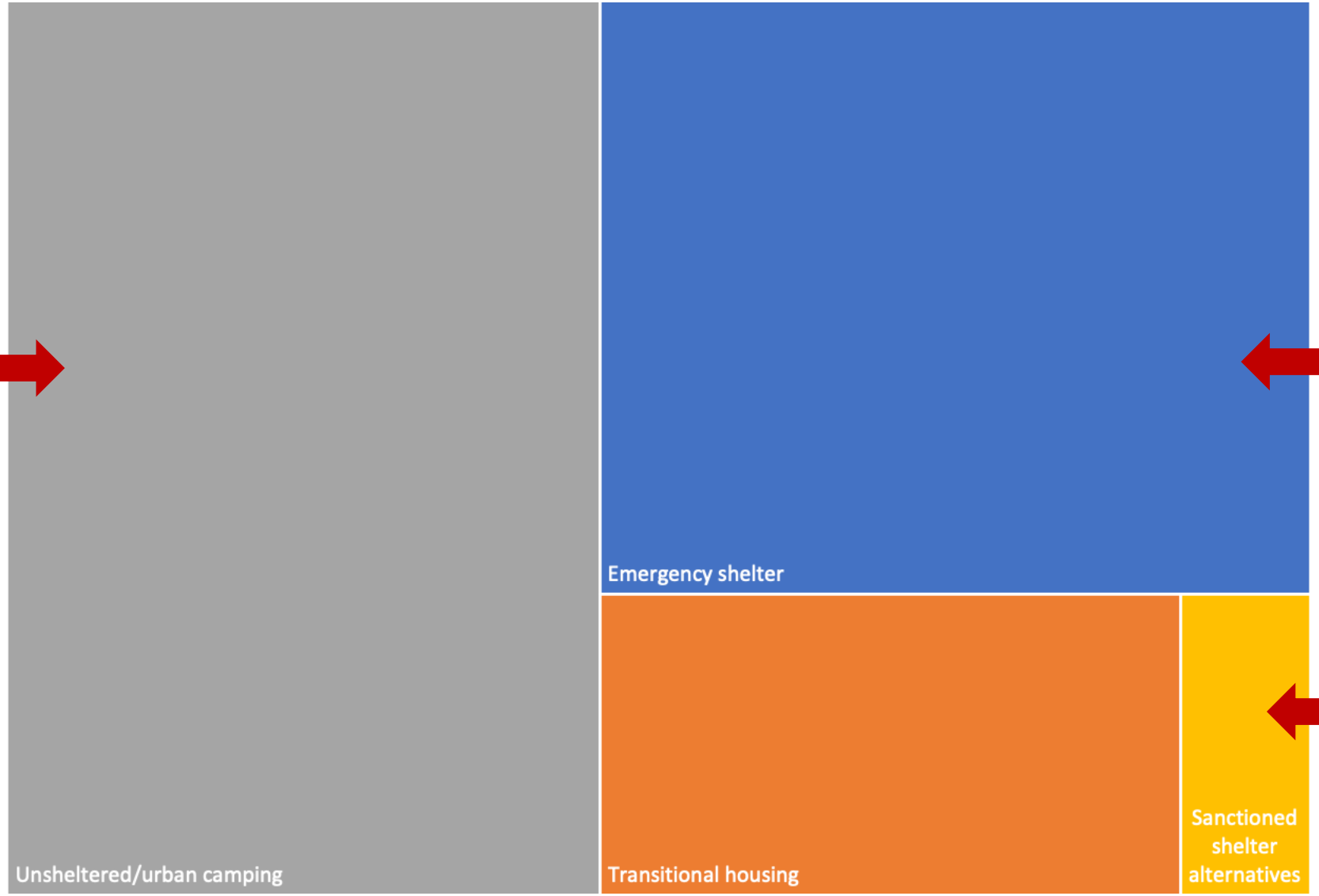
Where we stand

Emergency shelters and alternatives do not reduce the PIT and may slightly increase it. The more options provided (in location and/or service mix), the more likely the new services induce (or lengthen) |some homeless spells.

Near-term policy aims of the city

Approximate shelter status of Multnomah County's homeless population

- Reduce the prevalence of unmanaged, unserved camping



Increase provision of rental vouchers and PSH to currently homeless individuals and families

Increase the capacity of sanctioned alternatives

The role of temporary shelters

Characteristics of indoor shelter

Shelters: the policy of last resort

- Shelters ideally should do for housing what unemployment insurance does for work: provide a temporary, minimum level of support
- No standard ratios or formulas exist on inventory
- Policymakers must balance the public's support for system expansion with experts' warnings that an overbuilt system becomes a permanent solution for too many individuals

Temporary shelter costs, U.S.

Costs of shelter vary by population served

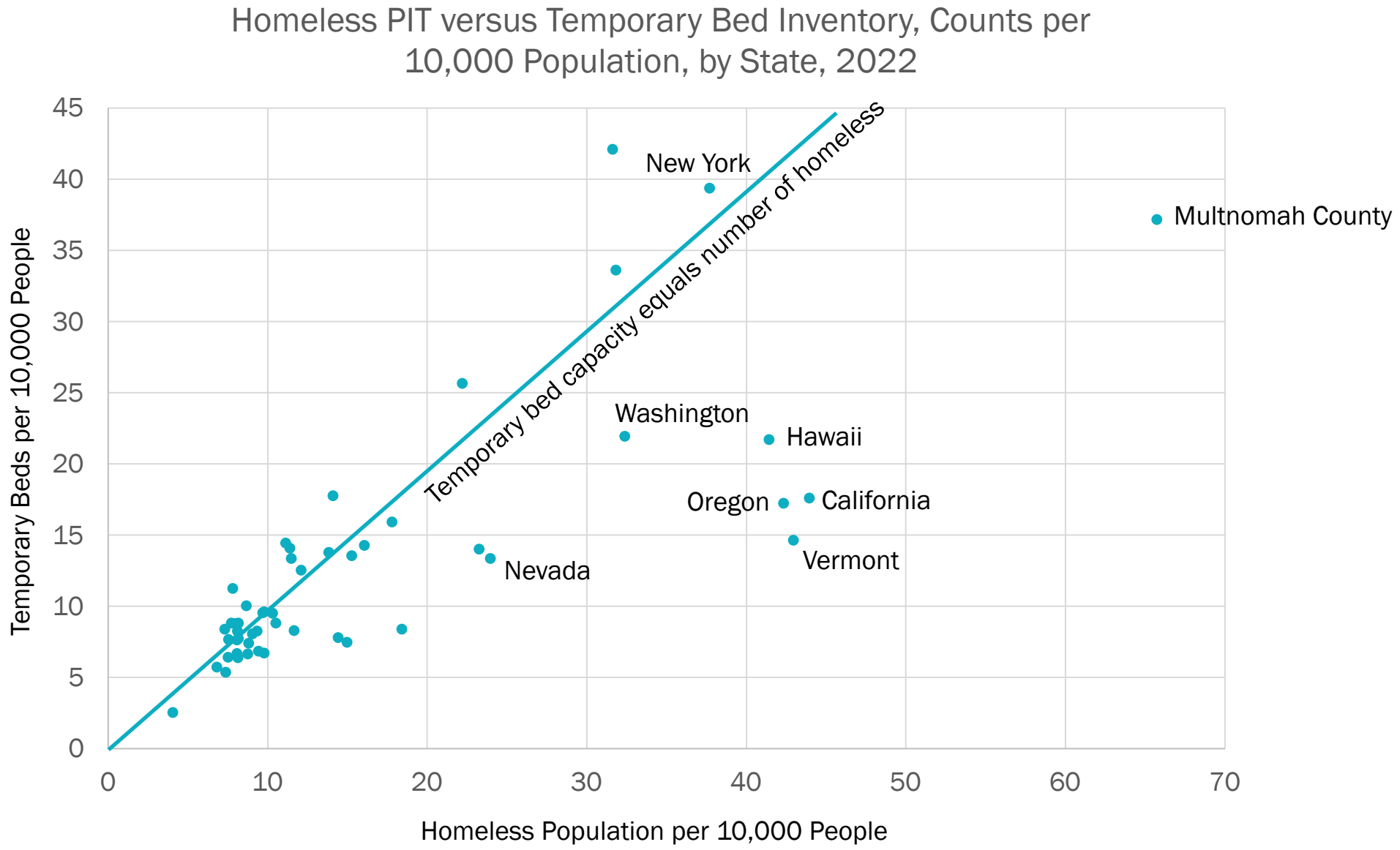
Type of Shelter	Measure	Cost per bed/year (2023$)
Family	Mode	22,740
	Median	29,158
	Mean	33,644
Adult	Mode	18,026
	Median	25,361
	Mean	33,075
Youth	Mode	44,208
	Median	50,539
	Mean	55,778
Total	Mode	20,561
	Median	29,517
	Mean	35,360

Source: Culhane and An (2021), Table 4

Sizable number of low-service shelters (e.g., bed, hygiene, and food only)

Higher service shelters add housing and counseling services and bring the average cost up

West Coast: High rates of homelessness and low bed inventory



Source: ECONorthwest analysis of HUD 2022 Point-In-Time Counts, HUD 2022 Housing Inventory Counts, and U.S. Census Bureau 2022 Annual Estimates of the Resident Population for the United States, Regions, States, and Puerto Rico.
Notes: Shelter beds per 10,000 people include all year-round emergency shelter beds, transitional housing units, and safe-haven beds for currently homeless individuals divided by state population. Line demonstrates a relationship of 1:1 shelter bed to individual experiencing homelessness (line is not the line of best fit to the data).

Stated reasons for not accessing the shelter system

Rules and conditions conflict with the needs of the unsheltered population

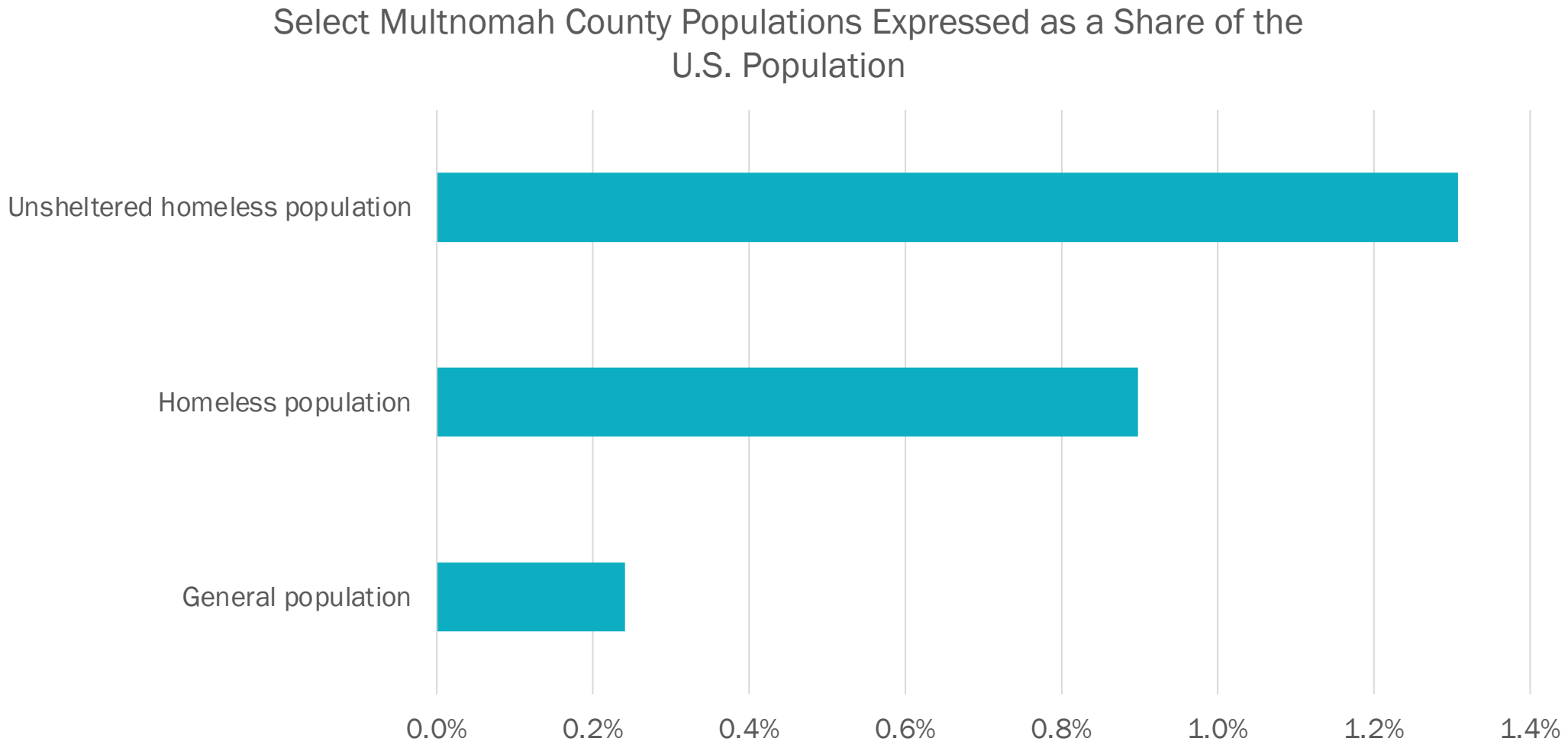
- Separation from a partner, family member, or pet
- Entry and exit times that conflict with people's schedules
- Concerns about the security of personal belongings
- Concerns about personal safety and exposure to germs and disease
- Barriers to entry including sobriety requirements and entry fees

Alternatives to indoor shelters

Alternatives to traditional shelters

1. Unsanctioned campsites
2. Sanctioned campsites with varying degrees of infrastructure and support
3. Safe parking with varying degrees of infrastructure and support
4. Tiny homes with varying degrees of infrastructure and support
5. Navigation centers (low-barrier emergency shelters open 7 days per week that connect individuals with health services, permanent housing and public benefits)

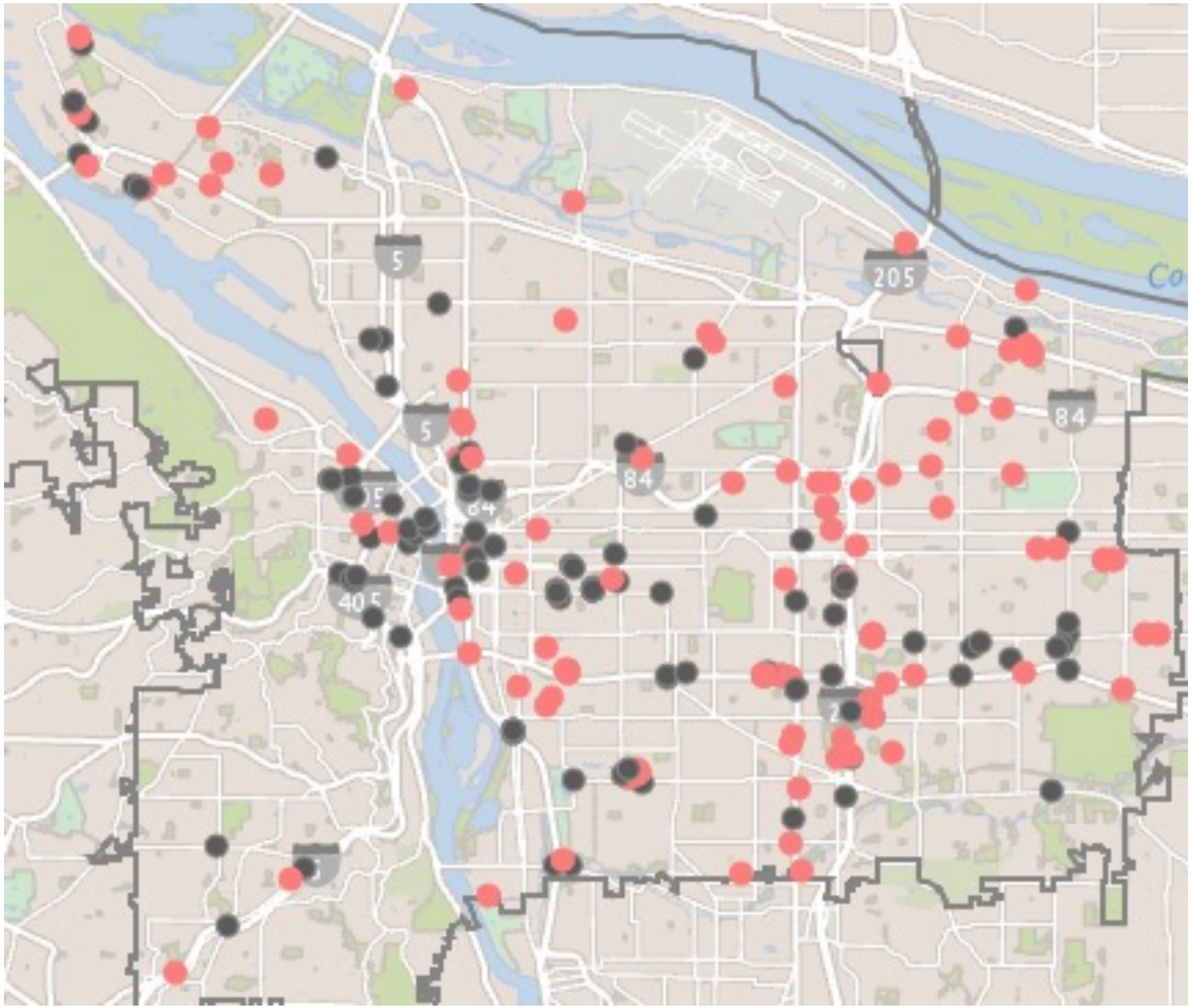
Multnomah County's unsheltered population is disproportionately large



Source: ECONorthwest calculated using U.S. HUD (2022) and U.S. Census data (2021)

Unsanctioned campsites: Portland's largest "system"

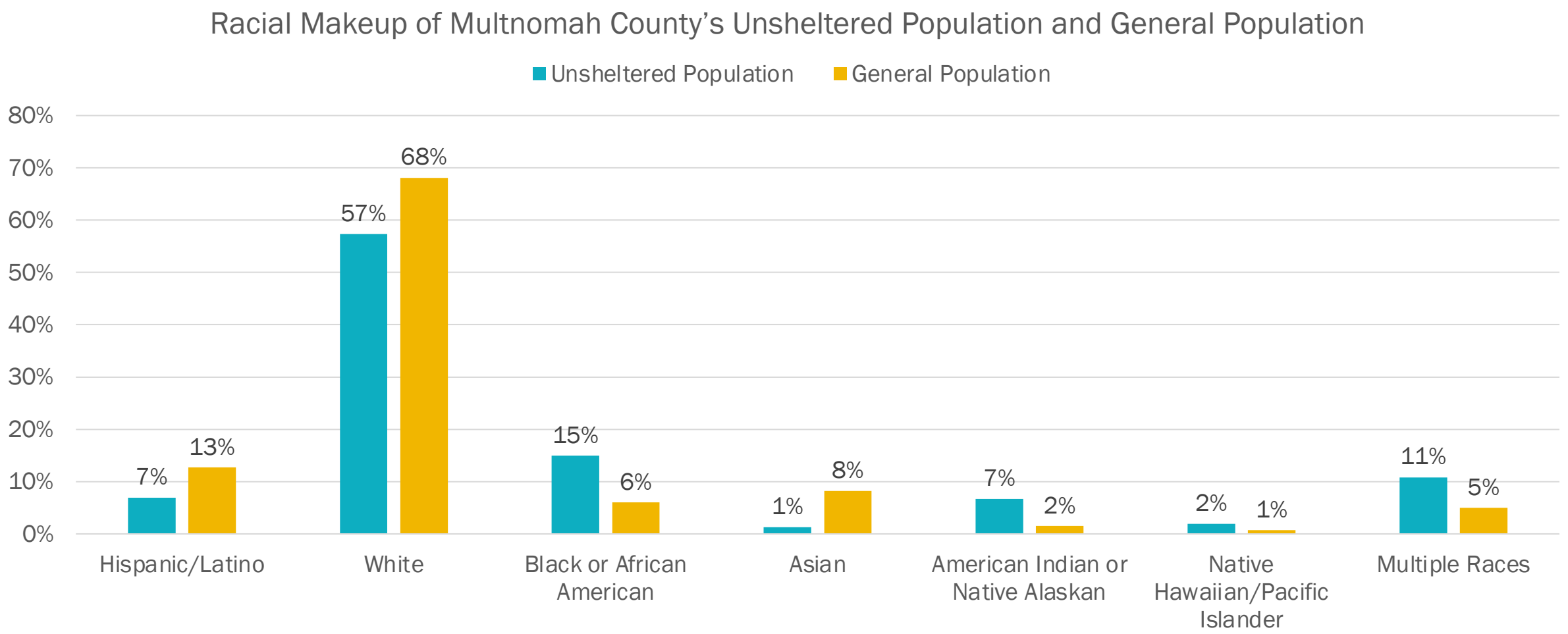
- Concentration of campsites around downtown and inner-eastside (sites reported March 13-19, 2023)
- Proximity to services and underutilized land



Vehicles

Campsite / Structures

Black, Indigenous, and Multi-race individuals are disproportionately unsheltered



Source: ECONorthwest calculated using U.S. HUD (2022) and U.S. Census (2021)

Expenditures on unsanctioned campsites

Metro area	Unsheltered population	Annual expenditures on services and responses to unsanctioned campsites	Annual operations per capita
San Jose	7,922	$7,275,000	$918
Houston	1,614	$2,433,000	$1,507
Oakland	3,173	$7,098,000	$2,237
Tacoma	629	$1,493,000	$2,374
Chicago	1,260	$3,221,000	$2,556

Source: https://www.huduser.gov/portal/sites/default/files/pdf/Exploring-Homelessness-Among-People.pdf

Project type	Metro Area	Project name	Units / capacity	Upfront / capital	Capital per capita	Annual operations	Annual operations per capita
Sanctioned Campsite	Denver	Safe Oudoor Spaces (4 sites)	220	$700,000	$3,182	$4,169,871	$18,954
Sanctioned Campsite	Los Angeles	Pilot Safe Sleep Village	90	$230,557	$2,562	$1,250,300	$32,959
Sanctioned Campsite	San Francisco	Safe Sleep Villages 2022-2023	63	$2,000,000	$31,746	$4,100,000	$74,545
Safe Parking & Sanctioned Campsite	Sacramento	WX Safe Ground	185			$3,048,000	$16,476
Safe Parking & Sanctioned Campsite	Sacramento	Miller Park	110			$3,287,452	$29,886
Safe Parking	Sacramento	South Front St. Safe Parking	50			$1,185,000	$23,700
Safe Parking	Sacramento	Roseville Road RT Station	50	$500,000	$10,000	$2,200,000	$44,000
Safe Parking	Sacramento	Coflax Yard	30	$600,000	$20,000	$2,200,000	$61,125
Safe Parking	San Francisco	Bayview VTC Safe Parking	100	$3,000,000	$30,000	$3,500,000	$35,000
Safe Parking	Portland	Sunderland RV Safe Park (New)	55	$200,000	$3,636		
Tiny Homes	Portland	Agape Village	15	$82,500	$5,500	$116,000	$7,733
Tiny Homes	Denver	Beloved Community Village	24	$145,000	$6,042	$204,000	$8,500
Tiny Homes	Denver	Women's Welcome Village	14	$210,000	$15,000	$128,800	$9,200
Tiny Homes	Missoula	Temporary Safe Outdoor Space (TSOS)	30	$1,480,000	$49,333	$408,000	$13,600
Tiny Homes	Los Angeles	Arroyo Seco - Highland Park	224	$7,327,376	$32,712	$4,496,800	$20,075
Tiny Homes	Los Angeles	Saticoy + Whitsett West	150	$9,007,000	$60,047	$2,930,950	$20,075
Tiny Homes	Los Angeles	Eagle Rock	93	$3,832,137	$41,206	$1,866,975	$20,075
Tiny Homes	Los Angeles	Tarzana Sunflower Cabin Community	150	$5,332,220	$35,548	$3,011,250	$20,075
Tiny Homes	Portland	Menlo Park Safe Rest Village	60	$400,750	$6,679	$2,430,000	$40,500
Tiny Homes	Portland	Queer Affinity Village	35	$500,000	$14,286	$3,000,000	$41,096
Tiny Homes	Portland	BIPOC Village	38				
Tiny Homes	Portland	Multnomah Safe Rest Village	30	$452,776	$15,093	$1,930,000	$64,333
Tiny Homes	Sacramento	Emergency Bridge Housing - Grove	24			$3,195,744	$66,578
Tiny Homes	San Francisco	33 Gough Street Tiny Cabin Village	70	$2,000,000	$28,571	$5,460,000	$78,000
Tiny Homes	San Francisco	16th and Mission St Cabins (New)	70	$7,000,000	$100,000		
Tiny Homes	Austin	Esperanza Community 2022/23 (New)	200	$7,070,035	$35,350		
Navigation Center	Sacramento	X Street Navigation Center	100	$5,000,000	$50,000	$3,854,012	$38,540
Navigation Center	Sacramento	Meadowview Shelter	100	$4,763,591	$47,636	$3,000,000	$30,000
Navigation Center	Tacoma	Stability Site	100	$900,000	$9,000	$2,976,000	$29,760
Navigation Center	San Diego	Oceanside Navigation Center (New)	50	$3,250,000	$65,000		

Cost summary

- Annual operating costs of sanctioned alternatives range from $10k-$75k per bed per year, with most between $20k-$50k
- Factors that add to costs include:
  - Staffing a “low barrier” policy (i.e., on-site substance use adds costs)
  - Enforcing a no-camping policy around the camp perimeter
  - Operating 24/7 rather than evening to morning
  - The limited number of providers
- Upfront capital costs appear to be similar to one year’s annual operating costs but may be understated because of donations

Implementation considerations

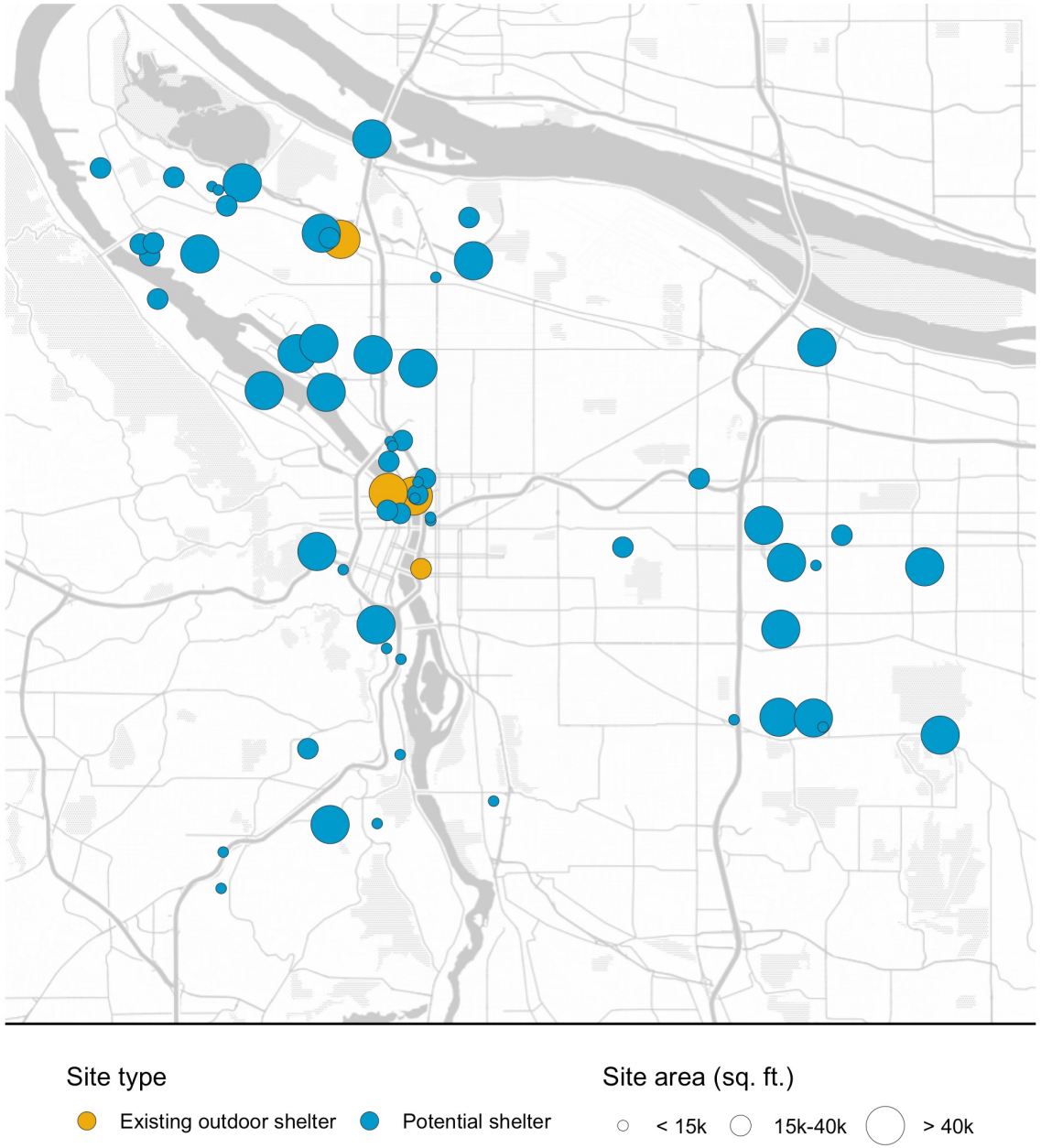
Site location

Location matters

- Unsheltered residents choose camp locations for a variety of reasons, including safety, access to services, access to transit, neighborhood familiarity, and enforcement environment
- The location of sanctioned alternatives will affect their desirability and use

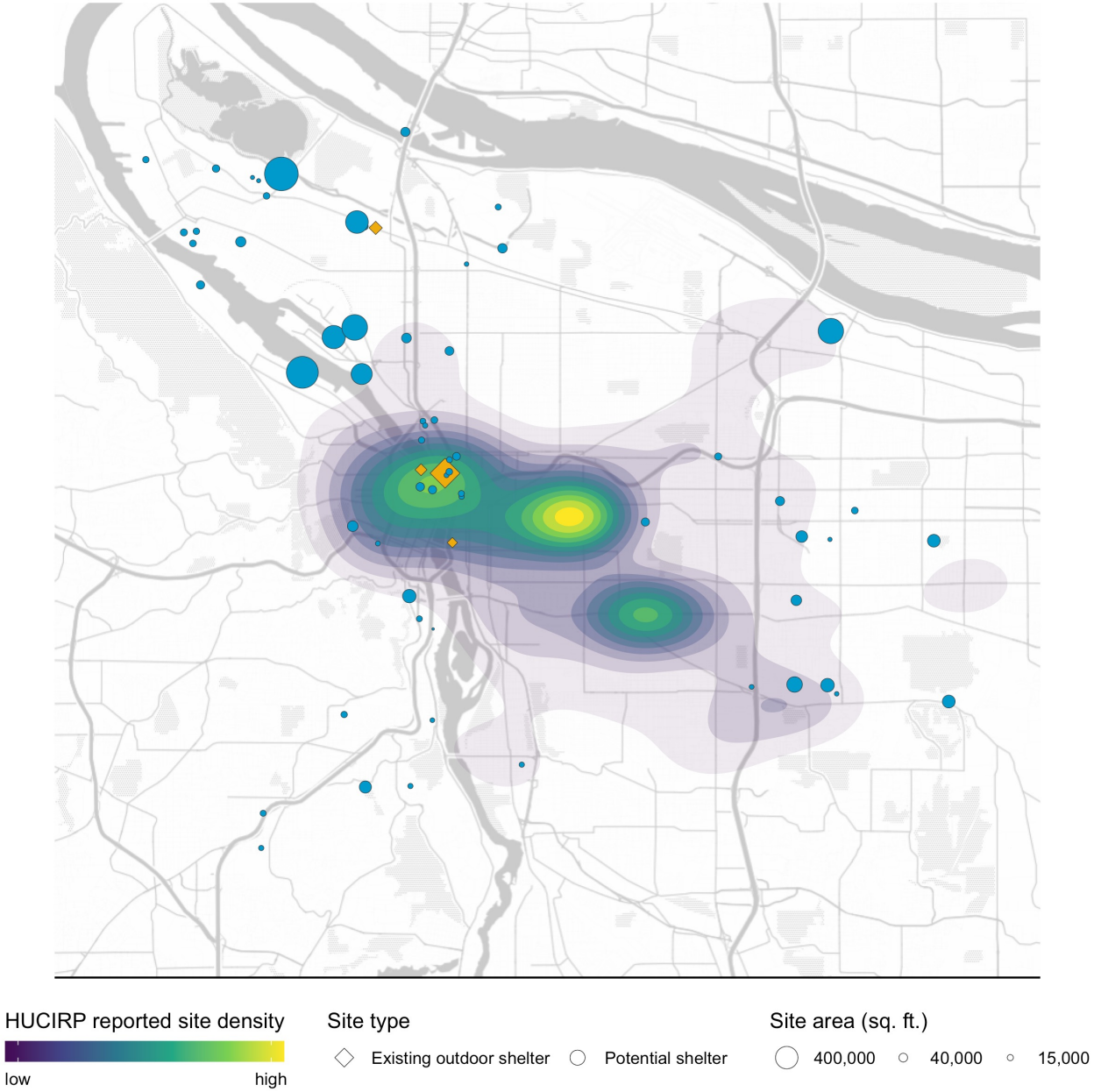
Candidate sites for safe rest villages (circa 2021)

The city's 2021 candidate sites for safe rest villages were located primarily west of I-5 and east of I-205



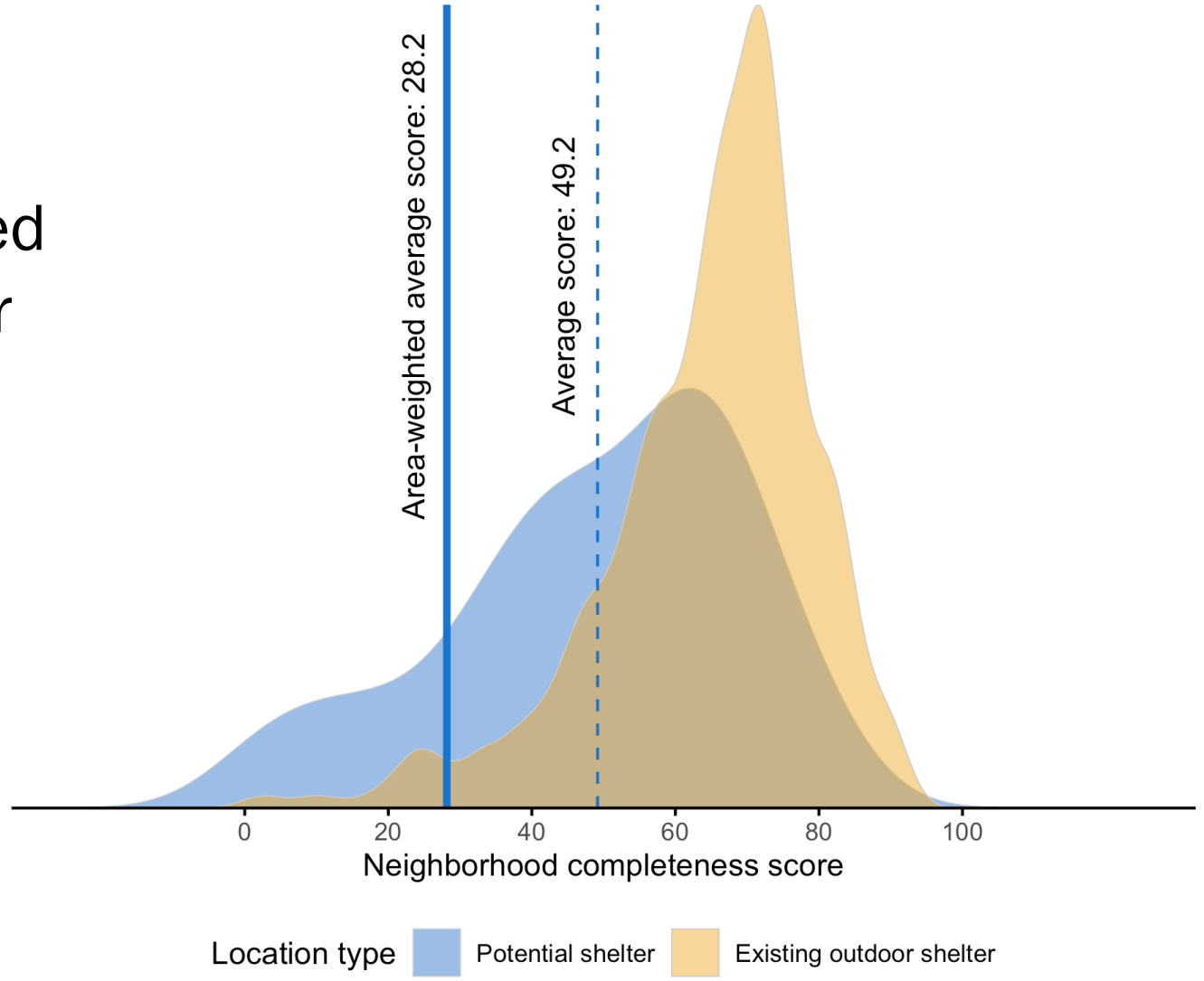
The siting dilemma circa 2021

And unsanctioned campsites were west of I-205 with a concentration in central city



Proposed SRV sites scored lower in neighborhood completeness

A 2021 analysis showed that candidate sites for safe rest villages were, typically, in less "complete" neighborhoods.



Costs

Cost assumptions

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	Mean	55,778
Total	Mode	20,561
	Median	29,517
	Mean	35,360

Source: Culhane and An (2021), Table 4

- The average cost of conventional indoor shelter is about $33,075 per bed per year
- Sanctioned, outdoor alternatives report similar average costs
- Above-average costs can be justified by longer operating hours, the need for perimeter security, and added monitoring costs of a “low barrier” policy

Performance measures for sanctioned alternatives

Performance measures for sanctioned alternatives

- Low vacancy rate
- Improved safety and stability in conditions relative to unsanctioned alternative
- Increased access to services for campsite residents
- Increased actual and perceived safety by service providers

Ongoing management of unsanctioned camps

Transitioning to a future of less unsanctioned camping

As the City considers a gradual reduction in unsanctioned camping, it should:

- Apply an equity lens to ensure health and safety standards are maintained for BIPOC campsite residents and that BIPOC neighborhoods and businesses are not disproportionately affected by street and vehicle campsites
- Develop and disseminate a more specific definition of “high-impact” unsanctioned sites and criteria that prompt an intervention (e.g., definitions of excessive waste)
- Clarify policies around the transfer and storage of personal belongings after camp closures
- Establish and enforce a penalty for the refusal to vacate a “high-impact” site (e.g., community service)

Formalize management of unsanctioned camps

- Unsanctioned camping will persist in low-impact areas until an alternative system is developed, and the City should manage the unsanctioned sites systematically. It should:
  - Develop a dedicated budget and data on camps in low-impact areas
  - Establish and report effectiveness measures for service delivered to camps in low-impact areas, including:
    - Fewer health and safety hazards associated with campsites
    - Reduced numbers of unsanctioned campsites
    - Reduced crime around campsites
    - Fewer community complaints about campsites

Takeaways

Takeaways

1. Rent subsidies, supportive housing, and eviction prevention remain the only short-term policies available to reduce the share of people experiencing homelessness.
2. Sanctioned alternatives are a complementary policy that, if well designed and implemented, could address the expressed shortcomings of the existing shelter system (e.g., high barrier, lack of privacy, inability to locate with partner and pets).

Takeaways

3. No evidence exists on the effect of sanctioned alternatives on the inflows into, or outflows from, homelessness.
4. Governments should not expect operational savings with sanctioned alternatives relative to traditional shelters. Longer operating hours, perimeter enforcement, and monitoring of a low-barrier policy could lead to above average costs.

Takeaways

5. Taken together, eviction prevention, placements into permanent housing, and sanctioned alternatives could produce meaningful reductions in total homelessness and unsanctioned camping.
6. Accelerated and sustained housing production is the key to generating larger reductions in the size of the city's unhoused population.
7. Needs analyses developed under HB 2001 call for the creation of 220K housing units in the Portland Metro during the next 20 years.

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