

Analysis of Resources Needed to House Everyone in New Mexico

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1. Summary

Homelessness in New Mexico is a problem that can be solved using proven methods. There are a limited number of people affected in New Mexico compared to some other parts of the country, which makes the funding necessary well within the resources of the State. The total number of people experiencing homelessness in New Mexico each year is between 15,000 and 20,000. In calendar year 2018, 12,587 people sought help for homelessness from the agencies that report to the New Mexico Homeless Management Information System (HMIS). Several thousand more homeless persons were not counted because they sought help from privately funded agencies not reporting to the HMIS, or because they didn't seek support from any agency. We estimate that about 6,548 people per year experience homelessness but do not receive adequate assistance to help them exit homelessness. The plan presented here will provide fixed, safe, and adequate housing for all 6,548 homeless individuals in New Mexico who are without the means to exit homelessness.

Two evidence based interventions have proven effective at helping people exit homelessness. These are

- Rapid rehousing - for people who are not disabled, which helps 90% of households assisted exit homelessness within two years, according to 2018 New Mexico HMIS data.
- Permanent supportive housing – primarily for people with disabilities.

A system of rapid rehousing and permanent supportive housing will prevent much homelessness while assisting people experiencing homelessness to quickly get back into housing. The goal for those who become homeless will be to rehouse them within 30 days of losing housing.

Our analysis shows that it would cost about \$61.3 million per year over two years to provide these interventions on the scale necessary to help all 6,548 people not assisted through current resources. In addition to the operating cost, a one-time investment of \$48 million in state capital outlay funds would be necessary to build additional permanent supportive housing.

To provide the assistance allowing all homeless people in New Mexico to exit homelessness, we propose that:

- The State of New Mexico provide operating funds of \$30.65 million the first year, \$61.3 million per year in years two and three, \$40.9 million in year four, and \$20.45 million in year five for permanent supportive housing and rapid rehousing. This will help leverage an additional \$6 million in federal homeless assistance funding per year.
- The State of New Mexico devote \$48 million in capital outlay funds over three years for construction. This will be used to leverage an additional \$24 million from the National Housing Trust Fund, the Low Income Housing Tax Credit Program and other sources to fund the needed construction.

This would create a system where homelessness is brief, rare and non-recurring in New Mexico and would prevent the worst impacts of homelessness on the lives of those affected.

2. The cost of homelessness

The costs of homelessness to society are greater than the costs to end homelessness. While it may require a considerable investment to end homelessness in New Mexico, a substantial body of evidence suggests that the interventions described in this paper are cost effective, and will result in an overall reduction in the societal burden that homelessness presents.

Chronically homeless people are high utilizers of crisis services such as ambulances, emergency departments, hospital inpatient services, psychiatric services, jails, and shelters. Permanent supportive housing and rapid rehousing substantially reduce the use of these services among homeless people, resulting in significantly reduced costs. For instance, a 2009 study in Los Angeles found the public cost of a resident in supportive housing was \$605 per month, one-fifth the public cost of a homeless person, at \$2,897 per month (Flaming). The largest part (69%) of these savings came from reduced health care utilization on the part of supportive housing residents.

Homeless people with serious mental illness or substance abuse issues are among the most intensive users of crisis services. In New York City, supportive housing of homeless people with severe mental illness (SMI) was associated with reductions in shelter use, hospitalizations, length of stay per hospitalization, and time incarcerated (Culhane, Metraux & Hadley). The overall reduction in services costs was over \$16,000 per year for each housing unit provided to homeless individuals or families.

A supportive housing project in Seattle found that among chronically homeless individuals with severe alcohol problems, housing placement was associated with decreased costs from jail bookings and days incarcerated, hospital-based medical services, publicly funded alcohol and drug detoxification and treatment, emergency medical services, and Medicaid-funded services (Larimer, Malone, Garner, et al.). The median monthly cost of service utilization decreased with each month the participants remained in housing, from \$4,066 per month to \$958 after 12 months of housing.

A recent study by University of New Mexico Institute for Social Research (Guerin et. al.) followed 95 chronically homeless people in Albuquerque. After 12 months of housing, these formerly homeless people decreased their service utilization costs by 31%, from \$3,606,500 to \$2,476,959.

In recent years, a number of similar studies in various locations in the United States have confirmed findings that participation in supportive housing is associated with a reduction in utilization and cost of crisis services, especially health care related services. These include studies in San Francisco (Martinez & Burt), Massachusetts (Clark et al., and Massachusetts Housing and Shelter Alliance), Charlotte, NC (Thomas et al.), and others.

3. Homelessness in New Mexico

All data in this section comes from the New Mexico Homeless Management Information System (HMIS). See notes below for a description of this system.

Homeless people have varying needs based on age and ability. The homeless population is characterized here by age group. Each age group is further sub-divided into three categories based on level of support required and length of time the individuals or families remained homeless. These categories include those who exit homelessness quickly (within 30 days) mostly because of their own efforts, those who

exit homelessness with longer term assistance, and those who remain homeless despite seeking assistance.

Under 18

In calendar year 2018 there were 2,585 people under the age of 18 who were homeless. Of this group 584 were separated from their parents or guardians. The other 2,001 people were accompanied by a parent or guardian who was also homeless. During the year 340, of these children were able to resolve their homelessness within 30 days and 607 were able to exit to permanent housing after a longer period of stay. 1,016 of these children remained in the housing or shelter at the end of the year. 622 children left a shelter or housing program but remained homeless. Of the 622 who remained homeless, we estimate that 124 of them were separated from their parents or guardians.

Youth ages 18-24

A total of 981 people aged 18 to 24 were homeless in 2018. 221 of them were part of a family and 100 of them were the head of their household. 760 were unaccompanied. 54 left for permanent housing in 30 days or less and 124 were able to secure permanent housing after a longer stay. 425 remained in the shelter or housing program at the end of the year. 378 left a shelter or housing program and remained homeless.

Adults ages 25 & over

A total of 9,021 people aged 25 and up were homeless in 2018. Of these, 1,126 were in families and 7,647 were unaccompanied, while for 248 no household type was reported. 503 left for permanent housing within 30 days of entry into a program and 1,163 secured permanent housing after a longer stay. 4,578 remained in a shelter or housing program at the end of 2018. 2,777 left a shelter or housing program and remained homeless and about 2305 of them were unaccompanied and 472 were part of families.

Overall a total of 897 people exited quickly with little help from the services system. A total of 1,894 were able to exit homelessness with longer term help and 3,777 people remained homeless after seeking assistance. Thus, while the current system is helping many people exit homelessness, most people experiencing homelessness are not receiving enough help or the right help.

4. Solutions

There are two interventions that have been studied extensively and are considered evidence based best practices for helping people exit from homelessness, rapid rehousing and permanent supportive housing.

Rapid rehousing is the best practice for families and individuals who can reasonably be expected to obtain employment and support themselves and their families within two years. Rapid rehousing involves providing rental assistance to help the homeless household move into an apartment, and then provide rental assistance that decreases over time as the household income increases until the assistance is no longer needed. Supportive services are provided to help the family set goals and obtain other resources they may need such as child care and medical care. Rapid rehousing is provided in scattered site apartments where the tenant can stay in the apartment after the assistance ends, if they so choose. An evaluation of the Rapid Re-Housing for Homeless Families Demonstration Programs

(RRHD), a program of the U.S. Department of Housing and Urban Development, showed that only 10% of participants in the RRHD project had at least one episode of homelessness within 12 months of exiting the program, and 90% had no episodes of homelessness during that time (Culhane).

Some communities in New Mexico have a shortage of quality affordable rental housing, which means that providers would need to be creative about using the rapid rehousing assistance. Some creative techniques include setting up compatible roommates in two bedroom units, leasing single family dwellings for several roommates and renting rooms in owner occupied houses. Renting rooms in owner occupied housing can be particularly useful for housing homeless youth, a practice referred to as host homes.

Permanent supportive housing is the best practice for families and individuals where the head of the household is disabled and may never be able to support the household. Permanent supportive housing involves providing rental assistance and support services for as long as they are needed. Clients of permanent supportive housing are expected to pay 30% of their income for rent, with the program paying the difference. Intensive supportive services are offered to assist clients in obtaining health care, mental health care, substance abuse treatment, job training, and other assistance as needed. Permanent supportive housing may be provided in scattered site privately owned apartments or in site based apartments owned by the permanent supportive housing program. Clients of permanent supportive housing often move on to less costly forms of assistance such as regular public housing after they have achieved a good level of stability.

Permanent supportive housing programs have been found to be very effective in providing housing for hard-to-serve homeless persons, including persons with serious mental illness (Pearson), and people who experience homelessness and cycle in and out of jails, prisons, and other crisis services (homeless shelters, hospital emergency departments, psychiatric centers, and detoxification centers) (Lieberman). In a study of the Albuquerque Heading Home Initiative, permanent supportive housing was found to be associated with a reduction in the use of emergency room services, medical outpatient services, hospital inpatient services, emergency shelters, and jails. This resulted in a savings of approximately 31.6% (\$12,832) per participant in the first year of the study period. Participants reported an improvement in quality of life, a reduction in alcohol use, and an increase in contact with family members (Guerin).

The following chart shows the estimated cost of operating rapid rehousing and permanent supportive housing to help all of those suffering from homelessness who are not being assisted by current resources.

| Subpopulation | Estimated Total Number who are not helped by the current system* | Best Practice Intervention | Cost per household | Total annual cost to assist this group |
|--|---|-----------------------------------|---------------------------|---|
| Families with Children or couples with head of household without disabilities | 472 | Rapid Rehousing | \$8,211 | \$3,875,429 |

| | | | | |
|---|-------|------------------------------|----------|--------------|
| Families with children, or couples with disabled head of household | 472 | Permanent Supportive Housing | \$12,534 | \$5,915,869 |
| Youth Ages 18 to 24 | 756 | Rapid Rehousing | \$13,432 | \$10,154,418 |
| Unaccompanied youth under age 18. | 248 | Rapid Rehousing | \$13,432 | \$3,331,079 |
| Unaccompanied adults without disabilities | 2,305 | Rapid Rehousing | \$4,923 | \$11,347,066 |
| Unaccompanied disabled adults | 2,305 | Permanent Supportive Housing | \$10,323 | \$23,794,192 |
| Cost to Administer and Evaluate the Program at 5% | | | | \$2,920,903 |
| Totals | 6,558 | | | \$61,338,956 |

* Extrapolations made from data above assuming that HMIS is counting about half of the number not being helped by our current system. Also assuming that roughly half of families and individual adults are in households with a disabled head of household.

Construction

In addition to operating the permanent supportive housing program, there is a need to build new permanent supportive housing. The new construction will aid those who need permanent supportive housing and who also need on-site services and round the clock security. People who need this extra level of service cannot be adequately served in scattered site housing using vouchers.

We estimate that about 300 individuals in New Mexico need this form of single site permanent supportive housing. The average cost of developing a small one-bedroom permanent supportive housing apartment in New Mexico, including the extra commons space needed for on-site services, is \$240,000. The total capital investment needed to create new single site permanent supportive housing is estimated to be \$72 million, of which we anticipate \$24 million would come from two federal programs, the National Housing Trust Fund and the Low Income Housing Tax Credit Program (\$5 million per year for three years from Tax Credits and \$3 million per year for three years from the National Housing Trust Fund).

| | Number of units needed | Cost per Unit | Total cost | Federal funding match | Proposed state funding |
|---|-------------------------------|----------------------|-------------------|------------------------------|-------------------------------|
| Single site permanent supportive housing | 300 | \$240,000 | \$72 million | \$24 million | \$48 million |

4. Current efforts

Currently the state of New Mexico and HUD provide \$808,723 for a rental assistance program that includes rapid rehousing as well as homeless prevention. The state also funds a permanent supportive housing program called Linkages at \$1.35 million per year. Federal funding of about \$11 million per year is coordinated by the New Mexico Coalition to End Homelessness for a combination of rapid rehousing, transitional housing, permanent supportive housing and other homeless assistance projects. See Appendix A for more details on these funding streams.

5. Two Year Start Up Period and Three Year Decrease

In order to fully address homelessness, the agencies that currently provide rapid rehousing and permanent supportive housing would need time to increase their capacity. In some communities, agencies with related missions would need to start such programs. The proposals here would about double the current level of effort for permanent supportive housing and triple the level of effort for rapid rehousing.

For permanent supportive housing, current providers estimate it would take from three months to twenty-four months to ramp up to the proposed capacity. Permanent supportive housing providers estimate that they would be able to increase their capacity by 25% to 100% in the first year.

For rapid rehousing, current providers estimate that it would take from one month to 24 months to triple their current capacity. They estimate that during the first year they would be able to increase their capacity by 25% to 200%. Several providers mentioned a lack of affordable rental housing in their community as a barrier to quick expansion.

Based on the above information from providers, it would seem reasonable to provide a two-year start-up period to bring the projects to the scale needed to house all households experiencing homelessness. The first year would be at 50% of the full operating amount or \$30.65 million going to the full 61.3 million in the second and third year.

As the backlog of people needing rapid rehousing and permanent supportive housing is reduced and formerly homeless people move into other permanent housing situations, it should be possible to begin scaling back the assistance. We propose that there be a re-evaluation of the need each year. We expect that the need for permanent supportive housing will decrease more slowly than the need for rapid rehousing.

6. Coordination of Systematic Effort

New Mexico has a coordinated entry system for the federally funded and certain other homeless assistance programs. The coordinated entry system provides a uniform housing assessment for people experiencing homelessness and directs people to the most appropriate housing intervention for them. Coordinated entry helps to ensure that no one is passed over for housing and that all housing resources are utilized efficiently. It helps to ensure that the more expensive interventions are provided to those who really need them. In order for the interventions proposed here to be effective it is important that all entries to the new housing be done through coordinated entry.

Several providers have noted that the federal regulations for administering homeless assistance are overly complicated and often get in the way of housing those who need housing. Therefore, it will be important to develop streamlined regulations for the state funding regarding use of coordinated entry,

the types of housing that could be assisted, and the process for documenting who is eligible for assistance.

7. Conclusion

Homelessness is a serious problem, but it possible to solve it with the right interventions and adequate resources devoted to those interventions. With a state investment that scales up to a maximum of \$61.3 million per year, and a one-time investment of \$48 million in capital outlay with leveraging of additional resources, New Mexico could end the current epidemic of homelessness, and set up a system where homelessness is brief, rare and nonrecurring. This system would prevent the worst effects of homelessness on people's lives.

Notes and References

- The New Mexico Homeless Management Information System (HMIS) is a federally mandated system operated by the New Mexico Coalition to End Homelessness in cooperation with the New Mexico Mortgage Finance Authority and the City of Albuquerque. These data reflect those people who sought help for their homelessness from a government funded agency participating in HMIS during calendar year 2018.
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Appendix A - Homeless funding in New Mexico 2019 Overview

This is a summary of state and federal government funding for programs that specifically help people experiencing homelessness in New Mexico. It does not include local funding or private funding. The total state and federal funding are \$16.35 million.

Federal Continuum of Care Funding: \$10.7 million per year

Grants to Non-profits and local governments for permanent supportive housing, rapid rehousing rental assistance, supportive services, coordinated entry, and New Mexico Homeless Management Information System

Projects are in Albuquerque, Santa Fe, Las Cruces, Farmington, Taos, Las Vegas, Silver City and Socorro

Youth Homelessness Demonstration Program Grants: \$1.7 million per year

An additional amount of Continuum of Care funding to address youth homelessness. Grants will start in 2019 to non-profit agencies serving 14 northern New Mexico counties (McKinley, San Juan, Cibola, Sandoval, Rio Arriba, Santa Fe, Los Alamos, Taos, Colfax, Mora, San Miguel, Harding, Union, Quay) with housing and services for homeless youth up to age 24. Service hubs are planned for Santa Fe, Taos, Espanola, Gallup, Farmington, Las Vegas, Santo Domingo Pueblo, and Raton.

Federal Emergency Solutions Grants and State Homeless Funding: \$2.4 million per year

The Mortgage Finance Authority receives \$1,122,034.00 in federal emergency solutions grant funding and combines it with \$1,265,700.00 of State Homeless Funding to operate three programs:

Emergency Homeless Assistance Program: \$885,399 to fund 27 emergency shelters in New Mexico. Of the 27 shelters, 5 are youth shelters, 17 are domestic violence shelters and 5 are general adult and family shelters. The shelters are located in the following 18 counties: Chavez, McKinley, Eddy, Otero, Taos, Rio Arriba, Grant, San Juan, Curry, Sandoval, Luna, Bernalillo, Lincoln, Santa Fe, Dona Ana, Lea, San Miguel, and Valencia.

Rental Assistance Program: \$808,723 to fund rental assistance for homeless prevention and rental assistance for those moving out of homelessness (called rapid rehousing). These grants serve the following counties: Bernalillo, Sandoval, Rio Arriba, Los Alamos, Santa Fe, Valencia, Dona Ana, Luna, Mora, San Miguel, San Juan, Hidalgo, Otero, Roosevelt, Socorro, Grant, Torrance.

Continuum of Care Match: \$458,174 to assist agencies that receive federal continuum of care funding with the match requirements. The match requirement is generally 25% and this provides about 4%.

State Linkages Program: \$1.35 million per year

Grants to housing authorities and mental health agencies to provide permanent supportive housing for homeless people with behavioral health disabilities. The Behavioral Health Services Division also operates some smaller crisis housing programs. Linkages programs operate in the following counties: Bernalillo, Santa Fe, Dona Ana, San Juan, Grant, and Taos.

State Homeless Meals Funding \$200,000

About \$200,000 is given in grants to agencies that feed homeless people.

Local government funding

Albuquerque, Santa Fe and Las Cruces provide funding for homeless services including emergency shelter, supportive services, permanent supportive housing and rental assistance.

Appendix B - UNM study on cost

In 2016 the UNM Institute for Social Research did a cost study of participants in the Albuquerque Heading Home project, a project in Albuquerque where the most severely disabled homeless people are provided permanent supportive housing. The study found:

“Two to three years post-Heading Home study group member costs were \$1,042,312 or 15.2% less than the 2-3-year pre-Heading Home study group member costs. This amounted to an average savings of \$14,728 per study group member.

“Applying this average savings to the 320 AHH clients eligible for the study resulted in a 2-3 years’ savings of \$4,712,960 (Guerin).”

The implications from this study are that for the group with the most severe physical and mental health issues there are significant savings to the jails and hospitals when these individuals are provided with permanent supportive housing.

Notes

- Guerin P, Minssen A. “City of Albuquerque Heading Home Cost Study”. May 2016, University of New Mexico Institute for Social Research. May 2016. Available at *****.isr.unm.edu/reports/2016/city-of-albuquerque-heading-home-initiative-cost-study-report-final.pdf

Appendix C – Health Issues Associated with Homelessness

Rates of mortality and disease are high among people experiencing homelessness (National Health Care for the Homeless Council). Rates among single adult homeless populations are from two to ten times higher than that of the general population (Metraux, Baggett). Chronic health conditions such as diabetes, hypertension, and cardiovascular and lung diseases are common among the homeless population, and rates of substance use disorders, mental illness, and infectious diseases are higher in this population than in the general population (Baggett & Liauw, National Health Care for the Homeless Council). In a recent outbreak of hepatitis A, which has resulted in two New Mexico deaths, the New Mexico Department of Health determined that those who were primarily affected were those experiencing homelessness and persons who used drugs (NM DOH).

| <u>Health condition</u> | <u>Estimated prevalence in Homeless Population</u> | <u>Estimated prevalence in the US</u> |
|--------------------------------|---|--|
| Hypertension | 50% | 29% |
| Diabetes | Up to 18% | 9.3% |
| Myocardial infarction | 35% | Up to 17% |
| HIV | Up to 21% | 0.6% |
| Hepatitis C | Up to 36% | 0.7% |
| Depression | Up to 49% | 8% |
| Substance dependence | Up to 58% | Up to 16% |

Table from National Health Care for the Homeless Council

In New Mexico, the prevalence and correlates of homeless among public high school students is measured by the NM Youth Risk and Resiliency Survey (YRRS). The NM YRRS is a survey of risk behaviors among New Mexico public high school students. Homelessness is assessed by the questions, “During the past 30 days, where did you usually sleep?”, with these possible responses:

- In my parent’s or guardian’s home
- In the home of a friend, family member, or other person because I had to leave my home or my parent or guardian cannot afford housing
- In a shelter or emergency housing
- In a hotel or motel
- In a car, park, campground, or other public place
- I do not have a usual place to sleep
- Somewhere else

Students were considered to be homeless if they indicated they usually slept in any location other than in their parent’s or guardian’s home or in the home of a friend, family member, or another person*.

The 2019 prevalence of homelessness among public high school students was 3.4%. Several groups of students had very high rates of homelessness. These included:

- Transgender/gender non-conforming students were 18 times as likely to be homeless as non-Transgender (cisgender) students (26.4% vs. 1.5%)
- Lesbian, gay, bisexual or those unsure of their sexual identity were 2.5 times as likely to be homeless as straight students (7.5% vs. 3.0%)
- Students born outside of the U.S. were 5 times as likely to be homeless as those born in the U.S. (13.3% vs. 2.7%)
- Students with physical disabilities or long-term health problems were two times as likely to be homeless as those without physical disabilities or long-term health problems (6.3% vs. 3.2%)
- Boys were two times as likely to be homeless as girls (5.0% vs. 2.3%)

Homeless high school students faced greatly increased risks compared to students in stable housing. These risks were the most noticeable in the areas of school attendance, school performance, victimization by violence (including sexual violence), suicidal behaviors, and substance use. Compared to students in stable housing, homeless students were

- 4 times as likely to skip school at least one day per week (51.0% vs. 13.4%)
- 4 times as likely to skip school because of safety concerns on at least one day per month (33.8% vs. 8.9%)
- 1.6 times as likely to be bullied on school property (27.5% vs. 17.5%)
- 4 times as likely to make a suicide attempt in the past 12 months (40.0% vs. 9.0%)
- 5 times as likely to get mostly D's or F's in school (31.5% vs. 6.1%)
- 3 times as likely to experience a sexual assault in the past year (31.0% vs. 9.6%)
- 4 times as likely to be current cigarette smokers (41.2% vs. 9.8%)
- 5 times as likely to be high-intensity binge drinkers (at least 10 alcoholic drinks on at least one single occasion in the past 30 days (19.5% vs. 3.8%)
- 24 times as likely to be current heroin users (35.5% vs. 1.5%)

While it is clear that homeless youth are at an extremely high risk for many risk behaviors, it is also true that the overall burden of these issues is disproportionately affected by the behaviors of homeless youth. While homeless youth made up 3.4% of the school population, they made up 12.6% of those who skipped school because of safety concerns, 12.2% of those who made a suicide attempt in the past year, 12.1% of those who engaged in high-intensity binge drinking, 11.5% of all those who currently smoked cigarettes, 10.9% of those who experienced a sexual assault in the past 12 months, and almost half (47.8%) of all current heroin users. Without addressing homeless youth, it will be impossible to adequately address these issues.

* Previously released YRRS data considered students to be homeless if they indicated "In the home of a friend, family member, or other person because I had to leave my home or my parent or guardian cannot afford housing". That definition closely mirrors the McKinney-Vento Act, which is used by education agencies. The definition used in the current paper parallels the definition used by the U.S. Department of Housing and Urban Development (HUD). Using the current definition results in a smaller group of students, but one at higher risk.

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Appendix D - Review of Data on Vacant Rental Units in New Mexico

The White Paper proposes providing rental assistance for 6,558 rental units with 300 of those being built as new single site permanent supportive housing. That means for the plan to work there would need to be 6,258 units to be rented on the open market.

According to the American Community Survey data done by the Census Bureau and released in 2019 there are 24,509 vacant units in New Mexico for rent with 8,269 in Albuquerque, 1,674 in Las Cruces and 1,053 in Santa Fe. See the table below compiled by the New Mexico Mortgage Finance Authority for more housing statistics from the Census.

While there are plenty of vacant rental units they may not all be appropriate for rapid rehousing and permanent supportive housing, or in the places where they are needed. Most people who have been homeless need to live in urban areas or small towns where they can walk or take public transportation to obtain basic necessities such as food as well as necessary services such as medical care and mental health care. Also apartments that are too expensive or that do not meet quality standards would not be appropriate for this project.

It should also be noted that some communities such as Santa Fe and Taos suffer from a severe lack of affordable housing, which would limit the number of homeless households that can be placed in these communities at the current time. Efforts to increase the amount of affordable rental housing in these communities are needed for many reasons including the need to provide rapid rehousing and permanent supportive housing for people experiencing homelessness.

The website apartments.com contains listing of apartments for rent in the major urban areas. Their listings only include larger apartment buildings, but give another indication of the numbers of units available.

Apartment Units for rent in apartment complexes on apartments.com as of August 2019:

Albuquerque: 2,138
Santa Fe: 197
Las Cruces: 338
Rio Rancho: 246
Farmington: 88

Since there are not enough units in large apartment complexes, we will need to make use of smaller complexes and detached houses. We also know that some units will not meet quality standards or will be too expensive. Therefore, some creative strategies would need likely to be employed including setting up roommate situations in apartments, renting detached houses for roommates, and renting rooms in occupied houses where the owners have extra rooms to lease, a concept referred to as host homes.

| Housing Characteristics | New Mexico | Albuquerque | Las Cruces | Santa Fe |
|--|----------------|----------------|---------------|---------------|
| Occupied Housing Units | 770,435 | 221,119 | 39,809 | 35,524 |
| Owner Occupied Units | 522,930 | 132,168 | 21,442 | 22,187 |
| Renter Occupied Units | 247,505 | 88,951 | 18,367 | 13,337 |
| Vacant Housing Units | 157,355 | 22,283 | 4,795 | 5,960 |
| For Rent | 24,509 | 8,269 | 1,674 | 1,053 |
| Rented, Not Occupied | 4,396 | 1,121 | 357 | 188 |
| For Sale Only | 13,215 | 2,386 | 885 | 480 |
| Sold Not Occupied | 4,359 | 1,219 | 46 | 100 |
| For Seasonal, Recreational, or Occasional Use | 54,194 | 2,407 | 860 | 2,908 |
| For Migrant Workers | 586 | 38 | - | - |
| Other Vacant | 56,096 | 6,843 | 973 | 1,231 |
| Total Housing Units | 927,790 | 243,402 | 44,604 | 41,484 |
| Homeowner Vacancy Rate | 2.4% | 1.8% | 4.0% | 2.1% |
| Rental Vacancy Rate | 8.9% | 8.4% | 8.2% | 7.2% |
| Overall Percent of Housing Units Vacant* | 17.0% | 9.2% | 10.8% | 14.4% |
| Source: 2013-2017 American Community Survey 5-Year Estimates Tables DP04, B25002, B25003, B25004 | | | | |
| *Overall Percent of Housing Units Vacant is calculated by dividing vacant housing units over total housing units | | | | |

2023 Update to Analysis of Resources Needed to House Everyone in New Mexico

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In 2019 the New Mexico Coalition to End Homelessness, with help from the New Mexico Department of Health, developed an analysis of what it would take to house all of the people who are experiencing homelessness in New Mexico. The analysis was based on data from the New Mexico Homeless Management Information System (HMIS).

This is an update of that analysis using 2023 data from the New Mexico HMIS. The discussion of best practices contained in the 2019 paper still applies. This update is meant to be read in conjunction with the earlier paper.

Estimate of total number of people experiencing homelessness

From July 2022 through June 2023, HMIS reported that 13,098 people experienced homelessness and sought help through an HMIS participating agency. Since HMIS is only used in counties serving about 68% of New Mexico's population, we took 13,098 divided by .68 and got an estimate that 19,262 people experienced homelessness during that one-year period. We feel this estimate is roughly accurate when you consider that the two factors we cannot account for would tend to cancel each other out. People from rural counties where HMIS is less likely to be used tend to go to more urban areas to seek help where HMIS is used. This factor is countered by the fact that some people in HMIS counties do not seek help from an HIMS agency.

The HMIS data shows how many people seeking help were disabled or not disabled as well as the family situation of each person.

Rental rates

For the purpose of calculating the amount of rent that would need to be paid to house each person, we used 120% of the Albuquerque Fair Market Rent. We used Albuquerque because it is the largest city and its rents fall in the middle for the state with Las Cruces and Farmington being slightly less expensive and Santa Fe being slightly more expensive. Fair Market Rent (FMR) computed by HUD is for an apartment at the 40th percentile price for a given community. Since very few apartments are available at the FMR we used 120% of FMR as the price that would actually need to be paid.

The rents used are \$1,206 for a one bedroom apartment, \$1,466 for a two bedroom and \$2,066 for a three bedroom. For unaccompanied individuals we used the rent for one bedroom apartment and for families we used the average of the rent for a two bedroom and a three bedroom apartment.

The rent paid by the program is the total rent minus the amount paid by the client. For the disabled households, the household portion of the rent is estimated to be 30% of the amount they would get from SSI. For Non-Disabled households, the household portion of the rent is estimated to be 30% of a minimum wage full-time job.

Calculations of Amount Needed to House Every Homeless Household

The tables calculate the cost to house the people experiencing homelessness in New Mexico. Attached is a spreadsheet with all of the calculations.

| <u>Cost for Disabled Groups</u> | <u>Households</u> | <u>Annual Rent Cost</u> | <u>Total Cost</u> |
|---------------------------------|-------------------|-------------------------|-------------------|
| Adults w/o children | 6,624 | \$ 11,181.60 | \$ 74,067,865.55 |
| HH w/ children | 628 | \$ 17,083.80 | \$ 10,726,335.16 |
| Only children | 128 | \$ 11,181.60 | \$ 1,430,606.79 |
| Total | | | \$ 86,224,807.50 |

| <u>Cost for Non-Disabled Groups Rent assistance: 6 months for adults, 12 months for youth</u> | | | |
|---|-------------------|------------------|-------------------|
| | <u>Households</u> | <u>Unit cost</u> | <u>Total Cost</u> |
| Adults w/o children | 4,215 | \$ 3,492.00 | \$ 14,718,921.06 |
| HH w/ children | 3,246 | \$ 6,854.40 | \$ 22,249,698.30 |
| Only children | 130 | \$ 6,984.00 | \$ 904,838.27 |
| Total | | | \$ 37,873,457.63 |

Grand Total Disabled and Non-Disabled \$ 124,098,265.13

With the addition of 10% for staff to manage the program (rounded): \$ 136,500,000

Thus the total amount needed from all sources to house those people who are not adequately helped by current programs is about \$136,500,000 per year. This amount is higher than the estimate from 2019 mainly because there are more homeless households falling through the cracks of the current system now, and also because the cost of housing is higher. It should be noted that even this higher amount is well within the means of the federal, state and local governments that should all be contributing to the solutions.

It will take a number of years to build up to the amount needed to house everyone because housing and service systems will need time to hire qualified staff and build up the programs. Once the level is reached where everyone is receiving the help they need, there could be a decrease in the annual funding needed as many people will work their way out of poverty and homelessness after getting the assistance they need.

New Construction of Permanent Supportive Housing

In addition to the annual cost of operating the housing there is also a need to construct more permanent supportive housing for those with the most severe disabilities, who are not likely to succeed in scattered site housing. As in 2019 we estimate a need for 300 units of permanent supportive housing that is site based. The one-time cost to build these at a current rate of \$320,000 per unit is \$96 million.

Rent Assistance for Homeless Prevention

The annual cost of addressing homelessness could be reduced with an effective program of homeless prevention through emergency rent assistance for those on the verge of homelessness. In the year

analyzed there were 5,344 people without physical or mental health conditions who entered the homeless assistance system. Dividing this number by .68 to account for counties not covered gives an estimate of 7,859 people without disabling conditions experiencing homelessness each year. We can use this number as a rough estimate of the number of households that could be helped to avoid homelessness with emergency rental assistance. We further assume that each household will need three months of full rental assistance which comes to \$4,008.60 for each household using the average between one and two-bedroom apartment rent at 120% of Albuquerque's fair market rent. By multiplying \$4,008.60 times 7,859 we get an estimated need for rental assistance of \$31,500,000 in round numbers. Adding 10% for staff to manage the program brings the rounded total to \$34,500,000.

Total to address homelessness: \$136,500,000

Total homeless prevention: \$34,500,000

Grand total annual cost: \$171,000,000

One time construction cost \$96,000,000