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Aurora Homelessness Report

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About the Authors



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About Common Sense Institute

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of our economy. As a leading voice for free enterprise, CSI's mission is to examine the fiscal impacts of policies, laws, and to educate voters on issues that impact their lives.

CSI's founders were a concerned group of business and community leaders who observed that divisive partisanship was overwhelming policymaking and believed that sound economic analysis could help people make fact-based and common sense decisions.

CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the Colorado economy and individual opportunity.

Teams & Fellows Statement

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is belief in the power of the free enterprise system. CSI's work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. The CSI team's work is guided by data-driven research and evidence.

The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

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In 2023, Coloradans will have municipal elections in our most populated cities. To inform these debates, CSI produced reports on the most pressing issues facing Colorado cities: crime, housing, and homelessness in Denver, Grand Junction, Colorado Springs, Fort Collins, and Aurora.

Aurora, though it contains a relatively low concentration of homelessness, has emerged as a focal point of Colorado's homelessness problem. Since 2020, its homeless population and especially its unsheltered homelessness rate have grown at alarming levels. Although the most recent trends show stabilization, the city has significant work to do yet.

The system of resources addressing homelessness is at a critical point. Though funding has increased significantly in recent years, much of the increase is from one-time federal, state, and municipal spending that will shrink over the next few budget cycles. As spending on homelessness has risen annually, the unsheltered and chronically homeless populations have also risen. Housing affordability in Colorado has plummeted, overall price levels are at record highs due to inflation, and the state's housing inventory is dangerously low. These are precursors for sustained high levels of newly homeless persons.

Key Findings

- Over the last 5 years, Aurora's homeless population has grown by 47%—nearly eight times faster than the city's total population growth between 2019 and 2021.
- Since 2019, the number of chronically homeless in Aurora has risen by 85%.
- Since a low in 2019, the unsheltered share of Aurora's homeless population has grown by 443%.
 - This has occurred despite an available supply of approximately 6,125 shelter beds in the Metro Denver region. Previous reporting has indicated many of these beds remain vacant.

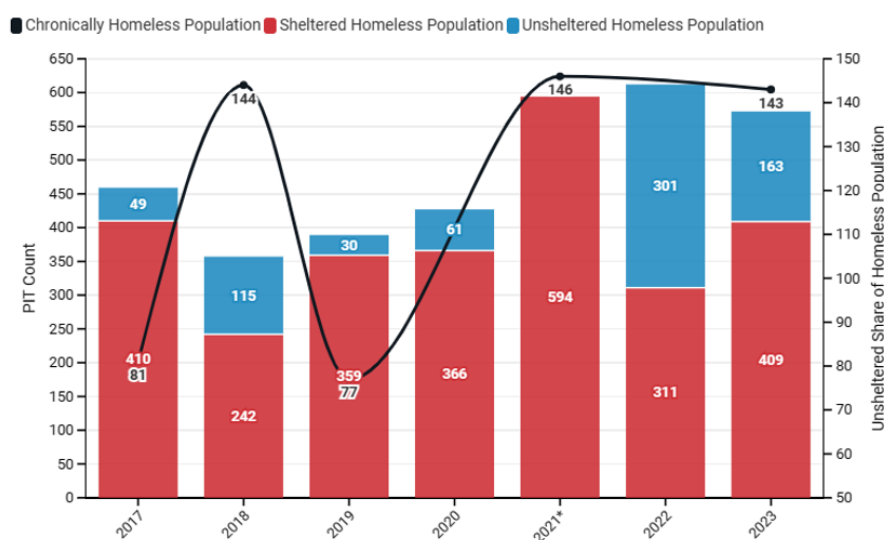
Population

According to official counts, Aurora’s homeless population was higher in 2022 than ever before, though its true count was likely higher still in 2021.ⁱ While municipalities around the country and within Colorado have seen homeless populations shrink over the last several years, Aurora’s has grown substantially. Estimates range from 572 to 3,324 unhoused persons.

The following table presents three estimates of the homeless population in Aurora: the PIT count, which is a survey of the homeless population on a single night in January; the PIT count multiplied by 2.5, which is the Colorado Coalition for the Homeless’ estimate of the number of homeless across a full year; and Aurora’s imputed share of a metro-area estimate published by Metro Denver Homeless Initiative which counts the number of people who access homelessness services during the year.

Aurora’s Homeless Population						
2023 PIT count			2022 PIT count * 2.5			MDHI State of Homelessness (est.)
Sheltered	Unsheltered	Total	Sheltered	Unsheltered	Total	
409(72%)	163(28%)	572	1023	408	1431	3,324

Aurora’s Homeless Population over Time (PIT)



* The 2021 PIT count does not include estimates of the unsheltered homeless population, so their reported counts are lower than the actuals

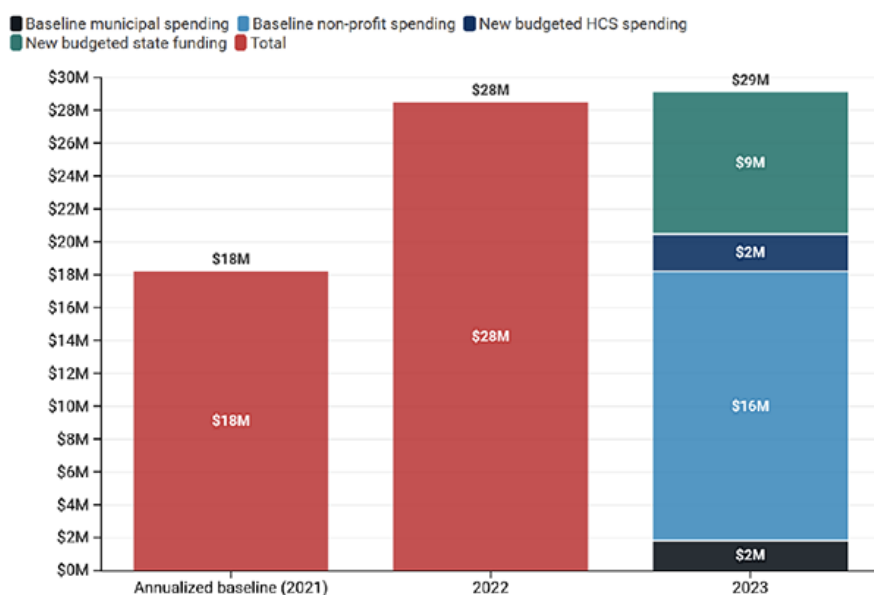
Spending and Workforce

Most money directed toward homelessness resolution in Aurora comes from non-profit organizations. A smaller amount comes from the city government. In Aurora, dozens of non-profits are dedicated at least partially to serving the homeless; together, these produce well over half of CSI's estimate of 2023 spending on homelessness within the city. Much of the funding managed by these organizations comes from the City of Aurora's municipal budgets, which also set aside smaller quantities of money for direct spending on homelessness resolution. The State of Colorado and the federal government have funded much of the spending that will occur in 2023, but their recently increased contributions are not ongoing. Medical institutions provide the local homeless population compensated and uncompensated care, but the total amount of this sort of spending is unknown.

Summary Findings from CSI's 2022 Report "Homelessness in Metro Denver: An Opportunity to Transform Resources and the Existing System"ⁱⁱⁱ

- CSI estimates that total budgeted homelessness spending in Aurora will grow from \$18.2 million in 2021 to \$29.1 million in 2023 (59.9%) and total \$76 million over those three years.
- The \$10.9 million increase in spending will come from two sources:
 - \$2.3 million from Aurora Housing and Community Services (HCS)
 - \$8.6 million from Aurora's estimated portion of an increase in state homelessness spending

Estimated Aurora Total Spending on Homelessness (2021–2023)



- The estimated 2023 spending per person experiencing homelessness or in PSH (according to a range of daily count estimates) in Aurora is expected to be between \$15,599 and \$30,710.
- The City of Aurora’s estimated share of the yearly cumulative count recorded by HMIS, total 2023 spending per homeless person is expected to be \$10,156.

Below is a detailed overview of Aurora homelessness spending identified by CSI.

Estimated 2023 Expenditure: Aurora		
Baseline	Direct municipal spending (including police and fire)	\$1,818,000
	Non-profits	\$16,385,833
New 2023	Aurora Housing and Community Services	\$2,268,211
	State funds	\$8,631,612
Total 2023 spending		\$29,103,657

State Budgeting and Local Policy

As homelessness has emerged as a growing problem in Colorado, particularly in the Denver metro area, many municipalities appear to have dramatically increased their direct and indirect spending on homelessness resolution. Likewise, the state government has decided to undertake homelessness spending obligations that dwarf its usual ongoing contributions: through FY24, it plans to spend an additional \$200 million on homelessness initiatives atop another \$45 million that it already distributed in FY21.

New State Homelessness Spending Initiatives			
Bill	Description	Year	Amount
SB21-242	Funds local purchases of hotel/motel space to be repurposed into homeless shelter	FY21	\$45,063,310
SB22-211	Repurposes an existing youth services center in Watkins into a residential facility for the homeless	FY23	\$45,126,522
HB22-1377	State-run grant program for local governments' homelessness reduction efforts	FY23 and FY24	\$104,800,000
HB22-1378	Grant to be awarded to one new or repurposed homelessness-prevention facility in metro Denver	FY23	\$50,081,965
TOTAL:			\$245,071,797

Much of this and other new spending, especially in Denver, has been enabled by a windfall of federal funds—an exhaustible resource which governments cannot expect to last long into the future. With this in mind, leaders in Aurora, which experienced an unprecedented spike in homelessness a few years ago, should strive to adopt practices conducive to the proper management of public resources, transparent recordkeeping, and efficacious policy. The government of Aurora has considered replicating the successful Colorado Springs model, which could represent a step in that direction. Additionally, the upcoming local election presents the people of Aurora an opportunity to steer policy in a beneficial direction and help their city repair the damage done during the pandemic.

CSI's 2022 report on homelessness spending in metro Denver finds that though it's possible to track most of the money spent on homelessness, understanding the actual supply of homelessness resources is much more difficult. It's important that, at both the state and local levels, policymakers develop frameworks for understanding what kinds of support (like shelter, medical care, mental health treatment, and skills training) are lacking, in excess, or in need of redeployment. CSI supports local and statewide efforts to increase public oversight of homelessness initiatives and resource allocation and recommends that governments facilitate these for the sake of finding effective solutions.

REFERENCES

- i. <https://www.mdhi.org/pit>
- ii. <https://commonsenseinstituteco.org/homelessness-in-metro-denver/>