Alternative Shelter Analysis

Spring 2023
Organization of the report

1. Introduction and purpose of the report
2. Today’s predominant models: congregate shelter and unsanctioned camping
3. Publicly sanctioned, outdoor alternatives
4. Takeaways
Part 1: Introduction
Homeless Strategic Initiatives (HSI) engaged ECONorthwest to review implementation issues associated with an emerging response to unsheltered homelessness: publicly sanctioned, outdoor shelters.

This report places the new approach into the context of the larger category of temporary shelter, summarizes available cost data from Portland and elsewhere, and offers several implementation considerations.
The City of Portland’s *Five Resolution Plan* calls for an expansion of temporary shelter and emphasizes the creation of city-sanctioned, outdoor alternative shelters.

This aspect of the Plan is motivated in part by:

- One of the highest rates of unsheltered homelessness in the United States
- Temporary shelter bed capacity that is considerably lower than is found in East Coast states with similar rates of literal homelessness
- Near-term urgency to address the needs and health of our unsheltered population
- Public perception that the scale of unsheltered homelessness has contributed to a level of disorder in some neighborhoods across the city
- A near-term shortage of permanent housing with associated behavioral health supports
- A requirement through the *Boise v. Martin* court ruling that an individual without shelter cannot be punished for sleeping on public property in the absence of an adequate alternative
This report focuses on the implementation of alternatives to indoor, congregate shelters. These include:

- Government-sanctioned and supervised camping sites that are mostly open air
  - Admission and service rules can vary
  - Structures inside the camping site can vary (e.g., tents, pods)
- Vehicle parking programs, supported or unsupported by services

This report does not consider:

- Navigation centers with significant capital infrastructure
- Converted motels
Near-term policy aims of the city

Approximate shelter status of Multnomah County’s homeless population

- Reduce the prevalence of unmanaged, unserved camping
- Increase the capacity of sanctioned alternatives
- Increase provision of rental vouchers and PSH to currently homeless individuals and families
Part 2: Today’s predominant models—congregate shelter and unsanctioned camping
Indoor, congregate shelter
Shelters share some features with unemployment insurance: temporary support that facilitates a return to a stable condition.

No standard ratios or formulas exist on bed inventory. NYC has a “right to shelter” and has a bed inventory comparably sized to its total homeless population. Most West Coast cities have bed inventories that are fractions of their homeless populations. No policy consensus exists on the right approach.

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.

Absent the development of affordable housing and associated behavioral health support, a temporary shelter solution becomes a permanent one.
## Temporary shelter costs, U.S. (2023 $)

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

Source: Culhane and An (2021), Table 4

Costs of shelter vary by population served.

A sizable number of low-service shelters (e.g., bed, hygiene, and food only) add housing and counseling services and bring the average cost up.
The West has a low bed inventory relative to its homeless population


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).
Indoor, congregate shelter does not work for everyone

Rules and conditions of congregate shelter conflict with the needs of some 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
- Some shelters require sobriety or entry fees

Despite these barriers, congregate shelters in Multnomah County function near full capacity and should continue to be a part of the response to unsheltered homelessness.
Unsanctioned camping
Multnomah County’s unsheltered population is disproportionately large

Select Multnomah County Populations Expressed as a Share of the U.S. Population

Unsheltered homeless population

Homeless population

General population

Source: ECONorthwest calculated using U.S. HUD (2022) and U.S. Census data (2021)
Unsanctioned campsites: Portland’s largest “system”

- Unsanctioned camping tends to locate near services and on underutilized land

- In Portland, high concentrations of unsanctioned campsites are found near the city center and along I-205/82nd Avenue

Legend: Campsites newly reported as of May 8, 2023

Vehicles

Campsite / Structures

Source: One Point of Contact Weekly Campsite Report Map, City of Portland
Black, Indigenous, and Multi-race individuals are disproportionately unsheltered

Racial Makeup of Multnomah County's Unsheltered Population and General Population

Source: ECONorthwest calculated using U.S. HUD (2022) and U.S. Census (2021)
A HUD-sponsored study estimated expenditures on unsanctioned camping in four cities.

<table>
<thead>
<tr>
<th></th>
<th>Total spending on encampment activities, FY 2019</th>
<th>Unsheltered homeless population, 2019</th>
<th>Cost per unsheltered homeless person, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>$3,572,000</td>
<td>1,260</td>
<td>$2,835</td>
</tr>
<tr>
<td>Houston</td>
<td>$3,393,000</td>
<td>1,614</td>
<td>$2,102</td>
</tr>
<tr>
<td>Tacoma</td>
<td>$3,905,000</td>
<td>629</td>
<td>$6,208</td>
</tr>
<tr>
<td>San Jose</td>
<td>$8,557,000</td>
<td>7,922</td>
<td>$1,080</td>
</tr>
</tbody>
</table>

¹ The unsheltered homeless population for Chicago is for the city, whereas the numbers for Houston, San Jose, and Tacoma include the surrounding counties (Harris, Santa Clara, and Pierce Counties).

Source: City cost data; 2019 CoC Point-in-Time data, HUD
The nature of unsanctioned camp responses varied across the four cities.

<table>
<thead>
<tr>
<th></th>
<th>Chicago</th>
<th>Houston</th>
<th>San Jose</th>
<th>Tacoma</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outreach (total)</td>
<td>$3,082,000</td>
<td>$1,546,000</td>
<td>$870,000</td>
<td>$1,056,000</td>
</tr>
<tr>
<td>Outreach and housing navigation</td>
<td>$2,110,000</td>
<td>$834,000</td>
<td>$800,000</td>
<td>$168,000</td>
</tr>
<tr>
<td>Homeless Outreach Teams</td>
<td>$931,000</td>
<td>$630,000</td>
<td>$0</td>
<td>$887,000</td>
</tr>
<tr>
<td>Substance use disorder programs</td>
<td>$0</td>
<td>$27,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Medical assistance</td>
<td>$33,000</td>
<td>$52,000</td>
<td>$53,000</td>
<td>$0</td>
</tr>
<tr>
<td>Financial assistance</td>
<td>$7,000</td>
<td>$3,000</td>
<td>$17,000</td>
<td>$1,000</td>
</tr>
<tr>
<td>Encampment clearance</td>
<td>$140,000</td>
<td>$887,000</td>
<td>$4,910,000</td>
<td>$144,000</td>
</tr>
<tr>
<td>Encampment prevention</td>
<td>$0</td>
<td>$0</td>
<td>$1,495,000</td>
<td>$293,000</td>
</tr>
<tr>
<td>Shelter</td>
<td>$297,000</td>
<td>$0</td>
<td>$0</td>
<td>$2,347,000</td>
</tr>
<tr>
<td>Dedicated permanent supportive housing</td>
<td>$0</td>
<td>$782,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$53,000</td>
<td>$178,000</td>
<td>$1,281,000</td>
<td>$65,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,572,000</strong></td>
<td><strong>$3,393,000</strong></td>
<td><strong>$8,557,000</strong></td>
<td><strong>$3,905,000</strong></td>
</tr>
</tbody>
</table>

Source: City cost data.

Notes: Outreach and navigation includes services provided during the clearance of an encampment. Police department Homeless Outreach Team costs are shown separately from other outreach services because of their magnitude. All costs of HOTs are included, not only the time officers spend at encampments. Costs of encampment clearance include cleaning and sanitation. Financial assistance generally is modest (e.g., bus tokens to get to services or housing programs). Examples of encampment prevention costs are erecting fencing and other barriers and patrolling former and potential future encampment sites.
Part 3: Publicly sanctioned, outdoor alternatives
Publicly sanctioned, outdoor alternative models

- Sanctioned campsites with varying degrees of infrastructure and support
- Tiny homes with varying degrees of infrastructure and support
- Safe parking with varying degrees of infrastructure and support
Implementation considerations

- Cost to build and operate
- Site location
- Performance measures for sanctioned alternatives
- Transition away from unsanctioned camping
Cost of alternative shelter
## Capital and operational costs of selected alternative shelters in the Western U.S., 2023

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

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

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 could be justified by longer operating hours, the need for perimeter security, and added monitoring costs of a “low barrier” policy.
Site location
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 outdoor alternatives will affect their desirability and use.
The city’s 2021 candidate sites for safe rest villages were located primarily west of I-5 and east of I-205.
And unsanctioned campsites were west of I-205, with a concentration in central city.
A 2021 analysis showed that candidate sites for safe rest villages were, typically, in less “complete” neighborhoods.
Performance measures for sanctioned alternatives
The alternative shelters should aspire to relatively short tenures followed by placement in housing.

However, because of their low-barrier policy, people will enter with high-acuity needs relative to those in high-barrier, congregate shelters.

Consequently, average sanctioned camp tenures could exceed average congregate shelter tenures.

Performance measures for sanctioned alternatives

- The alternative shelters should aspire to relatively short tenures followed by placement in housing.
- However, because of their low-barrier policy, people will enter with high-acuity needs relative to those in high-barrier, congregate shelters.
- Consequently, average sanctioned camp tenures could exceed average congregate shelter tenures.
Until more is learned about the service population, the alternative shelters should aim for:

- Low vacancy rates (as evidence of a preference, by some, over congregate shelter)
- Improved safety and stability for occupants of sanctioned alternatives relative to those in unsanctioned campsites (e.g., reduced injury, morbidity, mortality; fewer sweeps)
- Increased access to behavioral health, substance abuse treatment, and other wraparound services for campsite residents
- Increased actual and perceived safety by service providers
1. Temporary shelter is an under-deployed feature of a homelessness response system in Portland and elsewhere along the West Coast. Portland’s low shelter bed inventory contributes to a disproportionately large unsheltered population.

2. Publicly sanctioned, outdoor alternatives are a complementary approach 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).
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.
5. Taken together, eviction prevention, placements into permanent housing, and sanctioned alternatives could produce meaningful reductions in total homelessness and unsanctioned camping.

6. Critical that local governments develop and monitor performance metrics specific to the sanctioned alternatives.

7. Accelerated housing production* and accompanying behavioral health supports are the keys to generating larger reductions in the size of the city’s unhoused population.

*Needs analyses developed under HB 2001 call for the creation of 220K housing units in the Portland Metro during the next 20 years.
Sources

All Good, “Shelter Programs.”


BC Housing Research Center, “Tiny Homes – An alternative to Conventional Housing.”


City of Portland. “Sunderland North RV Safe Park Village FAQ.”

City of Portland, “Queer Affinity (QA) Village – 2185 SW Naito Parkway” and “BIPOC Village – 84 NE Weidler St,” updated August 2022.


City of Tacoma, “City Authorized Emergency Shelters.”


Cultivate Initiatives. “Menlo Park Safe Rest Village.”


Dignity Village. “FAQ.”


London N. Breed. “City and County of San Francisco Proposed Budget Fiscal Years 2022-2023 & 2023-2024.”
Sources

Missoula County, “Temporary Safe Outdoor Space (TSOS).”


Pallet SPC, “2021 Master Product and Services Agreement Statement of Work for Missoula County, MT.”


Sacramento City Express, “City of Sacramento opens X Street Navigation Center to help people experiencing homelessness,” September 14, 2021.


The Other Ones Foundation, “Esperanza Community.”


Transition Projects, “River District Navigation Center FAQ.”
ECONorthwest
ECONOMICS • FINANCE • PLANNING

Los Angeles
Portland
Seattle
Boise