

**Statement of John W. Hickenlooper
Mayor of Denver, Colorado
regarding H.R. 4057, Samaritan Initiative Act of 2004
before the
United States House Committee on Financial Services,
Subcommittee on Housing and Community Opportunity**

Tuesday, July 13, 2004

Good morning, Chairman Ney, Ranking Member Waters, and distinguished Members of the Subcommittee. Thank you for this opportunity to testify today in support of H.R. 4057, the Samaritan Initiative Act of 2004 and new funding for housing and supportive services for chronically homeless individuals.

Additionally, I want to thank the bipartisan group of co-sponsors of the Samaritan Initiative Act for advancing this legislation. I also want to express my deep appreciation to Executive Director Phillip Mangano for his leadership of the U.S. Interagency Council on Homelessness and his ongoing efforts to revitalize the Council and pursue a vigorous federal strategy that better enables local communities to address the serious problems of homelessness.

I appear here today representing the citizens of Denver, Colorado, but I expect that I also speak for the mayors of many localities across the country. Like more than 100 other cities and counties, Denver is committed and working aggressively to end homelessness in our community within ten years. A point-in-time survey conducted January 19 by the Metro Denver Homeless Initiative identified 8,668 homeless persons in metropolitan Denver. Of those identified in the survey, an estimated 33 percent had been homeless for more than a year and 21 percent had been homeless for more than two years, suggesting they were chronically homeless. Overall, 40 percent of the homeless identified that evening had experienced three or more cycles of homelessness.

Homelessness cuts across a broad demographic, including children and families. Within the overall homeless population, chronically homeless people are typically those who have a physical disability or who are afflicted by substance addictions or mental health problems. Although the chronically homeless comprise only ten percent of the adult homeless population, they use a majority of our emergency resources and incur the greatest costs as they cycle through

various community care systems. For example, healthcare for people who are homeless costs Denver Health, our primary indigent-care hospital in Denver, \$44 million annually. We very much want to move these costs into permanent solutions.

However, we know from both research and experience that certain cost-effective program interventions can help the chronically homeless to move toward housing stability and greater personal self-sufficiency. In particular, supportive housing programs have demonstrated success by bringing together a comprehensive set of services that address, in an integrated and mutually reinforcing way, the full range of challenges that the chronically homeless must overcome.

In Denver, we believe that proactively addressing the housing and service needs of this population will both ensure the success of city-sponsored efforts to end homelessness and ultimately reduce the overall fiscal and human costs to our community. We have mobilized the best hearts and minds in our city through a large, broad-based commission of homeless individuals, business leaders, service providers, government agencies, city council members and neighborhood representatives. The commission is developing a 10-year plan to end homelessness, with a draft of the plan to be presented this fall, and a final plan completed next spring. But we are not waiting on completion of the plan, and we already are implementing some progressive solutions to chronic homelessness through a local collaboration among city and state agencies and the Colorado Coalition for the Homeless. In the short term, we have taken unprecedented steps to address urgent situations, including opening a City office building to house people who are homeless and creating an emergency shelter that rotates to a new site every six months while we work toward lasting solutions.

Our challenge to implement our vision as a City working in partnership with other local stakeholders is to secure and piece together funding resources into a coordinated system. Financing for housing and various kinds of support services tends to be categorical, managed separately by different agencies at multiple levels of government, each with different eligible uses and administrative requirements. It is difficult for us at the local level to access and harmonize the most significant housing and social service funding sources to deliver a comprehensive approach to assist the chronically homeless.

The funding that would be provided through the Samaritan Initiative Act promises to help cities like Denver to overcome these barriers. It would combine categorical funds from multiple agencies into a single, seamless mechanism to finance both housing and supportive services.

Our experience in working with the U.S. Interagency Council on Homelessness and coordinating federal funding that Denver has received over the past eight months reinforces for us that the Samaritan Initiative objective is valuable.

In late 2003, Denver received one of the 11 federal grants under the Collaborative Initiative on Chronic Homelessness. This grant provided the community with \$1.9 million in Shelter Plus Care tenant-based rental assistance through the U.S. Department of Housing and Urban Development. We sub-granted this funding to the Colorado Coalition for the Homeless to support the Housing First Initiative to provide housing for 100 chronically homeless people, allowing them to move directly from the streets and emergency shelter into permanent housing. The Collaborative Initiative Award also included \$700,000 per year for up to three years for substance abuse and mental health treatment for chronically homeless persons and \$300,000 per year for up to three years for primary health care treatment. As a partner in the collaboration, the Veterans Administration Eastern Colorado Healthcare System received nearly \$450,000 to provide services to chronically homeless veterans in Denver.

In addition, this spring, Denver received other federal funding that will significantly help us in our efforts to end chronic homelessness. These awards included \$500,000 from HUD to the City for development of affordable housing, and \$295,000 from the Veteran's Administration to the Colorado Coalition for the Homeless to provide per diem housing for veterans who are homeless. An additional three year grant from the Social Security Administration will help CCH increase its efforts to provide outreach to homeless individuals who may be eligible for supplemental or disability benefits.

We are immensely grateful for this \$4.2 million in federal assistance, and we are seeking to assure that these resources will function together in a full range of supports for the chronically

homeless population. The cohesive Samaritan Initiative model would better enable that integration of housing, substance abuse, mental health, and veterans' supports.

I applaud this Samaritan Initiative legislation for all that it would do to ensure consistent federal funding and streamline the funding process for communities like Denver that are working hard and fast to provide housing and supportive services to our homeless community. In my endorsement, I join with the U.S. Conference of Mayors, which recently passed a resolution endorsing the Samaritan Initiative budget proposal for new resources, as well as many individual Mayors and several leading advocacy groups for the homeless.

I also must state my strong belief shared with other mayors that funding for this initiative must be *new* and additional funding. We cannot afford to supplant federal funding currently earmarked for existing housing and homeless programs that are critical to our cities. The Samaritan Initiative is complementary to, not a substitute for, core homeless programs and Section 8 vouchers, which are essential for assuring that permanent affordable housing is available for the rest of the homeless population, including families and children.

That assured, I am confident that the Samaritan Initiative would help Denver and other cities across the country by:

1. Providing new and sustainable funding resources to help reduce the number of chronically homeless persons on our streets and in our shelters by more effectively delivering housing and supportive services for this hardest-to-serve population.
2. Allowing us potential savings from our city budgets of money that is now spent on emergency medical care, hospitalization, and law enforcement costs related to chronic homelessness.
3. Helping to implement other elements of our 10-year plans by fostering increased collaboration among stakeholders at the local level and providing cost-effective models for integrating housing and services.

4. Reducing administrative burdens and funding uncertainties through a streamlined application and grant process.
5. And most importantly, improving access for chronically homeless persons to housing, primary care, substance abuse and mental health treatment, and various other mainstream benefits and services that can really lead them to the stability, recovery and self-sufficiency that they deserve.

Thank you for your attention today, as well as for your support of Denver and other communities as we work with you to end homelessness.