



Address Homelessness in Louisville by Funding Solutions: December 2022 Draft

The Coalition for the Homeless was founded in 1986 as the result of a task force the city assembled to mount a response to a stark reality: unhoused Louisvillians were dying on our streets. Thirty-six years later, Louisville is facing acute street homelessness in a post-COVID landscape. Our shelters are full, and our city is short 31,000 units of affordable rental housing for the poorest Louisville families.

So what should our city do to address this pressing crisis, compounded by decades of federal inaction? How can we be sure that our efforts are strategic, evidence-based, and results-driven—and actually meet the needs of our neighbors and neighborhoods alike?

In April 2022, the Coalition [released a report](#) about the alarming 41% increase in homelessness between 2018 and 2021—and an astounding 4,800% increase in the number of people seeking services other than shelter in that same period of time. In addition to gathering and analyzing data, we included four sections of recommendations for our city to prioritize through funding and legislation: housing, shelter, medical assistance, and a coordination of our community response.

Since April, we have focused on creating more detailed recommendations as part of a comprehensive, robust plan to address homelessness and respond to the community's concerns. In order to address this crisis, it is imperative that we identify a reliable source of annual funding locally. While we are still exploring recommendations regarding the source, we have considered that an increase to the insurance premium tax and/or to property taxes could decisively address these issues for generations to come.

Our recommendations:

1. FUND AFFORDABLE HOUSING. Unfortunately, the federal government has neglected to sufficiently fund affordable housing for decades across the country, creating a shortage of 31,000 units of housing for the poorest Louisvillians. Housing is the solution to homelessness, which Mayor-Elect Greenberg understands well; he set a bold goal of building 15,000 new units of affordable housing during his first term. Louisville Metro Council allocated a historic \$72 million of federal American Rescue Plan dollars toward affordable and permanent supportive housing, which will create hundreds of new units over the next two years.



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We must build on that federal investment with local dollars and fund the creation of at least 1,000 units of affordable housing for extremely low-income Louisvillians¹ every year for 25 years. To achieve this, the Louisville Affordable Housing Trust Fund—established in 2008 with no revenue stream—should be funded \$50 million annually through the city, and we must engage the business community to make generous donations to the fund. With those investments, we'll be able to leverage federal funds for the remaining \$125-\$150 million (through Federal Home Loan Bank, Low-Income Housing Tax Credits, HOME funds, etc), as well as to leverage Continuum of Care funding for services and operations (coordinated by the Coalition for the Homeless).

2. REDUCE EVICTIONS. Once people are housed, it is critically important to give them the resources they need to maintain their housing and avoid eviction. To maintain Louisville's remarkable 50% reduction in evictions following changes made during the COVID-19 pandemic, we must continue to dedicate \$10 million a year toward eviction prevention. These funds would support mediation and assistance for tenants' rent, utilities, and legal counsel (through an expansion of the Right to Counsel ordinance). This could also be funded through a tax increase and supplemented by general funds as well as an increase in eviction filing fees.

3. ESTABLISH RIGHT TO SHELTER. Louisville's homeless shelter system currently has about 750 shelter beds, and with only 80 spaces of emergency shelter for families. This system has been underfunded and overwhelmed for years. On any given night, over 1,000 people experience homelessness, with over 10,000 people seeking shelter or services in a year. Our country created the shelter system to address homelessness in the short-term, and as it is, our shelters offer mostly congregate sleeping arrangements overnight only, offering very little privacy or stability. However, the unmet needs of people using this system—combined with the lack of affordable housing—have led to increased lengths of homelessness and more people sleeping outdoors or in their cars.

Shelter not only improves the lives of those who are waiting to access housing, but it also makes it easier to find and assist those who need to navigate housing access, decreasing lengths of homelessness. The Coalition for the Homeless recommends Louisville Metro Council pass and fund a Right to Shelter ordinance, which would ensure that every unhoused Louisvillian had access to a shelter option that meets their needs—including new non-congregate, low-barrier shelters—to keep everyone safely off the streets.

¹ HUD defines "extremely low-income" as households making 30% of Area Median Income: \$22,000 for a Louisville family of three.



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Our early estimates are that Right to Shelter would require a year-one investment of \$8 million for the purchase of 200 hotel rooms to provide a non-congregate option—also ideal for families—plus operating costs of \$11.2 million per year to ensure safety, access to services, and case management. This also could be funded through an increase in the insurance premium tax (or other source), with Continuum of Care supplementing for operating funds, in addition to general city funds and the generosity of local foundations and donors.

4. FUND MEDICAL RESPITE PROGRAM. Medical respite programs offer hospitals an alternative to either keeping homeless patients longer than medically necessary or discharging them to the street or shelters that aren't equipped to support their recovery. While shelters may require people to vacate the premises during the day, medical respite programs offer a supportive environment for people experiencing homelessness to recover during a stay that may last from two weeks to 90 days.

We are working with Norton Healthcare, Family Health Centers, and other local medical experts to develop a first-year estimate for development, but estimate that ongoing operations would cost \$7.5 million a year, which would cover both the creation of a new 24-hour nursing facility integrated with hospitals (including dual-diagnosis assessments and response, crisis assessment, and referrals) in addition to maintenance of the Family Health Centers' existing respite program.

5. FUND ADDICTION RECOVERY. Many unhoused people face addiction issues, and Louisville has insufficient resources to meet the great need for addiction recovery. We strongly believe in the Housing First model, which says that we should move people directly into housing, and afterward, provide them with resources for managing their addiction issues. With an investment of \$5 million a year, funded through the opioid settlement and Medicaid reimbursement, Louisville could establish medically assisted treatment, Naloxone, dual diagnosis services, basic needs assistance, outreach, and transportation services needed to meet people where they are.

6. FUND MENTAL HEALTH SERVICES. Louisville has many service providers working hard to provide mental health services, and with more funding, we could significantly expand access to critical services such as these. With \$2.5 million annually from a combination of general funds and Medicaid reimbursement, we could create a drop-in health facility and further fund the ACT Team (Assertive



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Community Treatment) to help patients with severe mental illness to avoid inpatient hospitalization and provide ongoing mental health services.

In summary, the problem of homelessness in Louisville is one created by a lack of sufficient federal funding—but with the right vision and investment, it's one we can solve locally with local dollars. With a collaborative, evidence-based approach, we can invest boldly in affordable housing, eviction prevention, Right to Shelter, medical respite, addiction recovery, and mental health services—and change the lives of tens of thousands of Louisvillians facing homelessness. Please contact Natalie at nharris@louhomeless.org, George at geklund@louhomeless.org, or Catherine at cmcgeeney@louhomeless.org with any questions or for more detailed information regarding these estimates or the needs identified above.