Cannabis and Homelessness: Fact vs. Fiction

ICR Conference: April 27, 2018

Donald W. Burnes, PhD

Burnes Center on Poverty and Homelessness
Presentation Focus

- What is homelessness?
- Some statistics about homelessness, locally, state-wide, and nationally
- Relationship between cannabis and homelessness
What is homelessness?

Literally being without a home
What is a home?

Think about that for a minute.

“Home is a safe, secure, stable place to be, a sanctuary, a place to keep my stuff.”
Other Parts of a Definition

- Having some autonomy
- “No place I’d rather be.”
- “My Home is my Castle”
- Sense of community
- Networks of support
Definition of homelessness

HUD Definition
- Unsheltered
- People in shelters
- People in transitional housing
- People in Motels paid by agency

Dept of Education
- All of the Above
- People doubled up, couch surfing
Definition of Homelessness

What difference does the definition make?

- By HUD definition, 250,000 school-aged children experiencing homelessness

- By ED definition, 1,300,000 school children experiencing homelessness

- CO Dept of Education: 2016-17 data, Fact sheet updated, March, 2018
Over the past 35 years, little change in overall numbers of people experiencing homelessness
Negative Stereotypes: Street People

Panhandlers, Drunks, Drug Addicts, Mentally Ill

“The Undeserving Poor”

These are the visible ones, but 15-20%

Derived from various demographic studies and PIT data
Most of those without homes are invisible:

- Mothers with children
- Youth exiled by parents
- Some veterans
- Some who are suffering from mental illness
School Children

In CO: \textit{22,000}\textsuperscript{*}

In Pueblo’s districts: \textit{1,618}\textsuperscript{**}

Living doubled up or in shelters or in cars

\textsuperscript{*}CO Dept of Education: 2016-17 data, Fact sheet updated, March, 2018

\textsuperscript{**}2015-16 USDE Data Submission for McKinney Vento Education & Youth Program
For every family without a home and a school child, a child under 6 and a parent.

Some such families have more than one school child. Therefore, multiply number by 2 1/2.

Doesn’t include single adults or older youth.

Could mean as many as 60,000 to 65,000 people experiencing homelessness in CO.

Could mean as many as 5-6,000 in Pueblo.
## Data About Homelessness (Using USDE Data)

<table>
<thead>
<tr>
<th></th>
<th># School children</th>
<th># PEH in Families (x2.5)</th>
<th>Total #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>2,519</td>
<td>6,298</td>
<td>8-10,000</td>
</tr>
<tr>
<td>Metro Area</td>
<td>14,053</td>
<td>35,132</td>
<td>40-45,000</td>
</tr>
<tr>
<td>Pueblo*</td>
<td>1,618</td>
<td>4,045</td>
<td>5-6,000</td>
</tr>
<tr>
<td>Colorado</td>
<td>22,000</td>
<td>55,000</td>
<td>60-65,000</td>
</tr>
<tr>
<td>US</td>
<td>1,304,803</td>
<td>3,262,007</td>
<td>3.5 – 4,000,000</td>
</tr>
</tbody>
</table>

*National Center for Homeless Education, Dec 2017

*2014-15 data
Pueblo County Homelessness

Posada – 7,880 in 2016

600+ people increase in homelessness in Pueblo city

Pueblo County Homelessness cont.

- 2016 PIT Data: 204 people in emergency shelters or transitional housing
- 25 chronically homeless
- 14 veterans experiencing homelessness

Data does not include people who were unsheltered

What causes homelessness?

Why do people end up without homes?
People experiencing homelessness are: Lazy, crazy, drunks, addicts, bad choices

If this is correct, why are there so many more people with housing who are alcoholics, addicts, mentally ill?

Who among us has never made a bad decision?
Personal Causes vs Systemic Causes

Real difference between those in houses and those without houses is: Lack of resources

Why do some people lack resources?
Deficit of about 8 million units of housing

Every state would have to create 160,000 units overnight to eliminate deficit

“The Gap: A Shortage of Affordable Homes,” Nat’l Low Income Housing Coalition, March, 2018; 2017 Annual Homeless Assessment Report to Congress; Interview with SchoolHouse Connection, March, 2018
Housing as a percentage of annual income for housing consumers

Top 20%: 19% of $153,300 on housing; $125,000 for everything else

Bottom 20%: 87% of $10,100 on housing; $1,000 for everything else

Food, clothing, health and child care, transportation, etc.

Nat’l Alliance to End Homelessness, 2013
Another indication of resources is what is called the “housing wage,” i.e. how much of an hourly wage it would take to afford an average 2-bedroom housing unit (different from “living wage”).

In Denver, $25.10/hr.
In City of Boulder, over $50/hr.

“Out of Reach: The High Cost of Housing,” Nat’l Low Income Housing Coalition, 2017
The Housing Wage in Pueblo

Housing Wage: $15.04/hour ($31,280) for a two-bedroom unit

30% of Area median Income: $15,180

In Colorado, minimum wage is $10.20/hr.

To afford an average 2-bedroom unit in Denver metro, a person needs to work about **two and one-half full-time jobs at minimum wage**

In Boulder, a person needs to work almost **five full-time jobs at minimum wage**

In Pueblo, about **one and a half full-time jobs**
Rising Rents

Between 2005 and 2015,

- # of homes renting for more than $2,000/mo. up 97%
- # of homes renting for less than $800/mo. down 2%
- 6.7 million new rental units, but decline of 260,000 under $800/mo.

“The Gap: A Shortage of Affordable Homes,” NLIHC, March, 2018
Available and Affordable Units

In Denver metro, deficit of over 61,000 for people at or below 30% of area median income
25 units per 100 households

In Colorado, deficit of almost 128,000 units
26 units per 100 households

In the US, deficit of almost 7,260,000 units
35 units per 100 households

“The Gap,” NLIHC, March, 2018
Cannabis and Homelessness

- Increase in homelessness and legalization of cannabis: Data do not support a correlation

- 2014 PIT Report (year cannabis was legalized): only 18.9% of individuals reported substance abuse as cause of homelessness
Lost job/can’t find work, housing too expensive, relationship/family breakup were top 3

MDHI 2014, 2016 PIT Reports
<table>
<thead>
<tr>
<th>Year</th>
<th>No.</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>638</td>
<td>13%</td>
</tr>
<tr>
<td>2012</td>
<td>764</td>
<td>14%</td>
</tr>
<tr>
<td>2013</td>
<td>830</td>
<td>15%</td>
</tr>
<tr>
<td>2014</td>
<td>552</td>
<td>18%</td>
</tr>
<tr>
<td>2015</td>
<td>659</td>
<td>17%</td>
</tr>
<tr>
<td>2016</td>
<td>606</td>
<td>18%</td>
</tr>
<tr>
<td>2017</td>
<td>693</td>
<td>19%</td>
</tr>
</tbody>
</table>

MDHI, PIT Reports
Anecdotal Reports

- Some service providers claim that increases in PEH migrating to CO is because of legal recreational cannabis

- Cannabis industry officials may be using cannabis money to invest in real estate, thus driving up the cost of housing
Conventional wisdom about cannabis and homelessness reinforces negative stereotypes about those experiencing homelessness.
Taxes: Where the Money Comes From

• Excise Tax rate is 15% on recreational marijuana only

• Retail Marijuana Sales Tax rate increased from 10% to 15% on July 1, 2017 on recreational marijuana only

• State Sales Tax rate of 2.9% now only applies to marijuana accessories (products that do not contain marijuana), medical marijuana, and medical marijuana products

• Marijuana application and license fees for businesses
## Revenue Thus Far

<table>
<thead>
<tr>
<th>Year</th>
<th>Excise Tax</th>
<th>Retail Marijuana Sales Tax</th>
<th>State Sales Tax</th>
<th>License and Fees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$11,375,269</td>
<td>$26,892,567</td>
<td>$17,834,803</td>
<td>$11,491,688</td>
<td>$67,594,323</td>
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<tr>
<td>2015</td>
<td>$33,417,833</td>
<td>$55,616,540</td>
<td>$26,968,987</td>
<td>$14,407,811</td>
<td>$130,411,173</td>
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<tr>
<td>2016</td>
<td>$59,420,537</td>
<td>$83,750,123</td>
<td>$36,448,957</td>
<td>$13,985,195</td>
<td>$193,604,810</td>
</tr>
<tr>
<td>2017</td>
<td>$71,965,028</td>
<td>$131,512,818</td>
<td>$30,536,901</td>
<td>$13,353,727</td>
<td>$247,368,473</td>
</tr>
<tr>
<td>2018 (Jan &amp; Feb)</td>
<td>$5,619,025</td>
<td>$27,262,053</td>
<td>$2,131,557</td>
<td>$2,047,386</td>
<td>$42,816,302</td>
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<tr>
<td>Projections for 2018</td>
<td>$68,251,836</td>
<td>$163,572,318</td>
<td>$12,789,342</td>
<td>$12,284,316</td>
<td>$256,897,812</td>
</tr>
</tbody>
</table>
Different Question

The question whether legalized Cannabis leads to more homelessness is the wrong question.

If it does, eliminate cannabis; however, cannabis here to stay, because of revenue.

Therefore, if it does, how should we mitigate the effects of the increase and provide housing and services?

If it does, should more of revenue go to addressing homelessness?
Real question is: how should cannabis tax revenue be best spent?

- More on education
- In General Fund
- On homeless services and affordable housing
- On infrastructure and transportation
- Other needs
Because local communities have considerable flexibility, should they be encouraged to raise additional local cannabis taxes specifically for homeless services, like Aurora?