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Economic Impact of Homelessness and Housing Needs Assessment

City of Wichita and Sedgwick County | February 2025

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Acknowledgments

The Public Policy and Management Center (PPMC) would like to thank the City of Wichita and Sedgwick County for their leadership in requesting this research and for several employees of these organizations who provided data, participated in interviews, and shed light on the breadth of the work being done in both organizations. The PPMC would also like to thank the numerous nonprofit leaders and private sector business owners and representatives who shared their time, wisdom, and data to this research. The work once more demonstrates that homelessness is a community issue and can only be researched and resolved through a community response.

Disclaimer

This study was conducted by the PPMC at Wichita State University. The PPMC is an independent research body unaffiliated with Sedgwick County or the City of Wichita. The PPMC prepared the report using data collected from external sources. The findings assume that the data received from external sources are accurate. The findings represent the findings, views, opinions, and conclusions of the PPMC alone. The report does not express the official or unofficial policy of Wichita State University.

Caution

The PPMC collected data for this study and was entrusted with their appropriate use. The data and financial cost associated with the data should not in any way be utilized to determine optimization of resources, impact of services, or duplication of services. The data collected only represents the dollar amounts spent and provides a foundation for understanding the financial implications. However, additional research, additional data collection, and integration of data would be needed to understand impact of services and resources. Hopefully, this work will serve as a starting point for future efforts.

Executive Summary

Key Findings: Economic Impact of Homelessness

- The lack of standardized tracking mechanisms and definitions of homelessness-related services across departments significantly hampers accurate measurement of total economic impact.
- Areas with higher concentrations of homelessness face systemic insurance market challenges, often forcing businesses into secondary markets with higher premiums and reduced coverage.
- Public departments report shifting operational priorities and developing new response protocols to address growing homeless-related service demands.
- Emergency services dedicate substantial resources to homelessness response, with multiple departments reporting significant amounts of staff time allocated to these issues.
- Nonprofit organizations manage complex funding streams with significant gaps between available funding and service needs, particularly in healthcare provision.

Key Findings: Housing Needs Assessment

- The housing market shows significant misalignment at both ends of the income spectrum—shortages for very low-income renters and high-income owners.
- Under conservative estimates, suppressed household formation accounts for at least 2,600 potential new households, predominantly among adults aged 18-34.
- Single-person households and large households may face the most significant challenges in finding quality affordable housing.
- Housing quality varies substantially within neighborhoods, even as overall quality levels remain similar across areas.

Motivation and Background

The Public Policy and Management Center (PPMC) at Wichita State University conducted this research to quantify the economic impact of homelessness across public, private, and nonprofit sectors in Wichita and Sedgwick County. This study responds to growing community concern about homelessness and its broader economic implications, particularly following the establishment of the Wichita/Sedgwick County Homelessness Task Force in January 2023.

The research addresses a critical gap in understanding how homelessness affects local economic systems beyond direct service provision costs. While previous studies have typically focused on public health and emergency service expenses, this analysis provides a more comprehensive examination of economic impacts across sectors. This broader approach will help inform policy discussions about resource allocation and intervention strategies.

National context underlies the local importance of this research. The National Alliance to End Homelessness reports record-high homeless counts nationally, with a 12.1 percent increase in 2023 and growing numbers of first-time homeless individuals. Local data from the United Way of the Plains indicates similar challenges, with 691 individuals identified as homeless in the 2024 Point-In-Time Count, a 25 percent increase in unsheltered individuals compared to 2023.

Methods

The PPMC used a "lower bound" approach to cost estimation, providing conservative figures that likely understate total economic impact but offer defensible baseline measurements.

Additionally, the study employed a mixed-methods approach to data collection and analysis, utilizing both quantitative and qualitative techniques across three sectors:

- **Public Sector:** The PPMC collected data through formal requests to City and County departments, focusing on call volumes, response times, staff allocation, and direct costs. Where formal tracking mechanisms didn't exist, researchers conducted interviews with department representatives to estimate resource allocation and document emerging response patterns.

- **Private Sector:** The team conducted semi-structured interviews with 13 business owners in Downtown, Old Town, and Delano areas, using snowball sampling to identify participants. These interviews explored various types of economic impact, including direct costs, indirect costs, and broader business implications.

- **Nonprofit Sector:** The PPMC gathered financial data from major service providers and funders, analyzing both service delivery costs and funding streams. This included an examination of federal grants, local philanthropic support, and uncompensated care figures.

Housing Assessment: The team explored housing using three distinct methods that looked at supply and demand using data from the United States Census Bureau's American Community Survey. The PPMC also conducted focus groups and interviews with several stakeholders, including real estate professionals and area builders.

Findings

The research reveals substantial economic impacts across all three sectors, with notable patterns in resource allocation and cost distribution. *Table 1* summarizes the economic impact across the public, private, and nonprofit sectors. These represent estimates for a single year.

Table 1: Total Impact Across the Public, Private, and Nonprofit Sectors

Area	Dollars
Public	$11,316,363
Private	$35,700
Nonprofit	$8,914,042
Total	**$20,266,105**

Public sector findings demonstrate significant allocation of emergency service resources, with multiple departments reporting substantial staff time dedicated to homelessness response. Beyond emergency services, departments like code enforcement and parks maintenance report increasing resource demands and operational adjustments to address homelessness-related issues.

Private sector analysis reveals multiple categories of economic impact on businesses, particularly in high-traffic areas. Direct costs include property repairs, security measures, and cleanup expenses, while indirect costs emerge through insurance challenges and potential revenue losses. The geographic concentration of these impacts suggests potential long-term effects on neighborhood economic development.

Nonprofit sector data indicate substantial investment in service provision, with organizations managing complex funding streams and growing service demands. The gap between available funding and service needs, as demonstrated by uncompensated care figures, suggests systemic challenges in meeting community needs.

The housing models indicate potential challenges for small and large households. Additionally, a significant number of adults live with nonrelatives. These are individuals who might form independent households under different market conditions.

Limitations

Several key limitations affect the interpretation of these findings. Data collection faced challenges from inconsistent tracking mechanisms across departments and varying reporting periods (quarterly versus annual). The lack of standardized definitions for homelessness-related service provision complicates cross-department comparisons and total cost calculations.

The geographic focus on specific business districts, while practical, may underestimate impacts in other areas. Additionally, the reliance on snowball sampling for business interviews may not capture the full range of private sector experiences with homelessness impacts.

The study's focus on current direct costs may underestimate longer-term economic effects, particularly in terms of neighborhood development and business district vitality. The mix of quantitative and qualitative data also creates challenges for developing precise total cost estimates.

Next Steps

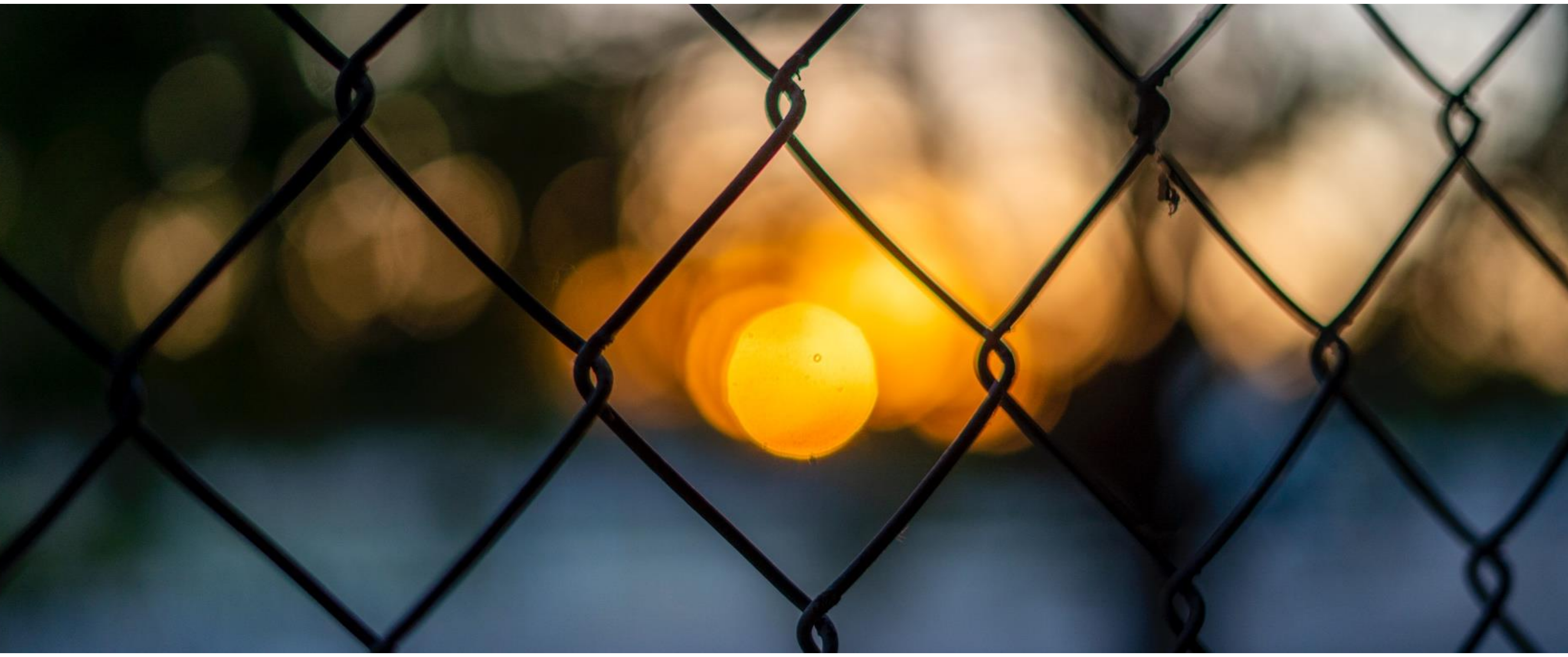
The research suggests several important directions for future investigation and system improvement:

- **Development of an Integrated Data System:** Implementation of standardized tracking mechanisms across departments would support better understanding of service utilization patterns and total economic impact. This includes establishing common definitions of homelessness-related service provision and consistent reporting periods.

- **Expanded Business Impact Analysis:** The qualitative findings from business interviews could inform development of a comprehensive survey instrument to quantify private sector impacts across a broader geographic area.

- **Enhanced Cost-Tracking Mechanisms:** Future research would benefit from development of standardized approaches to measuring both direct and indirect costs across sectors, including long-term economic effects on neighborhood development and business viability.

These findings provide a foundation for understanding the economic impact of homelessness in Wichita and Sedgwick County. While the study's conservative approach likely understates total impact, it establishes clear evidence of substantial costs across all sectors and suggests important directions for both policy development and future research.



Introduction

For the past two years, the Public Policy and Management Center (PPMC) at Wichita State University has been providing project management, facilitation, and research support to the Wichita/Sedgwick County Homelessness Task Force (Task Force). While the Task Force readily recognizes the human and social impact on residents experiencing homelessness or housing insecurity, there is also an economic or financial impact on public services, businesses, and nonprofit organizations. As part of the funding subcommittee of the Task Force, the PPMC was asked to identify the economic impact of homelessness on the Wichita/Sedgwick County community.

In addition, the housing committee of the Task Force has struggled to identify an accurate assessment of housing needs in the Wichita/Sedgwick County Community. To determine the existence and magnitude of a shortage in affordable housing, the PPMC has utilized different methodologies combining both quantitative and qualitative approaches. In addition, the PPMC research approach has attempted to understand the nature of local housing shortages. The housing study provides a foundation for the data required to explore establishing a Reinvestment Housing Incentive District (RHID) within the City of Wichita.

Statement of the Research Questions

The PPMC has attempted to address two specific research questions:

a) What is the economic impact of homelessness in the City of Wichita and Sedgwick County?

b) Is there a shortage of quality housing in the City of Wichita and Sedgwick County?

Significance of the Economic Impact Research

The PPMC research on the economic impact of homelessness explores the economic impact on public, nonprofit, and private sectors. The purpose of this work is to provide policymakers, stakeholders, and community members with an understanding of the economic cost and impact associated with homelessness in Wichita and Sedgwick County. The calculation of the economic cost also includes the opportunity costs and other intangible costs that are often overlooked.

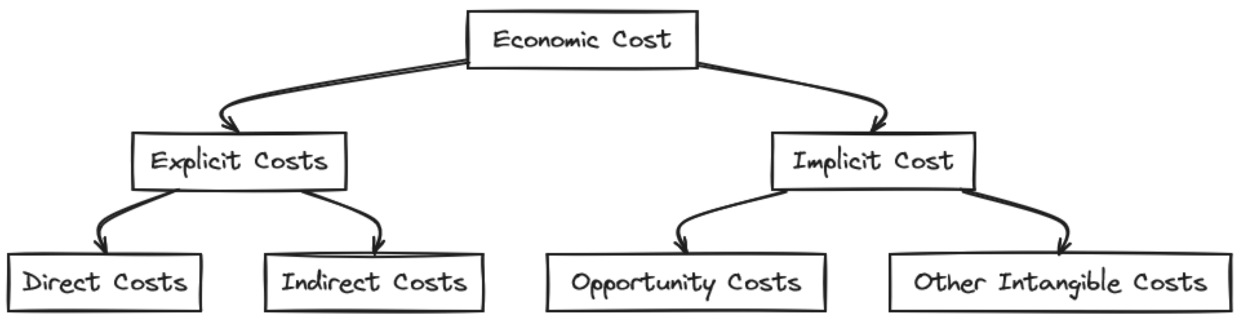
Opportunity Costs: The value of the alternative uses of resources that are foregone when those resources are allocated to addressing homelessness. In other words, what else could we have done with the time, money, and resources currently being used? Examples within this report include:

- Wichita Police Department dedicated more than 6,600 hours to homelessness calls in 2024. This is equivalent to more than three full-time officers who are responding to these calls instead of doing other police work
- MABCD inspectors in some geographic areas spend an estimated 75 percent of their time on homelessness issues rather than standard inspection efforts

Intangible Costs: Costs that are real but difficult or impossible to quantify in monetary terms. These often include social, psychological, and quality-of-life impacts. Examples within this report include:

- The impact of “high crime” area designations on insurance markets, and related challenges
- The impact of homelessness on public spaces and recreational areas

Figure 1: Economic Cost Breakdown



For this foundational work to establish a baseline cost, the PPMC approached the estimate with a lower bound approach. A lower bound approach establishes a conservative estimate, or a minimum estimate, of resources utilized in homelessness response. The findings from this study provide a first attempt to provide financial benchmarks for the impact of homelessness for nonprofits and local governments, as well as qualitative information that provides a greater understanding of the impact this has on service delivery.

In private sector analysis, only qualitative research was collected, with few case studies that provide financial examples. However, the research collected from the private sector provides a framework for additional quantitative research in the future. Finally, the economic impact research in all the sectors helps to identify explicit costs in private and nonprofit sectors, as well as overall opportunity costs and intangible costs.

The research is significant in that it provides a lower bound, or conservative estimate, of the economic impact homelessness has on our community.

As policy makers consider interventions through programming and facility investments, this research provides a baseline to understand if these interventions are having the intended impact on the use of resources. However, it is important to note this research is most beneficial by developing ongoing data collection. Through integrating data, decision makers will be able to be able to determine impact of public and nonprofit resources.

Significance of the Housing Research

Previous housing studies usually were done for specific target populations, such as affordable housing, or housing for these experiencing homelessness or housing insecurities, or for specific lifestyles (age, entry, etc.). This study takes a more comprehensive view and uses a mixed methodology approach to provide an overall framework for examining housing needs. Consideration is given to housing safety (condition and adequacy) and sustainability (stability and affordability) within the City of Wichita.

The research is significant in that it provides a framework for policymakers and stakeholders to address housing needs of the community through multiple approaches. Meaning, policy and programs to address housing for those experiencing homelessness are different for those who are renting or co-habiting and are trying to afford to purchase a home. Through the framework the PPMC has developed, several potential programming or policy needs can be explored.

Summary of the Main Findings

As anticipated, substantial public funds and resources are used in addressing the needs and impacts of homelessness in the local area, and this study provides preliminary calculations of identified expenditures through the lower bound approach. The qualitative aspects of this research, particularly through interviews with local businesses and some local government departments, provide early insight into many unanticipated impacts of homelessness.

Research into housing goes beyond a straightforward units-based approach and considers housing alignments and potential optimizations. Additionally, this research introduces considerations for how to optimize housing options so that households at any income level are able to secure a housing unit that is both safe and provides housing stability.

Background

In the spring of 2022 at an en banc presentation to the City of Wichita and Sedgwick County, the Mental Health and Substance Abuse Coalition (Coalition) provided an update on its strategic plan. Due to the correlation between mental health and substance abuse and homelessness, the Coalition was also asked to provide recommendations to address the growing population of people experiencing homelessness in downtown Wichita. The Coalition engaged several stakeholders to develop initial steps to address the gaps in the local response for people experiencing homelessness in our community.

One of the key recommendations was to establish a community-wide Homelessness Task Force (Task Force). The unique and growing needs of people experiencing homelessness requires a comprehensive approach, currently being developed through the dedicated and targeted work of the Task Force.

In January 2023, the first meeting of the Homelessness Task Force was held, with representation from several key stakeholder groups: nonprofit service providers, veterans, people with lived experience, City of Wichita, Sedgwick County, health clinics, business community, faith community, Wichita Public Schools and landlords or property owners.[1] The Task Force is committed to creating a community response to a community challenge.

National Perspective

Wichita/Sedgwick County is not unique in the growing concern of increased homelessness. According to the National Alliance to End Homelessness, there are several indicators of the overall increase of people experiencing homelessness in our country:

- **Record-High Homeless Counts.** A record-high 653,104 people experienced homelessness on a single night in January 2023. This is more than a 12.1 percent increase over the previous year.

- **More People Than Ever Are Experiencing Homelessness for the First Time.** From 2019-2023, the number of people who entered emergency shelter for the first time increased more than 23 percent.

- **Record High Numbers of People Living Unsheltered, Especially Among Individuals.** In 2023, a record high 256,610 people, or 39.3 percent of all people experiencing homelessness, were unsheltered (*State of Homelessness: 2023 Edition*, 2023).

Point-In-Time (PIT) Count information released by the U.S. Department of Housing and Urban Development (HUD) from the January 2024 count date shows a national trend of sustained increases, with more than 770,000 people experiencing homelessness on a single night, for an additional 18% increase over 2023's record-setting numbers. However, the report also found that:

[1] See https://www.wichita.gov/HTF for additional information about the work of the Task Force.

> Through targeted funding and interventions that utilize evidence-based practices, homelessness among veterans dropped to the lowest number on record. There was a nearly 8% decrease – from 35,574 in 2023 to 32,882 in 2024 – in the number of veterans experiencing homelessness, (*State of Homelessness*, 2024).

Local Perspective

The Coalition to End Homelessness at the United Way of the Plains conducts the local Point-In-Time Count. The following is the summary of the 2024 report:

- **Local Numbers of the PIT Count:** "In Wichita and Sedgwick County, KS, 691 persons were identified as homeless (those living in emergency shelter, transitional housing, safe haven, or places not meant for human habitation**,** such as in cars or on the streets)."
- **Overall Decrease:** "The total number of homeless persons decreased by 12 persons, or a 1.5% decrease when compared with 2023." * (See report for influences on the annual count.)
- **More Unsheltered**: "Of the 691 individuals identified as homeless, 188 or 21% were unsheltered. This was an increase of 25% over those counted as unsheltered in 2023."

Characteristics of the Local Homeless Population

There is significant collaborative work being undertaken across the Wichita-Sedgwick County Community. This report focuses on the economic impact of people experiencing homelessness in our community. However, this economic impact study only represents a specific subset within the population of people experiencing homelessness or housing insecurity.

Many of the descriptions within this report of people experiencing homelessness reflect the portion of the local homeless population that is unsheltered or in shelters, transitional housing, or other intermediary situations that bring them into contact with the public, nonprofit, or private sectors.

This is in alignment with the nature of the research, which focuses on impacts of local homelessness through the data and experiences reported by these sectors.

Public sector employees said challenges such as mental illness, job loss, substance abuse, or unaffordable housing costs can all factor into loss of stable housing. Specific cases cited began with events such as a job loss or house fire. Employees noted that once people have fallen on hard times they may struggle to overcome barriers, such as hygiene or transportation, that allow them to get back on their feet. An initially temporary situation can evolve into chronic homelessness as months and years go by.

Public sector employees across many departments are actively involved in outreach and trust-building efforts. One law enforcement officer said it can take dozens of interactions and offers of resources before assistance is accepted, and an employee of Sedgwick County Animal Control said often they are most able to offer hope to people experiencing homelessness through meeting a pet’s needs.

Mental health challenges also can lead to housing instability or homelessness, and individuals experiencing mental health challenges may isolate or differentiate as their situation progresses. For these individuals, there can be a sense that an encampment or network is a like-minded community, and hierarchies often develop within these connections.

Some networks of people experiencing homelessness turn to criminal activity. Law and code enforcement staff described frequent encounters with theft, criminal vagrancy, and other illegal activity associated with unsheltered homelessness. One staff member said a recent fire in a vacant commercial structure revealed a setup like an unauthorized homeless shelter, complete with a scrapping operation. Occupancy of vacant structures, whether residential or commercial, by squatters and vagrants can leave buildings stripped, burned, with fecal matter, and otherwise in poor condition.

Encampments often are filled with stolen items and sometimes feature fairly sophisticated set-ups with generators, furniture, and televisions. Staff described this portion of the local homeless population as “industrious” but cautioned that those who are involved in criminal activity are not likely to access public resources such as the emergency winter shelter or multi-agency center.

It is common for people experiencing homelessness to shelter near existing structures or resources where they are able to access electrical, water, and sewer services from nearby houses or facilities. Within Wichita city limits, people experiencing homelessness tend to shelter in sheds and outbuildings, vacant structures, tents or temporary shelters, campsites, vehicles, RVs, campers, and pallet lean-tos. Some of these shelters have life-safety issues, such as use of generators, running electrical service from nearby structures, or use of chimineas inside of structures, which can cause fires. In unincorporated parts of Sedgwick County, many people experiencing homelessness live in vacant units or vehicles, such as RVs or campers, or in vacant houses. Parts of rural Sedgwick County are very remote, so it can be difficult to locate people in areas where access is limited, such as camping under rural bridges.

Some people experiencing homelessness embed in a particular encampment, even becoming established enough that staff have observed “no trespassing” signs on these shelters. Others migrate based on time of year and services available, alternating between the downtown core and service access in the winter and campgrounds or other out-of-the way spaces in the warmer months. Multiple public sector employees observed seasonal outbound movement to the suburbs and unincorporated parts of the county. Some also noted a greater interstate migratory component to homelessness that is observable by season and in the wake of disasters in other parts of the country.

Progress and Potential

There are several nonprofit providers, local government departments, and faith networks that have and continue to work diligently to provide services to those experiencing homelessness. The work of the Task Force has brought together all sectors of our community, with more than 80 people actively involved in committees, to work on the multifaceted challenges of homelessness and housing insecurity. The Coalition to End Homelessness has made tremendous strides in its daily work to meet the needs of individuals. The commitment from the City of Wichita to the multi-agency center, a one-stop, year-round service hub dedicated to moving people from unsheltered to housed, is a significant development. And the work will continue.

This research recognizes the impact of homelessness will always be about the human experiencing this situation or conditions. The work, programs, and policies should always have the care of others as the primary focus. This research is supplementary regarding the economic impact on all sectors. The research is intended to provide insight into how resources are currently being used and how policies, programs, and other interventions can better utilize resources in the future.

Finally, housing is a key part of the solution to homelessness. This study explores housing affordability and the broader housing environment in Wichita and Sedgwick County. This report acknowledges adequate affordable and safe housing as the priority component for homelessness solutions.

Review of Previous Research

Key Findings

- A small subset (10 to 20 percent) of the homeless population accounts for most service costs and dominates research focus, leaving a significant knowledge gap about costs associated with the remaining 75 to 80 percent of the population.
- The relationship between housing status and service costs is complex and sometimes counterintuitive—people transitioning between homelessness and housing often incur the highest costs due to newly gained access to services, challenging simple cost comparisons.
- Current cost estimates may significantly underestimate the total economic impact of homelessness by focusing primarily on public sector costs (healthcare, emergency services) while overlooking substantial private sector impacts like reduced property values, quality of life costs, and tourism revenue losses.

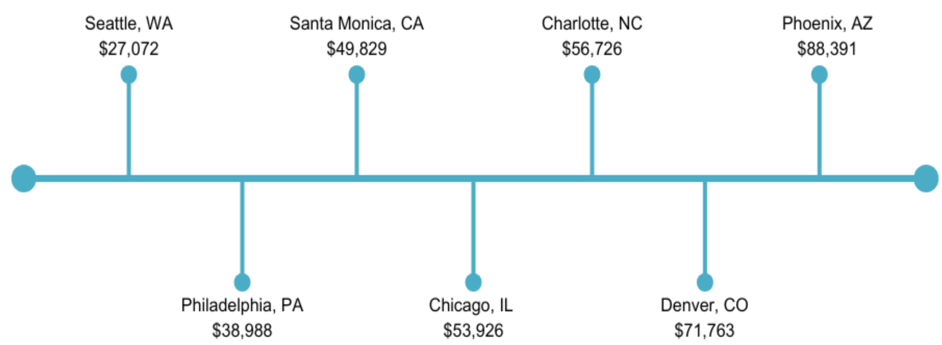
Table contains summary data on the studies that were selected for the review, including the year of publication, type of study, and data source. All amounts have been converted to 2024 USD. *Figure 2* shows results from selected studies, highlighting the different geographic areas represented in the research.

Table 1: Summary Information on the Studies Selected for the Review (amounts in 2024 USD)

Author	Year	Area	Purpose	Design	Data	Costs
Aidala et al.	2013	NA	Cost Effectiveness	Comparison Group	Administrative	$34,348
Barbar et al.	2008	NA	Economic cost	Cross sectional	Administrative	$57,216,963
Basu et al.	2012	NA	Cost effectiveness	Randomized control trial	Administrative	$53,926
Bausch et al.	2021	NA	Cost effectiveness	Comparison group	Administrative	$88,391
Bhandari	2024	NA	Economic cost	Cross sectional	Administrative / Self-report	$803,456,105
Brennan et al.	2020	NA	Cost effectiveness	Comparison group	Administrative	$19,375
Culhane	2008	NA	Economic cost	Cross sectional	Administrative	$77,897
Dellar	2022	EU	Economic cost	Cross sectional	Administrative	$25,449
Flaming et al.	2009	NA	Cost effectiveness	Comparison group	Administrative	$50,621
Fuehrlein et al.	2015	NA	Economic cost	Pre-/post-test	Administrative / Self-report	$21,170
Fuehrlein et al.	2014	NA	Economic cost	Comparison group	Administrative / Self-report	$10,512
Gilchrist-Scott & Fontaine	2012	NA	Economic cost	Cross sectional	Administrative	$11,996
Gouse et al.	2023	NA	Cost effectiveness	Comparison group	Administrative	$13,791
Hunter et al.	2017	NA	Cost effectiveness	Pre-/post-test	Administrative	$49,829
Hwang et al.	2011	NA	Economic cost	Comparison group	Administrative	$13,544
Larimar et al.	2009	NA	Cost effectiveness	Comparison group	Administrative	$27,072
Latimer et al.	2017	NA	Economic cost	Randomized control trial	Administrative / Self-report	Vancouver: $49,519 Winnipeg: $42,457 Toronto: $54,949 Montreal: $52,558 Moncton:

						$27,590
Author	**Year**	**Area**	**Purpose**	**Design**	**Data**	**Costs***
Orange County Grand Jury	2018	NA	Cost effectiveness	Cross sectional	Self-report	Street chronic: $133,279 Street non-chronic: $55,568 Shelter chronic: $77,460 Shelter non-chronic: $34,148
Perlman & Parvensky	2006	NA	Cost effectiveness	Pre-/post-test	Administrative	$71,763
Pleace & Culhane	2016	EU	Cost effectiveness	Cross sectional	Self-report	$59,302
Pomeroy	2005	NA	Economic cost	Cross sectional	Admin-istrative	Institutional response: $97,092 Emergency shelter: $28,710
Poulin et al.	2010	NA	Economic cost	Pre-/post-test	Administrative	Q1: $38,998 Q2: $13,725 Q3: $7,246 Q4. :$3872 Q5: $1153
Raven et al.	2020	NA	Cost effectiveness	Randomized control trial	Administrative	No statistically significant reduction in cost
Rosenheck	2000	NA	Cost effectiveness	Pre-/post-test	Administrative	$12,070
Salit et al.	1998	NA	Economic cost	Comparison group	Administrative	$4,715
Shinn	2014	USA	Economic cost	Cross sectional	Administrative / Self-report	$41,797
Thomas et al.	2014	NA	Cost effectiveness	Pre-/post-test	Administrative	$56,726
van Leerdam	2013	EU	Cost effectiveness	Comparison group	Administrative	$77,196
Zaretzky et al.	2013	Oceania	Cost effectiveness	Pre-/post-test	Self-report	$4,937
Zaretzky et al.	2017	Oceania	Economic cost	Cross sectional	Self-report	$16,740

Figure 2: Results from Selected Studies Showing Location (amounts in 2024 USD)



Identification and Selection of Studies

The PPMC conducted a systematic review of research literature on the economic cost of homelessness. Using a web of science approach, seed articles were identified and searched for other relevant articles meeting the following inclusion criteria. Finally, articles were processed in Google Scholar 'cited by' to identify articles that cited seed articles. This process continued until no more relevant articles could be identified using this method. To be included in this review, articles needed to:

1. Be primarily focused on homelessness or on comparing unhoused to stably housed individuals.
2. Include an analysis that aimed at assigning a specific dollar value to the problem and included specific information about what costs were included and excluded from the analysis.
3. Include a well-defined methodology with external validity.
4. Be available in the Wichita State research databases.

Some articles included other approaches aimed at measuring other outcomes, such as those associated with better health and well-being for individuals exiting homelessness, but for the purposes of this review, only the cost analysis will be considered.

29 articles meeting these criteria were identified to be included in the analysis. Geographically, they are concentrated in North American countries, with 25 studies being in cities located there; four come from European cities, and two from Oceania. Most studies (24) deal with health outcomes, especially for people with chronic physical and/or mental illness, and 17 attempt to relate outcomes such as health to programs that enable people to exit homelessness through housing first and/or supportive housing. Fewer studies (three) attempt to estimate the cost in terms of private sector outcomes such as lost wages or lost revenue.

Literature typically analyzes costs in one of two ways. The first approach, economic cost studies, estimates the actual cost of homelessness to publicly funded entities. 14 of the studies included in this review fall into this category, with 11 from North America, two from Europe, and one from Oceania. Nine of these studies are concerned in whole or in part with health outcomes, and one analyzes the impact of housing the unhoused.

The second approach, cost-benefit or cost estimation studies, estimates the cost impact of programs to reduce the rate of homelessness and/or the time spent out of stable housing or sleeping unsheltered. Sleeping unsheltered produces worse health outcomes than sleeping sheltered, especially among individuals who are chronically ill. Research compares the costs of sleeping unsheltered to the projected or actual cost of intervention programs to determine if homelessness mitigation policies are more cost effective than emergency services interventions.

While often used interchangeably, "Housing First" is a specific approach to providing permanent housing to individuals experiencing homelessness without requiring them to first address issues like substance abuse or mental health treatment. More generic "supportive housing" refers to a broader concept of providing housing alongside ongoing support services to help individuals maintain housing stability, which can include a Housing First model as one way to implement it.

Essentially, Housing First is a key strategy within supportive housing prioritizing immediate access to housing with minimal preconditions, while supportive housing encompasses the ongoing support services offered alongside that housing."

Previous Findings

Most studies on housing insecurity acknowledge the difficulty associated with accurately estimating the cost associated with housing insecurity. Cost estimates typically rely on publicly available data, which limits analyses to outcomes associated with health and emergency services, criminal justice, homelessness services, or some combination of these.

In some cases, researchers have created their own instruments for measuring the economic impact of homelessness using an approach that asks people experiencing homelessness to recall their service usage over a time-limited period, in which case they rely on cohorts of research participants. This approach allows for a longitudinal design and several studies aiming to compare service utilization before and after people exit homelessness use this approach.

Overall, research finds that people experiencing homelessness incur substantial costs. Individuals who experience chronic homelessness, mental illness, and other chronic illness incur the greatest costs. In some cases, this small population can consume over 50 percent of the resources associated with homelessness cost.

Homelessness, Behavioral Health, and Chronic Health Connection

Pomeroy (2005) used a cross-sectional design to measure costs incurred by institutional, emergency, and supportive housing in four Canadian cities. Findings indicate criminal justice encounters and psychiatric hospitalizations constitute the greatest public costs (averaging $97,092[2] per person per year). Spending on emergency shelters (averaging $28,710 per person per year) also dwarfed spending on supportive housing (averaging $16,182 per person per year).

Studies focused on health outcomes frequently agree that health costs for individuals who experience chronic homelessness, mental illness, and other chronic illness are the most expensive compared to the general population of people experiencing homelessness. One study observing that "the cost of doing nothing is not nothing," with the weight of responding to people experiencing unsheltered homelessness being shifted to emergency service providers (Shinn, 2014). This is because the health outcomes, both mental and physical, experienced by people experiencing unsheltered homelessness are worse than those who are stably housed or sheltered.

Because of the significant overlap between populations of chronically homeless individuals and individuals with chronic illness, providing emergency interventions for psychiatric or health crises can be expensive. Barbar et al. (2008) observed that high risk groups (serious mental illness/co-occurring condition, substance abuse, less serious mental illness) account for 32 percent of service users, but 82 percent of costs associated with homelessness services. In Washington D.C., Gilchrist-Scott and Fontaine (2012) also note that high utilizers cost the city $11,996 per person per year on healthcare and criminal justice services alone. This is at least, in part, a function of the number of public services available: in England, where service provision is relatively high, homelessness services total around $59,302 per person per year (Pleace & Culhane, 2016).

[2] All reported costs are converted to USD and adjusted for inflation to 2024 dollars.

Poulin et al. (2010), studying people who experience chronically homeless, concluded that 20 percent of highest users accounted for 60 percent of all costs. The highest 20 percent of users consumed, on average, $38,988 per person per year, while the lowest 20 percent cost $1,153 per person per year[3]. Studies like these have led many researchers to conclude that illness, especially chronic mental illness, is a driver of health care costs (Zaretzky et al., 2013, Zaretzky et al., 2017). For this reason, intervention programming often targets this high utilizer group with the assumption that cost reductions impacting them will drastically reduce overall cost.

Using a design that compares people who experiencing chronic illness and homelessness to the general population of unhoused individuals, Latimer et al. (2017) concludes, "[h]omeless people with mental illness generate very high costs for society. Programs are needed to reorient this spending toward more effectively preventing homelessness…"

Culhane (2008) estimated the cost of chronically ill homelessness in New York City at on average $77,897 per person per year, but notes that

> ***…[B]ecause most of this research does not include housed comparison groups, the degree to which these service needs or usage rates are different for people who are homeless as compared to the housed poor more generally has not always been clear.***

Studies like Dellar (2022) make implicit comparisons to stably housed individuals. They conclude that homelessness in the United Kingdom is correlated with a 45% rise in the length of stay in psychiatric clinics.

[3] Second highest 20 percent consumed $13,725 per person per year, the middle 20 percent consumed $7,246 per person per year, and the second lowest 20 percent consumed $3,872 per person per year.

Among a cohort of 86 homeless individuals experiencing serious mental illness, the average cost per patient averaged $25,449 per person per year. They attribute this difference in cost to the longer period that people experiencing homelessness spend receiving treatment.

Comparison with Stable Housing Studies

Two economic cost studies included in this review compare people experiencing homelessness to individuals who are low income and stably housed. Salit et al. (1998) compares the hospitalization records of two cohorts, homeless and low-income stably housed patients They find that homeless patients incur higher costs, averaging $4,715 more per hospital admission. Even when controlling for length of stay, their costs are higher than stably housed patients, likely due to the poor health outcomes associated with sleeping unsheltered. Hwang, et al. (2011) estimate that hospital admissions for people sleeping unsheltered cost $2,562 more than for stably housed patients admitted for a physical ailment, and $741 more for patients with mental illness.

Private Sector Impact

Apart from one study included in this review, most economic cost studies do not attempt to estimate the private sector costs associated with homelessness. Dellar (2022) estimates lost value in terms of Quality of Life ($48,170,963,195) and lowered taxable income (which, when paired with high unemployment benefits, costs the government $1,958,646,954). Shinn (2014) estimates tourism revenue loss resulting from homelessness.

Bhandari (2024) is a unique contribution, being primarily aimed at measuring private sector losses. Comparing proximity to homeless encampments in Los Angeles with home value upon sale, they found that within .2 miles of an encampment, homes lose an average 10% of their sale value compared to similar homes more than .2 miles from an encampment, totaling $803,456,105 in lost value (for homes sold 2016-2022).

Cost Effectiveness of Homelessness Studies

Cost effectiveness studies are concerned with comparison, often between high utilizers of homelessness services and either a) non-high utilizers or b) high utilizers who have exited homelessness. In the latter case, research has the advantage of considering costs associated with housing chronically homeless individuals in terms of the cost of continuing treatment with them.

Several of these studies find that supportive housing options do lower cost, because of lower utilization of emergency services and higher utilization of regular and preventative care services. In Charlotte, Thomas et al. (2014) reports a statistically significant cost reduction when comparing a single cohort for cost-of-service use 12 months before and 12 months after enrolling in supportive housing, but these costs are not compared to similarly situated but stably housed individuals.

Bausch et al. (2021), analyzing public spending over five years on individuals with chronical mental illness in supportive housing versus people sleeping unsheltered, reports a 29 percent reduction in cost (a reduction from $88,391 per person per year to $62,758 per person per year). In the Netherlands, similar results were reported for cohorts of individuals in stable housing, in unstable housing, and unhoused; stably housed individuals cost the state less than those receiving services (van Leerdam, 2013). This is frequently the case with comparison-group study designs.

Larimar et al. (2009), reporting an initial cost of $27,072 per person per year, found a 35 percent decrease in costs six months after housing, and a 50 percent decrease after 12 months. This points to a time dimension that is not often considered in research (see also Fuehrlein 2014, 2015 for another example). Researchers in Orange County (Orange County Grand Jury, 2018) found a 50 percent decrease in costs between high utilizers groups and those housed in supportive housing programs for 12 months. Hunter et al. (2017) found a 60 percent reduction in service utilization after 12 months; when accounting for the cost of the housing program, however, they found a 20 percent reduction in costs when compared to sleeping unsheltered. Brennan et al. (2020) noted a reduction in costs of $1,938 per person per year but noted that this difference was not statistically significant. Similar results were noted in Denver, where researchers noted a 73% decrease in costs compared to sleeping unsheltered (Perlman & Parvensky, 2006).

Gouse et al. (2023) compared individuals placed in a housing program to those on the wait list. While they measured savings for the entire population of individuals included in the study, they only found significance for those enrolled in a Medicaid program; further research is needed to explain the mechanism for this significance among people enrolled in Medicaid. Basu et al. (2012), comparing chronically ill homeless adults for cost-of-service utilization, reports a reduction in cost, but without statistical significance. These studies, therefore, did not find that intervention programming led to a cost reduction in ways that could be expected to be replicated outside of the context of these studies.

Three studies attempted to compare, at least in part, the cost effectiveness of programs against the general homeless population. Flaming et al. (2009), analyzing a supportive housing program report a significant cost reduction of 79% for chronically homeless disabled people and 50% for the entire population.
They compare this to a 19% savings for individuals in housing with minimal support, pointing to evidence that supportive housing programs produce greater savings than placement programs lacking support, noting that

> The typical public cost for residents in supportive housing is $605 ($880 in 2024 dollars) a month. The typical public cost for similar homeless persons is $2,897 ($4218 in 2024 dollars), five times greater than their counterparts that are housed. This remarkable finding shows that practical, tangible public benefits result from providing supportive housing for vulnerable homeless individuals.

Some cost effectiveness literature, however, does not find savings, noting instead that services for individuals typically eligible for supportive housing—many programs require that these individuals be drawn from the chronically homeless and/or chronically ill population of high utilizers—will continue to be expensive beyond placement. Aidala et al. (2013) compares people placed in housing over two years to a comparison group of qualified but not enrolled individuals for cost-of-service utilization. They found that, while service costs reduce between placement and sleeping unsheltered, the cost of housing individuals exceeded this savings: in other words, the program produces a cost offset, but ultimately costs more than sleeping unsheltered might. However, this is only the economic impact.

Raven et al. (2020), using a random control trial design comparing placed individuals to wait-listed individuals, found no statistically significant reduction in service use when considering the cost of health, criminal justice, and homelessness services. Rosenheck (2000), also finding no savings, notes “These programs are also associated with increased use of many types of health service and housing assistance, resulting in increased costs in most cases.” They conclude that the value of these programs needs to be weighed against the benefits of the measurably better health outcomes, rather than in terms of cost only.

Comparison Studies

Fuehrlein et al. (2014, 2015) studied people experiencing homelessness compared to stably housed individuals over a two-year period using an instrument they created in lieu of administrative data. They found that housing status was not significantly correlated with cost or service utilization. Instead, they noted a complex interplay between housing status over time and the cost associated with service use: medical services are *highest* among the consistently housed, and *lowest* among people housed in year one, but not in year two. They also found the cost of psychological care is lowest among the stably housed and highest among those unhoused in year one, but housed in year two. This indicates that housing circumstance involves a shifting reliance on public services, with people transitioning between homelessness and housing being the most expensive. This is largely because they are newly able to access services that they could not when sleeping unsheltered.

Gaps

Most studies rely on information about public resource allocation to make estimates about the cost of homelessness. They rely heavily on public administrative data and focus on the most expensive service users, with the assumption that reductions in cost among this group will translate to real cost offsets in terms of overall spending on people experiencing homelessness.

It is unclear whether cost savings across the homeless population would be expected. Only three studies in this review attempt to make statements generalizable to all people experiencing homelessness, and they do not achieve statistical significance when they do. This is in part a limitation of the housing programs they are studying: to be eligible for these programs, individuals experiencing homelessness often need to have a severe health diagnosis and be among the high utilizer group. The remaining 75 percent of the homeless population are not considered.

This points to the complex association between people experiencing homelessness and individuals with severe mental or chronic physical illness:

While there is significant overlap between these groups, they are often addressed in research as one and the same.

There is often good reason for researchers, especially those concerned with health outcomes, to focus on this group. However, data concerning them must necessarily be viewed as partial when applied to the general population of unhoused individuals.

Three areas of research are promising in this regard.

The first are studies aimed at comparing stably housed, low-income individuals with people experiencing homelessness in terms of service utilization and cost, especially those that go beyond healthcare costs. Further research in this area would better illuminate real differences in service utilization between these groups, offering a clearer picture of the cost of people experiencing unsheltered homelessness among chronically ill individuals requiring expensive, long-term care even when housed.

The second are studies aimed at understanding the service cost of lower utilizers, especially those that consider these costs in terms of real offsets found in high utilizer cost-comparison studies. While high utilizers of public services offer promise for short-term cost reductions due to their heavy reliance on public services, they compose only a small subset of the unhoused population (10 percent to 20 percent by most estimates). Research addressing this group should be considered in cost estimate studies, but it is limited. Additional research addressing the lower-utilization groups comparing housing situations is needed to accurately assess costs.

The third are studies aimed at understanding the private sector impact of increased housing instability. Only three studies in this review attempt to estimate these impacts, and their results are striking. Bhandari (2024) found a multi-million-dollar loss in the housing market of one city in a less than ten-year period, indicating that increases in the people experiencing homelessness have devastating economic effects. This issue is not well understood, however, and work addressing this is needed to understand the intangible costs of this issue, beyond those that can be measured by administrative data.

By considering these areas of inquiry alongside the above approaches, research can better understand the economic cost of homelessness by considering both resources allocated and lost economic productivity.

Methods: Economic Impact of Homelessness

This section details the approach to estimating the economic impact of homelessness across public, private, and nonprofit sectors in Wichita and Sedgwick County. The analysis employs a mixed-methods framework, combining quantitative cost analysis with qualitative assessment to capture both measurable expenditures and impacts that are not readily quantifiable through administrative data.

Public Sector Analysis

The analysis of public sector costs relied on administrative data from city and county departments, supplemented by structured interviews with department personnel. The initial phase involved a systematic assessment of each department's capacity to track and quantify homelessness-related services.

The data collection process began with identifying departments that regularly interact with individuals experiencing homelessness. For each department, the PPMC established:

1. The length of historical records available
2. Working definitions of homelessness employed by each department
3. Existing systems for tracking homelessness-related services
4. Methods for allocating and recording staff time dedicated to homelessness response

For emergency services, the PPMC developed a standardized cost estimation framework that accommodated varying levels of data sophistication across departments. This framework employed two distinct calculation methods depending on available data:

1. For departments tracking wage-based costs:
    a. Total Cost = (Number of calls × Average response time) × (Hourly compensation × Number of personnel)
    b. Person-hours = Number of calls × Average response time × Number of personnel
2. For departments with all-inclusive cost reporting:
    a. Total Cost = Number of calls × Cost per call
    b. Person-hours = Number of calls × Average response time × Average personnel per response

Private Sector Analysis

The private sector analysis employed a qualitative research design centered on semi-structured interviews with business owners in three primary commercial districts: Downtown, Old Town, and Delano.

The interview process continued until it reached theoretical saturation, which occurred after conducting 13 interviews.[4] This approach ensured comprehensive coverage of impact types while maintaining research efficiency.

[4] Saturation is the point at which additional interviews ceased to yield new categories of economic impact or cost types.

Nonprofit Sector Analysis

The assessment of nonprofit sector impacts focused on organizations representing four distinct categories in the service provision landscape:

1. Regional funding entities (e.g., United Way of the Plains)
2. Federal grant administrators (e.g., Coalition to End Homelessness)
3. Direct service providers specializing in shelter and day services
4. Healthcare providers serving uninsured populations

Data collection concentrated on annual budget allocations for homelessness services, with organizations providing data in one of three formats:

- Five-year historical allocation
- Most recent fiscal year expenditures
- Current fiscal year budget projections

For healthcare providers, the PPMC specifically requested assessments of uncompensated care related to serving uninsured individuals experiencing homelessness. This approach acknowledges the unique role of healthcare providers in absorbing costs that might otherwise appear in public sector emergency service utilization.

The analytical framework maintains separate tracking of administrative versus programming costs, where such distinction was provided by reporting organizations. While this separation provides valuable insight into operational efficiency, the PPMC acknowledges that varying accounting practices across organizations may limit direct comparability.

Considerations and Limitations

The analysis incorporates several important methodological decisions that influence interpretation of results:

First, the PPMC employed a "lower bound" approach to cost estimation, including only clearly documented costs in the calculations.

Second, rather than attempting to impose standardized definitions of homelessness across departments and organizations, the PPMC documented these variations and their potential impact on cost estimates. This decision reflects the complex reality of service provision while acknowledging limitations in direct comparability across sectors.

Third, most of the analysis focuses primarily on urban core areas, reflecting both the concentration of services and the availability of data. This geographic focus potentially understates impacts in suburban and rural areas.

Finally, there is potential overlap between funding streams, particularly in the nonprofit sector. Rather than attempting to eliminate all potential double-counting, the PPMC prioritized establishing a baseline understanding of total allocated resources. This decision reflects both the complexity of service provision networks and the preliminary nature of this assessment.

Methods: Housing Needs Assessment

Housing challenges affect families across Wichita in complex ways that traditional measures often fail to capture. When discussing housing issues, the conversation typically focuses on affordability alone, using a simple standard: housing costs should not exceed 30 percent of household income. While this provides a starting point, it presents an incomplete picture of the community's housing landscape.

This study introduces a framework that examines both housing affordability and quality together, as illustrated in *Figure 3*. This framework divides Wichita's housing stock into four distinct categories based on the interaction between housing quality and affordability. A truly adequate home must be affordable for a family's budget and provide a safe, comfortable living environment. Using data from the U.S. Census Bureau and the Sedgwick County Appraiser's Office, this framework reveals how these two factors interact across Wichita's neighborhoods.

Figure 3: Housing Quality and Affordability Matrix

High Quality, Low Affordability Housing that meets quality standards but may be financially out of reach for many households	**High Quality, High Affordability** Optimal housing conditions: Well-maintained properties that remain within reasonable cost thresholds for household income
Low Quality, Low Affordability The most challenging category: Housing that is both expensive relative to income and fails to meet quality standards	**Low Quality, High Affordability** Housing that fits within budget constraints but may have maintenance or structural concerns

The framework makes a key improvement to traditional housing analysis by incorporating professional assessments of housing quality to identify areas where housing might be affordable but of low quality (lower right quadrant), or where high-quality housing exists but remains financially out of reach for many families (upper left quadrant).

Of particular concern are households falling into the lower left quadrant, where housing units are both unaffordable and of low quality. The analysis identifies neighborhoods where households face these compound challenges by examining these factors across Wichita's ZIP codes. This information can help guide targeted interventions and policy responses. Just as importantly, the framework identifies "success stories" in the upper right quadrant—areas where quality housing remains affordable—providing insights that might be replicated elsewhere in the community.

The housing needs assessment combines data from multiple sources to create a comprehensive picture of local housing market conditions. The analysis evaluates housing affordability, availability, and quality to identify gaps between the housing stock and community needs.

Comparison to the 2024-2028 Consolidated Plan

This analysis builds upon and extends the housing needs assessment conducted for Wichita's 2024-2028 Consolidated Plan (2024). While both studies utilize American Community Survey data, this analysis incorporates more recent estimates (2019-2023) compared to the 2013-2017 CHAS data used in the Consolidated Plan.[5] More importantly, this study utilizes several analytical approaches that complement and expand upon the Consolidated Plan's findings.

The Consolidated Plan provides valuable baseline data on housing cost burden and general affordability challenges, finding that 26 percent of Wichita households experience housing cost burden. However, it stops short of quantifying specific gaps in housing supply at different price points. This study’s income-based housing gap analysis directly addresses this limitation by measuring the mismatch between available units and households at each income level.

Additionally, while the Consolidated Plan acknowledges quality concerns—particularly regarding the city's aging housing stock—it does not systematically analyze the intersection of housing quality and affordability. This study advances this analysis by incorporating Sedgwick County Appraiser data on housing quality, allowing for the identification of areas where households face compound challenges of both affordability and quality issues.

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[5] The American Community Survey (ACS) 5-year estimates are rolling samples, with the 2019-2023 estimates sharing three years of overlapping data (2019-2021) with the 2017-2022 estimates used in the Consolidated Plan. The Comprehensive Housing Affordability Strategy (CHAS) is a special tabulation of ACS data produced by HUD, typically lagging standard ACS releases.

Finally, the analysis of suppressed household formation represents an entirely new dimension not addressed in the Consolidated Plan. This approach helps quantify potential "hidden" housing demand from individuals who might form independent households under different market conditions.

Rather than duplicate the Consolidated Plan's thorough documentation of supply and demand characteristics, federal funding requirements, and program-specific needs, this study focuses on providing information about housing supply gaps that can inform both public and private sector conversations concerning Wichita's housing challenges. The findings from both reports should be viewed as complementary, with this analysis providing additional quantitative detail about specific supply-demand mismatches in Wichita's housing market.

Data Sources

The analysis draws on two main data sources:

1. **U.S. Census Bureau American Community Survey (ACS) 5-year Estimates:** (2019-2023) Estimates providing detailed information on population trends, household characteristics, income levels, and basic housing stock information.
2. **Sedgwick County Appraiser Records:** (Tax Year 2024) Property-level data including physical condition assessments on a scale from “unsound" to "excellent," which convert to numeric scores (1-15) to track housing quality patterns.[6]

Core Analytical Models

The study estimates gaps between housing supply and demand using three complementary approaches:[7]

[6] These data come from early 2023. Valuation notices are mailed by March 1 of the prior year, and values are certified to the County Clerk by June 1.
[7] Please see Appendix B for additional details on the three models.

1. **Income-Based Housing Gap Analysis:** This model examines housing availability at different prices relative to household incomes. Using Census data, the analysis counts available housing units in each price range and compares this to the number of households who could afford those units while spending no more than 30 percent of household income on housing. This identifies mismatches between the housing supply and what residents can afford.
2. **Suppressed Household Formation:** This approach estimates potential housing demand from adults currently living with unrelated roommates—individuals who might prefer their own housing units. While recognizing that some shared living arrangements reflect preferences rather than constraints, this analysis helps quantify the extent to which housing availability and costs might be preventing new household formation.
3. **Combined Affordability, Quality, and Geography Analysis:** The framework advances traditional housing analysis by examining affordability, quality, and geography as interconnected dimensions. Rather than applying a uniform 30 percent cost threshold, the model recognizes that family size impacts non-housing expenses by implementing a sliding scale—from 20 percent of income for households at the poverty threshold to 30 percent for those at three times the poverty threshold. This refined affordability measure, combined with housing quality assessments from the County Appraiser's Office, enables an evaluation that captures the financial and physical adequacy of the housing stock.

Findings: Economic Impact of Homelessness

Summary of Key Findings

- Lack of a unified working definition of “homelessness” across City and County departments makes it difficult to fully identify and quantify the economic impact of homelessness on public services, though the small amount of administrative data received places this lower bound firmly in the seven figures.
- Clean-up and repair represent small but frequent expenses for local businesses. Larger expenses are often related to security, with some businesses spending $10,000 or more on new doors and security systems.
- Nonprofit investment in critical services for people experiencing homelessness, including overnight and day shelter services, totals just under $3 million a year among a sample of shelter and service providers.

Public Sector Findings

Increases in people experiencing homelessness and housing instability in both Wichita and Sedgwick County are expanding the utilization of public services and driving the need for new service and tracking models across several County and City departments.

Table 2 contains a summary of the dollar values provided by several County and City departments. It includes lines for departments that were contacted, but the impact remains to be determined.

Table 2: Summary of Annual Public Sector Impact by Category

Category	Dollars
Housing and Community Services**	$7,040,942
COMCARE*	$1,991,615
Emergency Response (911, EMS, WFD, WPD)	$1,519,003
Metropolitan Area Building and Construction Department	$515,618
Wichita Parks and Recreation	$201,254
Sedgwick County Animal Control	$32,198
Sheriff's Office	$15,733
Sedgwick County Fire	
Sedgwick County Health Department	
Sedgwick County Parks	
Total	**$11,316,363**

*Includes $616,271 in grant funds for its Shelter Plus Care program.
**Includes funds from federal grants.

In recent years, emergency service providers such as Sedgwick County Emergency Communications (SCEC), Wichita Police Department (WPD), Wichita Fire Department (WFD), and Sedgwick County Emergency Medical Services (EMS) have initiated tracking calls related to homelessness. This tracking approach utilizes public data and allows analysis of multiple types of public resources allocated to responses, including both public dollars spent and public sector employee time consumed. Calculating and analyzing public sector employee time is significant to understanding economic impact, as allocating time to homelessness response carries significant opportunity costs.

Table 3 and *Table 4* summarize the results from examining call-related data from four emergency services organizations. *Table 3* shows the number of homelessness-related calls for emergency services by agency for each quarter of 2024.[8] It is important to note that adding the numbers in the "Total" column likely overstates the number of unique calls over this period. This is because Sedgwick County Emergency Communications could have taken calls that resulted in responses from multiple agencies. *Table 4* shows the estimated total dollar value (i.e., from wages, equipment, etc.) and person-hours associated with these calls. The remainder of this section explores estimated annual costs from other area agencies.[9]

Table 3: Number of Homelessness-Related Calls for Emergency Services by Agency by Quarter (2024)

Organization	Q1	Q2	Q3	Q4	Total
Sedgwick County Emergency Comms	1,945	1,945	1,995	1,925	7,810
Sedgwick County EMS	818	818	812	881	3,329
Wichita Fire Department	367	951	1,079	1,170	3,567
Wichita Police Department (excl. HOT)	1,345	1,345	1,402	1,464	5,555

Table 4: Duration and Costs Associated with Homelessness-Related Calls for Emergency Services by Agency (2024)

Organization	Average Call Duration	Average Cost Per Call	Total Cost	Person Hours
Sedgwick County Emergency Comms	0:02:27	$2.13	$16,635.30	462
Sedgwick County EMS	0:40:00	$324.67	$1,080,826.43	4,439

[8] The initial data ask was for calls from January 2024 to June 2024. If an agency provided a single number for that period, the PPMC divided the number by two to produce estimates for each quarter.
[9] Please see Appendix A for additional results that provide a greater review of some themes identified in these findings, as well as other noteworthy insights.

Wichita Fire	0:17:01	$52.63	$187,731.21	3,035
Wichita Police Department (excl. HOT)	1:11:24	$42.09	$233,809.95	6,610
Total			**$1,519,002.89**	**14,546**

Wichita Police Department

Sedgwick County Emergency Communications (911) call data show that the Wichita Police Department responded to a total of 5,555 calls related to homelessness in 2024 with a total of 6,610 hours and 38 minutes dedicated to these calls. From a staffing perspective, this is the equivalent of more than three full-time patrol officers solely to address calls related to homelessness, at a cost of $233,788 in wages.

This is separate from and in addition to the dedicated four-person WPD Homeless Outreach Team (HOT), which is deployed directly by the Wichita Police Department for situations involving homeless individuals. The HOT team exists to divert homeless individuals from the criminal justice system and guide them toward necessary services or shelters. At the time data was requested, the HOT team had two vacancies, but when fully staffed, HOT has four officers, with wages and benefits totaling approximately $500,000, in addition to any grants or donations received.

In 2024, the Wichita Police Department paid $161,720 for encampment cleanups and said it had posted 234 and cleaned 196 camps in 2024, for an average of $825 per cleanup. The Council has approved a contract for 2025 encampment cleanups that the Wichita Park and Recreation Department will administer.

Sedgwick County Sheriff's Office

A Sedgwick County community officer who frequently provides law enforcement in zoning-related situations estimated 15-20 percent of his time is spent assisting individuals who are experiencing homelessness, unsheltered, or not legally authorized to occupy the structure.

This is a growing need, as personal safety considerations frequently prompt MABCD employees in both the City and County to request law enforcement to clear unsecured structures. This growing use of public safety resources in tandem with code enforcement utilizes between 300 and 400 hours annually and costs an estimated $15,733 to $20,977 in wages.

This officer said when called by the zoning enforcer to provide structure clearance, security, and other law enforcement services, he seeks to promptly remediate unauthorized occupants through de-escalation, empathy, outlining options and connecting individuals with other services. Doing this well requires a robust knowledge of the law and the ability to explain to the occupant that they cannot stay there. The goal is to do this without escalating toward an arrest, if possible.

One notable concern voiced by the officer is that even when a situation is addressed and people vacate one location or encampment, the greater needs driving them into homelessness are not resolved. Often, people experiencing homelessness encounter law enforcement again in a future location, and systems are set up so the end game is still jail.

When individuals are booked into jail, the Sedgwick County Detention Center does not identify or track inmates' permanent housing status. However, in an interview detention center staff noted that many prisoners who are booked for minor trespasses in the downtown area often may be experiencing homelessness, based on their refusal to provide a residential address.

Data was requested from assessments conducted by the Substance Abuse Center of Kansas (SACK) at the Sedgwick County Detention Facility. Assessments are court-ordered and represent a small percentage of the total detention facility population. In 2024, a total of 1,091 assessments were conducted, with 824 (76 percent) reporting they were experiencing homelessness or in an unstable housing situation.

This is up from 59 percent of those assessed who reported experiencing homelessness or housing instability in 2023.

Due to research limitations of not having available data on whether someone was detained because of a violation, such as trespassing, that is connected to homelessness, this study cannot accurately indicate the cost to the detention center due to homelessness. However, there is a real cost to housing someone at the detention center. A 2023 rate analysis by Sedgwick County Finance identified a daily cost per inmate of $84.04. More data would need to be collected to have an accurate amount for the financial impact to the jail.

Wichita Fire Department

The Wichita Fire Department began tracking homelessness-related incidents through their Record Management System (RMS) on February 21, 2024. In 2024, the department documented 3,567 calls involving individuals identified as experiencing homelessness. These encounters required an average on-scene response time of 10.89 minutes, with crews taking an average of 6.13 minutes to arrive at the scene.

From a cost perspective, personnel expenses average $185.55 per hour for response teams. Given the average incident duration (and response time), this translates to approximately $52.63 in direct personnel costs per call. However, these figures represent only wages and benefits, excluding additional operational costs such as apparatus maintenance, fuel, equipment, and administrative overhead.

Currently, the department employs a subjective assessment approach to identify homelessness, considering factors such as the absence of a fixed address, possession of numerous personal belongings, presence in known homelessness areas, occupation of non-habitable spaces (streets, parks, vehicles, abandoned buildings, or encampments), and residence in emergency shelters or transitional housing.

Sedgwick County Fire Department

There is a growing awareness that Sedgwick County Fire Department responses to seemingly “standard” incidents may be driven by homelessness. In an interview, department leadership evaluated recent incidences and noted this a bigger problem than previously realized.

- The week prior, an individual living in a tent near Haysville was using a nearby garage as a repair shop when a fire got out of control and burned the garage
- An out-of-control campfire at an encampment in a wooded area on the river between Oaklawn and the City of Wichita took several hours to control
- Firefighters are increasingly aware of individuals living in sheds or places not designated as habitable

- The rural nature of the unincorporated parts of Sedgwick County means encampments are difficult to locate. Firefighters indicated people experiencing homelessness may find shelter in vehicles, vacant units, random RVs or campers, or in encampments hidden throughout Sedgwick County.

The Sedgwick County Fire Department has not tracked homelessness-related responses in the past but could add a box to identify calls involving people who may be homeless. However, leadership said they would want to develop a strong concept of "homelessness" and to evaluate the impacts and system risks to households identified as homeless.

The scattered nature of rural homelessness and lack of systematic tracking mechanisms make it difficult to accurately quantify costs related to homelessness incurred by the Sedgwick County Fire Department.

Emergency Medical Services

Sedgwick County EMS has been tracking homelessness-related calls since 2018, with significant improvements in data collection accuracy and consistency in recent years. In 2024, Sedgwick County EMS responded to 3,567 calls involving individuals experiencing homelessness.

The department identifies homelessness through observable living conditions, including individuals residing in shelters, on streets, in encampments, or experiencing temporary and unstable housing situations. This definition centers on the absence of fixed, permanent housing, allowing field personnel to make determinations based on direct observations during a response.

From an operational perspective, homelessness-related calls in 2024 averaged 40 minutes in duration, measured from dispatch to unit availability. This represents the complete cycle time during which a unit is committed to a single response.

The financial impact of these services is substantial, with costs averaging $324.67 per incident to $504.53 when a patient requires transport. The numbers include salaries, benefits, fuel, equipment, and other related costs.

The department hypothesizes that many of its patients experiencing homelessness require basic medical care rather than emergency services. Sedgwick County EMS would like to develop a way to track patient outcomes to validate this hypothesis and potentially transform service delivery. This enhanced data collection could provide the evidence needed to support innovative solutions, such as embedding primary care services within homeless shelters.

Sedgwick County Emergency Communications

Sedgwick County Emergency Communications has been systematically tracking homelessness-related calls since December 2023, though some tracking occurred prior to this date. In 2024, the department logged 7,810 calls tagged as involving individuals experiencing homelessness. The identification process employs a broad approach, with staff noting "homeless" in call records whenever there are references to being unhoused or any indicators suggesting someone is experiencing homelessness.

Based on 2024 data, the typical 911 call duration averages approximately two minutes and 27 seconds. This timeframe represents the general call handling period across all emergency communications, not specifically homelessness-related calls.

Looking toward future improvements in homelessness data collection, the department has identified a critical need for enhanced coordination with field responders. The initial information gathered during 911 calls often provides an incomplete picture of an individual's housing situation, as emergency communications staff do not explicitly inquire about housing status during calls.

Field responders frequently gain more comprehensive insights about individuals' circumstances during on-scene interactions, suggesting that a unified tracking mechanism across responding agencies could yield more accurate and comprehensive data about homelessness in the community.

Wichita Park and Recreation Department

Wichita's Park and Recreation Department maintains a detailed dashboard with information on work orders and costs related to remediation, which includes decommissioning encampments, removing litter, and other cleanup. For 2024, the dashboard reflects a total of 226 work orders, with nearly half of these (102) in the fourth quarter of the year. A total of 174 work orders were outsourced at a cost of $177,523 (average of $1,020.25 per work order). This minimized City staff hours dedicated to this type of response. Of the 52 work orders completed in-house, the department spent $12,985 in direct costs, but also dedicated 531 hours of staff labor, for an estimated staff wage cost of $10,746. The estimated combined total spent on in-house cleanups was $23,731, or $456 per response, not including administration, bookkeeping, and other non-trackable costs.

Encampment remediation costs have been incurred across multiple departments in recent years, and additional 2024 costs are included in the Wichita Police Department cost analysis. In preparation for continued efforts in 2025, the Council approved a one-year contract for itinerant encampment remediation totaling $478,000 that will be administered through Park & Recreation.

Other Parks & Public Spaces

Formal interviews were not conducted with Sedgwick County parks staff, but interviews with other Sedgwick County departments revealed that County properties dedicated for public use, such as Sedgwick County Park, Lake Afton, and the former Coleman property near WAVE, have experienced increased unintended use by people experiencing homelessness. Policy changes have been adopted to try and curb these trends. This theme was shared by multiple law enforcement and code enforcement employees.

Metropolitan Area Building and Construction Department

The Metropolitan Area Building and Construction Department (MABCD) has staff dedicated to inspections and code enforcement for both the City of Wichita and the unincorporated areas of Sedgwick County.

The County’s zoning inspector estimates 20 percent of his time is utilized on situations in which occupants are experiencing homelessness, unsheltered, or otherwise not the legal occupant of the structure. In addition to unlawfully occupying vacant structures or unauthorized camping, the employee indicated that many other situations involve occupants who are technically unauthorized.

Examples include situations in which relatives of an owner are occupying a home or in which probate hasn't been completed or other ownership transfers haven't been formalized. The estimated cost of this effort is $11,756.

Within Wichita city limits, MABCD's Neighborhood Inspections staff have seen increasing numbers of complaints and cases likely related to homelessness, but did not have an identified way to tag and track cases and related costs in 2024. As of January 1, 2025, a "log" note designation was added to MABCD's case management system that allow inspectors to designate cases generated from complaints involving homelessness.

While not formally tracked, MABCD's Neighborhood Inspections staff have many indicators of increases in transient movement within the City, camping on vacant lots or in and around vacant structures, and sheltering in sheds, outbuildings and structures placarded as uninhabitable. These arrangements create life-safety issues and can result in fires as people experiencing homelessness try to stay warm.

A trend of increases in vacant structure fires has resulted in increased need for emergency demolition of dangerous structures that cannot be secured. In 2023, the City spent more than $300,000 out of its General Fund on emergency demolitions, which are not eligible for payment with grant funds. The rationale for conducting expedited processing is that burned structures become magnets for criminal activity. Staff said people will return for possessions or substances left behind, creating risk of subsequent fires, entrapments, and other hazards for both the individual trespassing and for emergency personnel who may be involved in response or rescue operations.

MABCD Neighborhood Inspections staff said homelessness has become a much greater factor in the organization's work because of the visible prevalence and growing complaints from the public and City Council.

There is an expectation that staff will address the problem, and staff have altered processes and policies in an effort to meet the needs. To meet this expectation, and to respond to substantially increased criminal vagrancy in the past two to three years, Neighborhood Inspections now utilizes a three-level triage system for nuisance abatement. Staff noted emergency demolitions are taking up most of staff bandwidth, which reduces staff's ability to conduct standard business.

Staff time utilized for homelessness response varies by assigned geography with many employees spending some time on homeless-related complaints. In areas with high homeless rates, at least four staff members spend an estimated 75 percent of their time addressing situations related to homelessness, and the neighborhood inspection administrator spends an estimated 20-25 percent of their time addressing items with an element related to homelessness, for an estimated total of $203,862 in wage costs and 6,760 hours dedicated to homeless-related responses across the five positions.

Sedgwick County Health Department

Multiple teams within the Sedgwick County Health Department were surveyed to understand whether they collect information on people experiencing homelessness who are utilizing their services and to understand what types of clarifications or tools would be helpful in tracking data going forward.

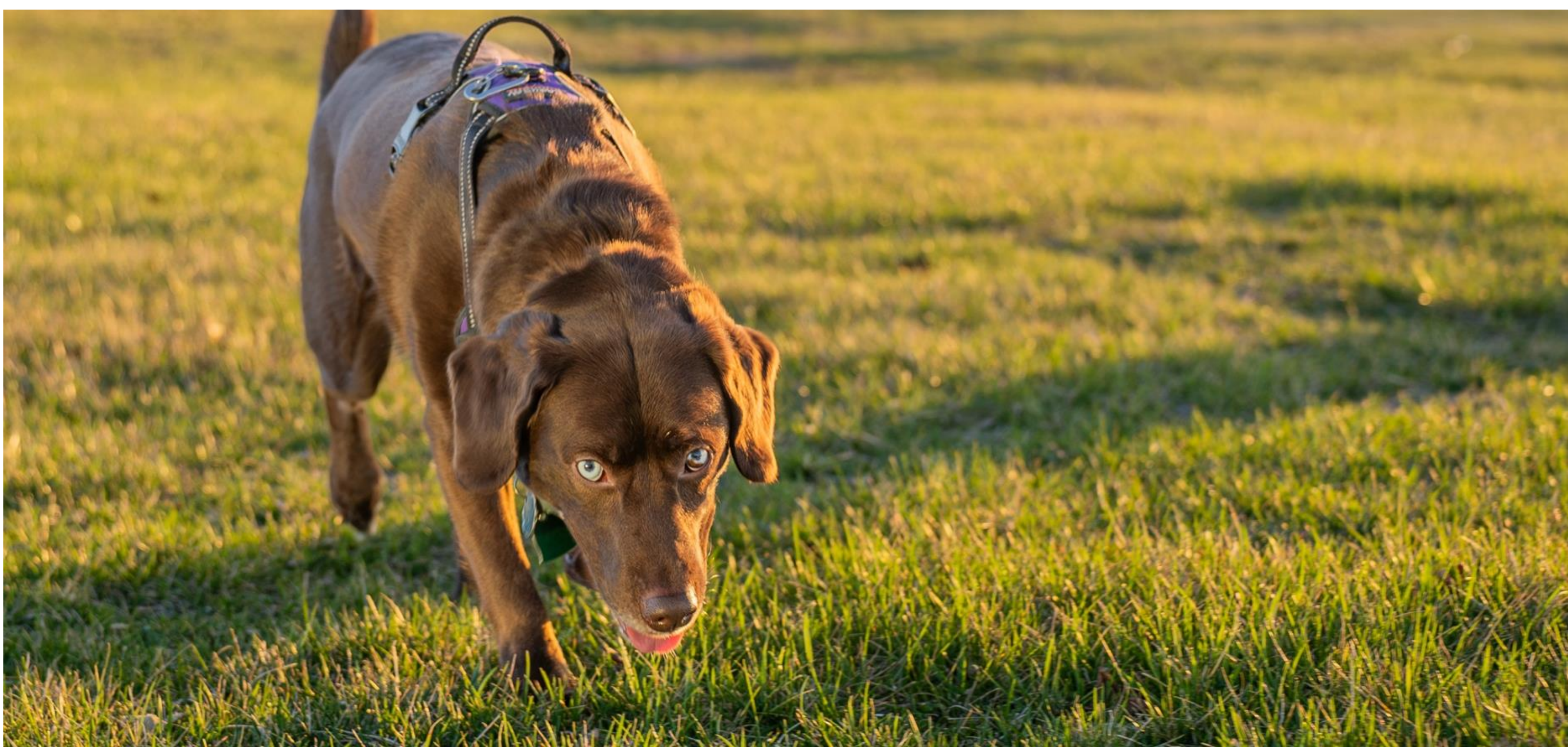
Data tracking varies across teams, include those dedicated to Tuberculosis; Women, Infants, and Children (WIC); Public Health Emergency Preparedness; and Medical Reserve Corps. Most teams report some level of tracking but lack a formalized procedure. The Medical Reserve Corp does not collect data on specifics but hosts an event every other Sunday where they serve about 25-35 unhoused community members. The WIC team assigns a risk factor of homelessness, and reported 43 clients were assigned this risk factor in 2023 and 66 clients were assigned this risk factor in the first nine months of 2024.

These teams are involved in regular outreach events, such as partnering with the City of Wichita's Project HOPE, Breakthrough, and VA outreach events. The Overdose Prevention Team reported 95 outreach and partner events as of September 2024. Staff hours are limited for any particular engagement or outreach opportunity, but staff seek to participate in events regularly. For example, one to two Medical Reserve Corps members spend at least two hours every Sunday at Church on the Street events.

Additional research and cost gathering would be required to provide an accurate estimate of costs for the Sedgwick County Health Department.

Sedgwick County Animal Control

Sedgwick County Animal Control is housed under the Sedgwick County Health Department and enforces laws and ordinances related to animals to protect public safety and animal welfare. However, opportunities to do outreach to people experiencing homelessness alongside the VA opened staff members' eyes to the important role pets play in mental health for people experiencing other hardships.



A staff member said some of the most challenging interactions staff have are when people experiencing homelessness give up hope and seek to surrender their pet before ending their lives. This staff member said when Animal Control by offering help and resources for the animal they are also offering hope, and maybe a reason to live, for the human. The staff member said talking about pets builds trust that then allows people to open up and share about their personal lives.

> ***"Animals are important to many of these people. They are the only living beings that haven't betrayed or abandoned them. People I've worked with would gladly sleep in freezing temps with their pet, rather than giving them up."***

Animal Control operates a small pet pantry that is stocked via donations only. They are not allowed to solicit donations, so all operations are solely through word of mouth, such as coordination with an area coupon group. At one time, the pantry received donations of pet food through pet supply company Chewy three or four times a year, but changes in space available limited the ability for Animal Control to receive and distribute donations, and they now network with the Wichita Animal Action League to distribute the placement from Chewy. Off-budget, the department handed out an estimated 22,000 pounds of dog and cat food in 2024 to people who self-identified as "unhoused", which may represent a variety of circumstances. These private donations are valued at about $0.656 per pound, for a total value of $14,432

Animal Control staff attend homelessness resource events and pass out drive-by bags branded "Sedgwick County Animal Control," spending an estimated $150 per year on printed fliers.

Other materials are handed out at events to any member of the public, regardless of whether or not they identify as experiencing homelessness, such as QR dog tags that allow programming of encampment numbers or intersections in addition to addresses and can be reprogramed with updated locations.

Much of Sedgwick County Animal Control's costs related to homelessness are overtime payroll, with costs estimated at 10 to 15 percent of time for the six-person department, for an estimated total of $32,198 to $48,017. These activities include working at optional events outside of regular business hours. Staff also respond to calls from people experiencing homelessness early or late in the day, when these individuals may be waking up, settling in for the night, or returning to encampments after daily activities. Staff address concerns related to pet health and well-being, as well as supply needs when encampments and possessions have been removed.

COMCARE

COMCARE of Sedgwick County budgets $298,539 from its general fund for its Housing First program and also receives a $616,271 grant for its Shelter Plus Care program. An additional $1,076,805.37 was budgeted for 2024 for Mental Health Services within the COMCARE Revenue Fund, which reflects payment for services from Medicaid and other providers.

Information shared by COMCARE details points of engagement and a process for care coordination with people experiencing homelessness. COMCARE also shared 2023 annual data about the organization's engagement with homeless clients:

- "Less than 10 percent of individuals served by COMCARE in 2023 reported being homeless.
- Of these, 470 adults are classified as having serious and persistent mental illness (SPMI).

- The 470 SPMI adults accounted for 20,806 service hours in 2023. These hours do not include documentation, crisis services, care coordination or other administrative activity time needed to manage these cases.
- Homeless individuals utilized crisis services just over 2,000 times in 2023.
- On average, there are 65 COMCARE employees working with the homeless population at any given time," (COMCARE Services and the Homeless Population, 2023).

Additionally, COMCARE's two-person team Projects for Assistance in Transition from Homelessness (PATH) outreach team, funded by the Kansas Department of Aging and Disability Services (KDADS), seeks to assess homeless individuals in Sedgwick County and help them access services. From August 2022 to July 2023, PATH communicated with 417 homeless individuals, connecting them with mental health, health care, income, and medical insurance assistance or services.

Housing & Community Services

The City of Wichita Housing and Community Services Department (H&CS) administers programs dedicated to homelessness and affordable housing on multiple fronts. In addition to its role as a City department H&CS also:

- Receives and administers federal entitlement funds received by the City through the Emergency Solutions Grant (ESG), Community Development Block Grant (CDBG), and Housing Investments Partnership Program (HOME)
- Operates as the Wichita Housing Authority (WHA) a Public Housing Authority (PHA) that administers the Housing Choice Voucher (HCV) income-based rent assistance program, including $5,704,560 in homeless voucher assistance, and the Public Housing program, which is currently being drawn down
- Serves as the Wichita Sedgwick County Community Action Partnership (WSSCAP), which administers the Individual and Family Development Program (IFD) through the Community Services Block Grant (CSBG)

- Was the administrator for a swell of federal housing assistance in the wake of the COVID-19 pandemic and administers other grant funds as they are received
- Spearheaded the Department of Justice-funded Project HOPE collaborative effort to address issues of violent crime and homelessness within Wichita's urban center

Public Housing Authority Homeless Resources: Challenges in the housing market and associated housing instability and homelessness brought large infusions of additional grant funds into H&CS budgets dedicated to homelessness between 2021 and 2023, with overall funds dedicated to homelessness swelling from $1,813,401 in the 2019-2020 program year (July to June) to a high of $31,789,335 in 2021-2022. This included a total infusion of $30,131,662 in federal funds for emergency rental assistance between 2020 and 2023.

In 2019, the Wichita Housing Authority (WHA) administered a total of $1,083,264 in Vouchers for Homeless Veterans (VASH). Pandemic-related assistance brought funds for additional types of specialized vouchers in 2020 and 2021, including Homeless Preference Vouchers, two waves of Foster Youth to Independence Vouchers, and Emergency Housing Vouchers. While some have tapered off, others continue, with a total of $5,704,560 budgeted for Special Purpose Vouchers in 2024.

The expiration of additional grants and spending down of remaining funds reduced funds budgeted for homelessness, bringing total department spending on homelessness to $7,040,942 in 2023-2024 program year, which is the last year for which information is available.

Rental Assistance Program Needs: As HUD payment standards increase in line with market rate increases in rental costs, the funds available to support vouchers are maxed out. A Housing Choice Voucher program waitlist provided November 22, 2024, listed 10,171 applicants, with an average wait time of 516 days. Currently no vouchers are available, and it can be assumed the waitlist has continued to grow.

Of these households, 81.5 percent are considered Extremely Low (EL) income, with incomes at or below 30 percent of Area Median Income (AMI) for household size. For example, a one-person household is EL if they earn $19,250 or less annually. A family of five earning $29,650 per year is EL. This family of five can afford about $741 per month in housing costs, including rent and utilities, without being cost-burdened. However, the Department of Housing and Urban Development's (HUD) payment standard for a three-bedroom unit in Wichita is $1,339 for rent and utilities, which provides insight into the going market rate for an appropriately sized unit. This makes it extremely difficult for this household to secure safe and adequate housing without being cost-burdened or compromising other household needs.

Analysis of 3,185 current voucher holders also provides valuable insight into the types of individuals and households who could experience housing insecurity or homelessness without this resource.

- 717 (22.5%) of current voucher holders were homeless upon admission to the program
- 2,270 (71.3%) are female head of household (avg. age 46)
- 179 (5.6%) are large households of six or more
- 1,440 (45.2%) have a disability (avg. age 56)

Federal Entitlement Grants: Regular programming provided by H&CS for people experiencing homelessness included $135,628 in Emergency Solutions Grant (ESG)-funded homeless assistance and homeless prevention grants for awarded to local organizations for the 2023-2024 program year, in addition to a total of $62,138 budgeted for Rapid Rehousing interventions. The City received a total of $235,912 in ESG funding in 2023-2024.

Community Development Block Funding (CDBG) dedicated to community services also funds the Housing First Project Coordinator position and provides grants to local domestic violence shelter services. A total of $383,000 in CDBG resources was budgeted for these services in the 2023-2024 program year.

Additional CDBG program funds are not directly dedicated to serving individuals experiencing homelessness, but programs such as the CDBG-funded Home Repair program assist low-to-moderate-income current homeowners with critical home maintenance and updates to provide homeowners with safety and stability in otherwise affordable housing and to preserve affordable housing stock in Wichita.

Affordable housing units built through the City's Home Investment Partnership Program (HOME) and/or Low-Income Housing Tax Credits (LIHTC) also assist with housing stability for LMI households, although they are typically not a feasible first housing solution for individuals coming directly from homelessness. As of late 2023 the Kansas Housing Resources Corporation (KHRC) had 485 active tax credit projects on the books, with 73 (15 percent) of these in Sedgwick County and 55 of those in Wichita city limits.

While some past LIHTC allocation formulas have had a requirement to include designated units for individuals coming directly from homelessness, financing for these projects is predicated on pro forma evaluation demonstrating the project's ability to cash-flow over the long term. Most LIHTC developers will propose a project with a mix of dedicated unit affordability, with some units designated for EL households (30 percent AMI) and other units designated at the 50, 60, and 80 percent AMI thresholds to ensure project stability throughout the 30-year compliance period.

In recent years, the City's HOME-funded Housing Development Loan Program (HDLP) has focused primarily on single-family housing infill development in established neighborhoods in partnership with local developers.

These projects are primarily targeted for affordable homeownership and require the buyer to qualify for a private mortgage. As a result, they are not designed as a solution for people coming directly from homelessness.

Entitlement grant programs may be tailored to meet local needs in alignment with federal guidelines and requirements, and the City has recently modified its HDLP program to align with changing LIHTC allocation formulas in KHRC's Qualified Allocations Plan (QAP) in hopes of securing additional affordable housing development. The City also has allocated $150,000 in HOME funds for Tenant-Based Rental Assistance (TBRA) beginning with the 2024-2025 Program Year, which could assist aspiring renters with security deposits and remove barriers for entry into stable housing.

City of Wichita General Fund: The majority of H&CS funds dedicated to homelessness services are federal grants. Throughout a 10-year sample the City has allocated a total of $191,368 annually out of its general fund for Housing First Program rent assistance. The City spent an additional $2 million out of its General Fund in 2020-2021 for the acquisition of the 316 Hotel, which was renovated into a 54-unit, fully furnished studio apartment complex at the height of the COVID-19 pandemic. The facility continues to serve as The Studios at HumanKind and provides permanent supportive housing for individuals moving directly from homelessness, with on-site case management to assist residents on their journey to housing stability.

Private Sector Findings

Interviews with business owners in Downtown, Old Town, and Delano revealed three primary areas of financial burden: cleanup and repair costs, security investments, and increased insurance rates, with insurance posing the most significant threat to business viability. While business owners expressed understanding toward the homeless population, the financial pressures they face, particularly from insurance companies' response to emergency service calls in the area, create operational challenges. *Table 5* summarizes the dollar values provided by these business owners.

The numbers in the table represent estimates for one business. Certain categories (lost profit and security) represent annual estimates, while others (cleanup and repair and stolen product) are per occurrence.

Table 5: Summary of Private Sector Impact by Category

Category	Dollars
Lost Profit	$30,000
Security	$4,000
Clean up and Repair	$1,200
Stolen Product	$500
Total	**$35,700**

It is notable that these interviews revealed challenges that correlate with higher numbers of people experiencing homelessness in the area but are actually reflective of factors such as elevated emergency call rates and localized criminal activity. While reading the following information, it's important to understand that people experiencing homelessness are often targets of people committing criminal activities. The following is not intended to imply, nor should it be inferred that people experiencing homelessness are the cause for higher crime rates. However, the environment does create issues for private sector businesses.

Cleanup and Repair Costs

Business owners located in Downtown Wichita, Old Town, and Delano reported major costs associated with people experiencing homeless across three major categories resulting from cleanup and repairs. The most-frequently-reported cost for most businesses, regardless of type, was in payment of staff wages for time spent cleaning up trash, human waste, and vandalism such as graffiti. Owners, however, did not say this typically cost a lot of money. Addressing this problem costs about one to five hours of staff time monthly for most businesses.

Larger expenses, including those serious enough to threaten the viability of the business, are costs associated with damage, product loss, repairs, and additional security measures business owners frequently pay following an attempted break-in. Interviewees said costs associated with repairs far outweigh those associated with product loss: One owner noted that, following a recent break-in, her costs for repairs were about 10 times her cost of product loss. “In terms of product, they took some bottles of alcohol and some food, and that cost about $500, but that door they broke alone is going to be over $5000,” she said.

Security Costs

In response to the increased cost associated with break-ins, most business owners reported investing in additional security measures. This included security monitoring systems, with costs for installation, equipment, and subscription-based monitoring services, and deterrents, such as doors, gates, and barbed wire. One business reported substantial security costs, at around $50,000 per year, while most said security systems did not typically include a substantial cost burden. Deterrents could be expensive where deemed necessary. One owner, whose business included a covered front door, reported spending over $10,000 on the installation of two new doors to prevent individuals from sleeping next to the door, blocking his customers from entering and leaving the business.

While these expenses, as one-time costs, would not threaten an otherwise thriving business, some owners reported dealing with multiple incidents per calendar year. Interviews indicated that the number of these incidents may be increasing in recent years, with several business owners, especially those who have operated in the area for a long time, noting that the presence of unhoused individuals has increased in the last three to five years. They believe this is an unintended impact of downtown development and revitalization projects, like the revitalization of Naftzger Park, opening of the Applied Learning Library, and installation of bus shelters. Interviewees frequently acknowledged that it “makes sense” for people experiencing homelessness to be around their businesses, given proximity to services, and many business owners interviewed expressed a desire to help.

Impact on Insurance

Increased insurance rates resulting from being in an area perceived by insurers as experiencing high crime is the expense most likely to threaten the viability of a business in this area. The crime rate is typically calculated based on the reported number of emergency services calls placed in an area and does not necessarily reflect the nature or scale of crime in an area. Emergency services calls can include crime reporting, fire reporting, or health crisis reporting, and there is no way for these calls to be disambiguated.

Resulting “high crime” rate calculations do not necessarily indicate a high frequency of dangerous or violent crimes, or that an area is unsafe for business operations. Interviewees often observed that homeless individuals were not the instigators of crimes in the area, including break-ins. They believe the proximity of homeless activity attracts criminals hoping the blame for criminal activity would be placed on those experiencing homelessness.

In the insurance world, however, areas with high rates of calls to emergency services are thought of as risky to invest in. High rates for business in the area can be because of:

- The number of claims made by an individual business.
- The willingness of an insurer to continue providing coverage in an area recently deemed high crime. In this case, business owners may be forced into the secondary market, where rates are typically higher for worse coverage plans than they previously enjoyed.

Business owners lacking insurance, from either the primary or the secondary market, risk losing their license to operate. Because of this, insurance represents the most substantial existential risk to businesses. It is both a source of considerable stress for business owners, who must hedge their bets anytime they choose to make a claim against the risk that they might lose their access to insurance all together, and a real risk to continued operations, even for those who never make claims. Again, the need to address crime in the urban area, which includes having shelter resources and housing options for unhoused individuals, is an important part to address impact to private businesses.

Nonprofit Findings

The analysis examined six of the 11 contacted nonprofit organizations spanning funding entities, grant administrators, direct service providers, and healthcare providers. The organizations provided financial information on homelessness-related services, though reporting periods and budget structures varied. While the methodology does not isolate potential funding overlaps, the findings reveal important philanthropic and federal resource allocation patterns across the nonprofit sector.

United Way of the Plains

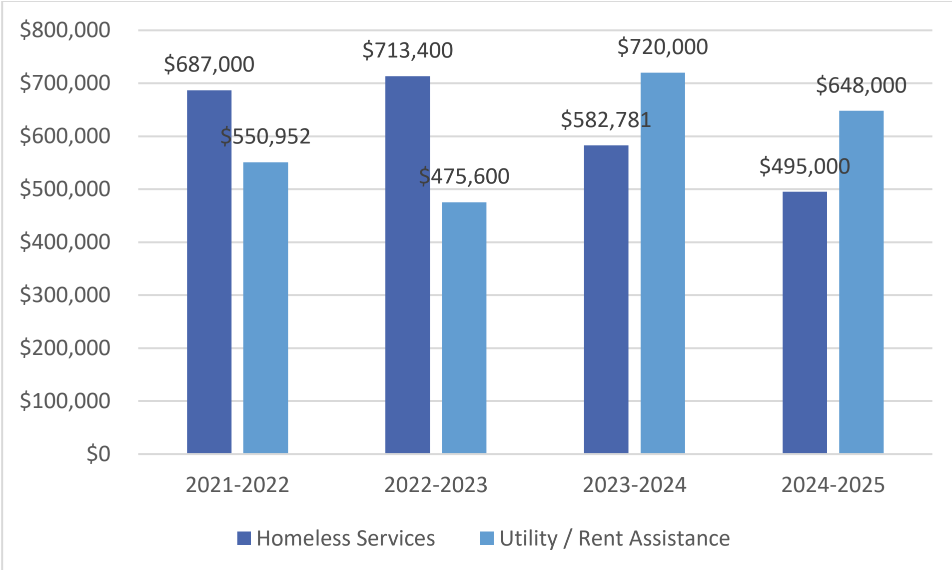
As a leading philanthropic organization in the Wichita / Sedgwick County region, the United Way of the Plains (UWP) serves as a funder to organizations across a variety of efforts. The UWP provided reporting on its investments into homelessness services and rent/utility assistance programs for years 2021-2022 through 2024-2025.

Of note, the dollars granted to homeless services have declined each of the past two years, falling from a high of $713,400 in 2022-2023 to a four-year low of $495,000 in 2024-2025. Simultaneously, investments in utility and rent assistance have been higher each of the past two years than the prior two, with a four-year high of $720,000 in 2023-2024 and dropping slightly to $648,000 in 2024-2025.

Table 6: Summary of Nonprofit Impact by Category

Category	Dollars
Coalition to End Homelessness	$3,900,000
United Way of the Plains	$1,143,000
Union Rescue Mission	$1,754,042
HumanKind Ministries	$537,000
United Methodist Open Door	$694,000
Hunter Health	$886,000
Total	**$8,914,042**

Figure 4: United Way of the Plains Philanthropic Investment, 2021-22 to 2024-25



Coalition to End Homelessness in Wichita / Sedgwick County

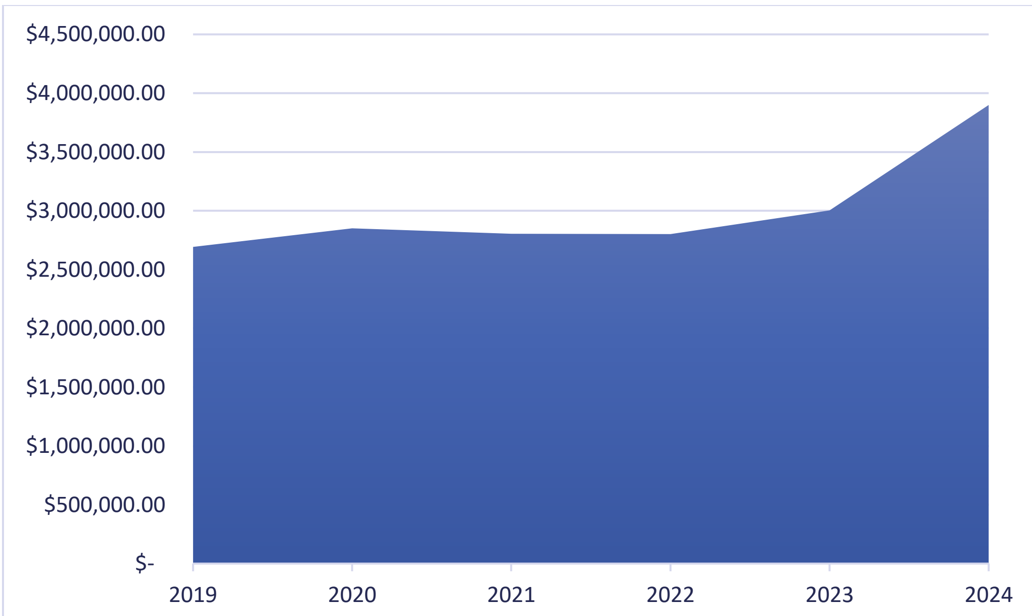
The Coalition to End Homelessness in Wichita / Sedgwick County, or the KS-502 Continuum of Care, is the designated grant manager for the allocation of U.S. Housing and Urban Development (HUD) resources. Housed within the United Way of the Plains, these dollars are unique from the UWP philanthropic investments and reflect HUD grant allocations to KS-502. The Coalition reported funding between years 2019 – 2024.

According to representatives from the Coalition, the funds support several categories of homelessness service provision within the Coalition operations and recipient providers, including housing, supportive services, administrative costs, Homeless Management Information System (HMIS) management and coordination, as well as planning conducted by the Coalition.

Over the five years, dollars granted to the Coalition by HUD have increased from $2.7 million in 2019 to just over $3 million in 2023. Figures were provided for dollars requested in 2024, $3.9 million. The amount is subject to change following the awarding of dollars by HUD.

The Coalition reported that most increases year over year account for increases in fair market rent (FMRs). The Coalition explained while the sum of dollars awarded may be increasing, it often supports the same number of units. If fully funded in 2024, the Coalition shared, the increased dollars will again reflect FMRs increasing as well as an increase in supportive service requests. Of note in Figure 2, below, the dollars reported in 2024 are for the requested total grant amount. The grant awards are not yet available for this period.

Figure 5: HUD Grant Dollars Awarded to KS-502 CoC, 2019-2024



Union Rescue Mission

Union Rescue Mission provided figures from its annual audit, fiscal year end June 2024. Union Rescue reported $1,754,042 in “direct costs of providing emergency overnight shelter and residential life change programs.” This figure does not include general and administrative costs, fundraising, or support services.

HumanKind Ministries

HumanKind shared costs during the current fiscal year, July 1, 2024 – January 31, 2025, for shelter services for men, women, and families in 90-day programming, which includes kennel space for pets. The Inn, HumanKind's year-round shelter facility, reported total expenses of $313,474 during the seven-month period. Using a monthly average, the Inn's annual expenses can be estimated at $537,000.

United Methodist Open Door

United Methodist Open Door reported a total annual budget in FY 2024, October 1, 2023 – September 30, 2024, of $694,000 for its Homeless Service Division. This includes the administrative, personnel, and programming costs associated with three programs:

- Day Shelter Services
- Rapid Rehousing
- Housing Navigator

Hunter Health

Since 2022, Hunter Health has received $886,000 in federal funds from HRSA 330 SAC Grant. Figures are provided for the calendar year schedule, 2024. These dollars are designated as federal community health center funding. Specifically, these monies are attributed to the healthcare for the homeless special population funding. The funds are predominantly used for salaries, fringe benefits of staff which include a shelter nurse, clinician, registered nurse (RN) and medical assistant (MA) on site at shelter or with service providers. Hunter Health is currently one of three clinics in Kansas with the healthcare for the homeless designation.

The $886,000 captures includes medical, vision, pharmacy and additional services provided by Hunter Health among population that fits the definition of HRSA 330 SAC grant: "People Experiencing Homelessness include individuals, who lack housing (regardless of whether the individual is a member of a family); whose residence during the night is a supervised facility that provides temporary living accommodations; who reside in transitional housing, permanent supportive housing, or other housing programs that are targeted to homeless populations.” Hunter Health estimates that within its own clinics, $700,000 in services provided in 2024 were uncompensated care, where the client did not have insurance and did not have a co-pay. The balance of the federal money received is used to support services provided in shelters and through service providers.

The federal funds awarded to Hunter Health are allocated as a flat fee and do not adjust according to the clients served. The grant dollars are intended to cover the personnel needed to provide uncompensated care costs. However, Hunter Health estimates that the total care provided to persons experiencing homelessness when combining services in their clinics and services at shelters exceeds the $886,000 figure, annually. The estimated overage is not currently available.

Findings: Housing Needs Assessment

Key Findings

- Very low-income renters face deficiencies in affordable units, while high-income households, particularly owners, encounter a lack of housing priced for their income level.
- Under conservative estimates, demand from adults living with nonrelatives exceeds available units by at least 2,600 units. Under moderate assumptions, this gap grows to nearly 5,800 units.
- One-person households and large households may face the most significant challenges in finding quality affordable housing.

Income-Based Housing Gap Analysis

This analysis examines housing affordability gaps in both rental and owner-occupied markets, revealing distinct patterns of housing availability across different income levels. The results present market gaps, showing where housing supply either exceeds or falls short of household demand, with careful attention to statistical significance.

Rental Market Analysis

The rental market shows clear patterns of mismatch between household incomes and available affordable units. The most severe shortages appear at both ends of the income spectrum, while middle-income ranges show surpluses.

For households earning less than $20,000 annually, the market shows statistically significant shortages. The largest deficit appears among households earning $10,000-$14,999, with a shortage of 4,136 units (plus or minus 685 units). This means these very low-income households face substantial competition for the limited number of units they can afford.

In contrast, households earning between $25,000 and $50,000 have access to more affordable units than there are households in these income ranges. The largest surplus appears in the $35,000-$49,999 range, with 12,359 more units than households (plus or minus 1,524 units). This surplus suggests that middle-income renters have more housing choices within their affordable range.

The market shows renewed shortages for higher-income households, particularly those earning $75,000 or more. Households earning $75,000-$99,999 face a deficit of 4,873 units (plus or minus 784 units), indicating a lack of rental housing priced for higher-income households.

Table 7: Detailed Rental Market Analysis

Income Range	Maximum Affordable Monthly Costs (Lower Limit)	Maximum Affordable Monthly Costs (Upper Limit)	Number of Households	Number of Affordable Units	Surplus (+) or Deficit (-)	Lower Confidence Interval	Upper Confidence Interval	Statistically Significant
$0 to $4,999	-	125	3,584	54	(3,530)	(4,470)	(2,590)	Yes
$5,000 to $9,999	125	250	2,132	277	(1,855)	(2,512)	(1,198)	Yes
$10,000 to $14,999	250	375	5,095	959	(4,136)	(5,263)	(3,009)	Yes
$15,000 to $19,999	375	500	3,974	1,723	(2,251)	(3,477)	(1,025)	Yes
$20,000 to $24,999	500	625	3,959	4,803	844	(402)	2,090	No
$25,000 to $34,999	625	875	8,929	17,417	8,488	6,089	10,887	Yes
$35,000 to $49,999	875	1,250	11,128	23,487	12,359	9,852	14,866	Yes
$50,000 to $74,999	1,250	1,875	11,855	11,167	(688)	(2,434)	1,058	No
$75,000 to $99,999	1,875	2,500	7,429	2,556	(4,873)	(6,163)	(3,583)	Yes
$100,000 to $149,999	2,500	3,750	5,012	339	(4,673)	(5,614)	(3,732)	Yes
$150,000 or More	3,750	5,625	2,428	266	(2,162)	(3,067)	(1,257)	Yes

Owner Market Analysis

The owner market shows more extreme patterns of mismatch than the rental market. Low- and middle-income ranges show substantial surpluses of affordable owner-occupied housing. For example, households earning $35,000-$49,999 have access to 8,760 more affordable units than there are households in this income range (plus or minus 1,196 units). This pattern continues through the middle-income ranges.

However, the market shows severe shortages for higher-income households. The deficit becomes particularly acute for households earning more than $100,000. Households in the $100,000-$149,999 range face a shortage of 14,627 affordable units (plus or minus 1,297 units), while those earning $150,000+ experience an even larger deficit of 16,977 units (plus or minus 960 units).

Table 8: Detailed Owner Market Analysis

Income Range	Maximum Affordable Monthly Costs (Lower Limit)	Maximum Affordable Monthly Costs (Upper Limit)	Number of Households	Number of Affordable Units	Surplus (+) or Deficit (-)	Lower Confidence Interval	Upper Confidence Interval	Statistically Significant
$0 to $4,999	-	125	1,461	307	(1,154)	(1,639)	(669)	Yes
$5,000 to $9,999	125	250	1,086	735	(351)	(986)	284	No
$10,000 to $14,999	250	375	1,610	4,949	3 ,339	2,310	4,368	Yes
$15,000 to $19,999	375	500	2,075	7,789	5,714	4,391	7,037	Yes
$20,000 to $24,999	500	625	1,935	8,256	6,321	5,150	7,492	Yes
$25,000 to $34,999	625	875	6,241	14,571	8,330	6,465	10,195	Yes
$35,000 to $49,999	875	1,250	9,424	18,184	8,760	6,793	10,727	Yes
$50,000 to $74,999	1,250	1,875	16,630	19,831	3,201	1,157	5,245	Yes
$75,000 to $99,999	1,875	2,500	13,582	10,036	(3,546)	(5,117)	(1,975)	Yes
$100,000 to $149,999	2,500	3,750	19,544	4,917	(14,627)	(16,761)	(12,493)	Yes
$150,000 or More	3,750	5,625	18,533	1,556	(16,977)	(18,557)	(15,397)	Yes

The distinct patterns between mortgage and non-mortgage units help explain these gaps. Units without mortgages tend to have lower monthly costs, contributing to the surplus of affordable units in lower and middle-income ranges. However, the shortage of units with costs affordable to high-income households suggests a lack of higher-end owner-occupied housing in the market.

These findings indicate the rental and owner markets show significant misalignment between household incomes and housing costs. This misalignment creates challenges for very low-income renters and high-income owners, who face the most severe shortages of housing units in their affordable ranges.

Suppressed Household Formation

This analysis examines the relationship between housing availability and potential household formation among adults currently living with nonrelatives in Wichita. The findings reveal important patterns about housing needs across different age groups and highlight potential gaps in housing supply.

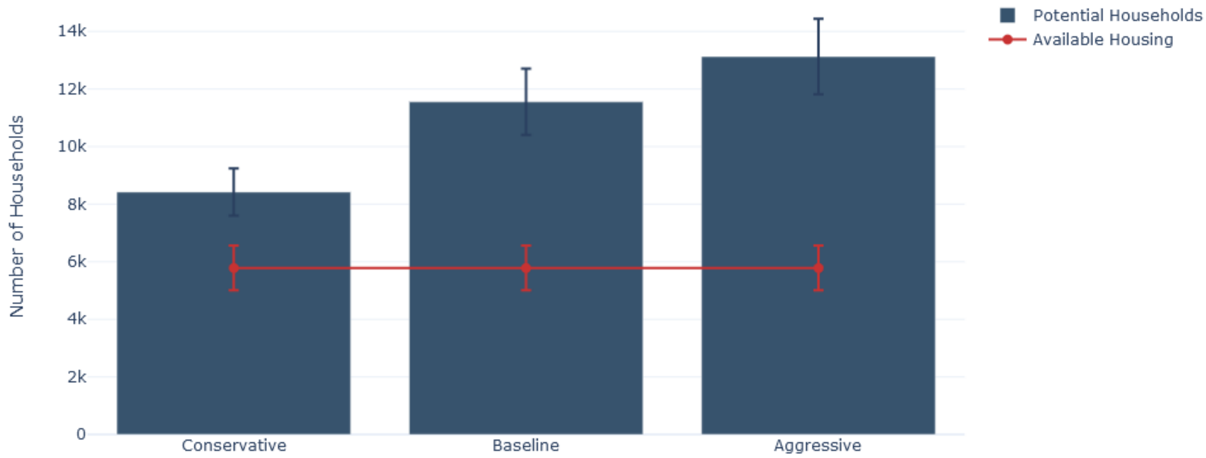
Table 9: Housing Gap by Scenario

Scenario	Total Potential Households	Margin of Error	Available Housing	Margin of Error	Housing Gap	Margin of Error	Reliability
Conservative	8,420	821	5,782	779	2,638	1,131	Medium
Baseline	11,558	1,149	5,782	779	5,776	1,387	Medium
Aggressive	13,126	1,313	5,782	779	7,344	1,526	Medium

The analysis considered three scenarios based on different assumptions about preferences for independent living. Under the baseline scenario, which assumes moderate preferences for independent living (70 to 80 percent depending on age group), approximately 11,558 adults currently living with nonrelatives would prefer to

form independent households. This stands in stark contrast to the available housing supply of 5,782 units, suggesting a housing gap of about 5,776 units.
Even under conservative assumptions about preferences for independent living, the analysis indicates a shortage of available housing units.

Figure 6: Potential Households vs Available Housing by Scenario



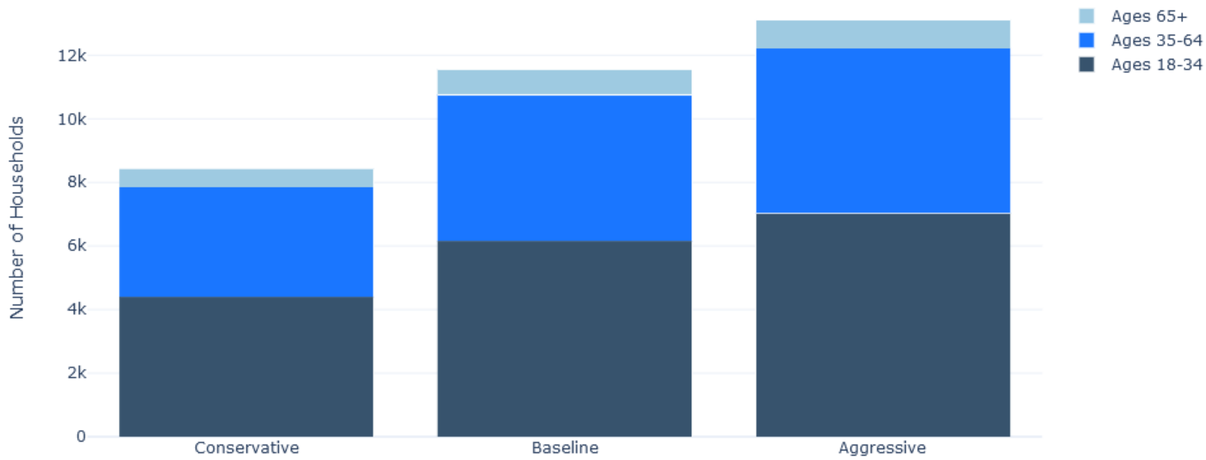
The age distribution of potential household formation reveals particularly strong needs among young adults. As shown in *Figure 6*, adults aged 18-34 represent the largest group of potential independent households across all scenarios. Under the baseline scenario, this age group accounts for more than half of all potential new households, suggesting that young adults may face challenges in finding independent housing in the current market.

Table 10: Age Distribution of Potential Households by Scenario

Age Group	Conservative Estimate	Margin of Error	Baseline Estimate	Margin of Error	Aggressive Estimate	Margin of Error
18-34	4,402	564	6,163	790	7,043	903
35-64	3,449	556	4,598	741	5,173	834
65+	569	182	797	255	910	291

The analysis also considers how preferences for independent living might vary. Under conservative assumptions, where only 50 to 60 percent of adults living with nonrelatives would prefer independent housing, the estimated housing gap is approximately 2,638 units. Under more aggressive assumptions, where 80 to 90 percent would prefer independent housing, this gap grows to about 7,344 units. Importantly, even under the most conservative assumptions, the analysis suggests a significant shortfall in available housing units.

Figure 7: Age Distribution of Potential Households by Scenario



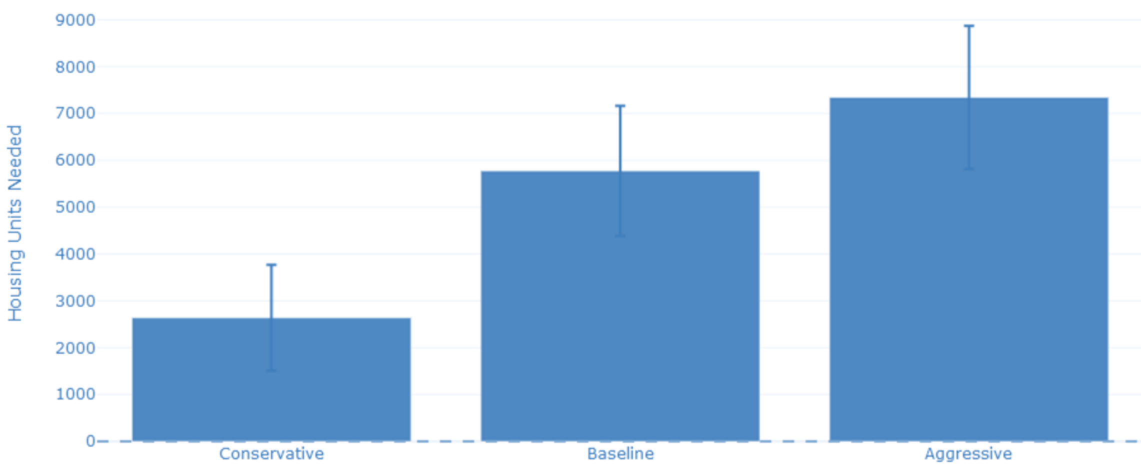
To ensure reliability in these estimates, the analysis incorporates margins of error from Census data and carefully accounts for uncertainty in the assumptions. While most estimates show high or medium reliability, the uncertainty grows larger when estimating total housing gaps, as shown in *Table 11*. This increasing uncertainty reflects the complex relationship between housing availability and household formation preferences.

Table 11: Reliability Measures

Measure	Coefficient of Variation	Reliability Rating
Available Housing	13.50%	High

Conservative Total	9.80%	High
Baseline Total	9.90%	High
Aggressive Total	10.00%	High
Housing Gap (Conservative)	42.90%	Low
Housing Gap (Baseline)	24.00%	Medium
Housing Gap (Aggressive)	20.80%	Medium

Figure 8: Housing Gap by Scenario with 90 Percent Confidence Intervals



The findings suggest that current housing availability may significantly constrain household formation in our study area. Even using conservative estimates and accounting for natural vacancy rates, the available housing supply appears insufficient to meet potential demand from adults currently living with nonrelatives. This gap is particularly pronounced for young adults, who represent the largest group of potential new households.

Focus group conversations with local real estate agents echoed this theme. Real estate agents cited examples of young adults who are choosing to maintain renting with roommates rather than exploring independent homeownership. Agents noted there is not a lot of housing on the market that is affordable to young, first-time homebuyers.

Others said would-be buyers are finding their funds don't go as far as anticipated with current interest, tax, and insurance rates.

Local homebuilders who focus on entry-level homes said this age group is a notable part of their clientele for twin homes (duplexes). One builder said five of the last six twin homes sold went to buyers under age 35, and another builder said buyers tend to be young adults or people over age 55 who are downsizing.

Combined Affordability, Quality, and Geography Analysis

This analysis examines quality and affordability, focusing on how housing costs align with different household sizes and incomes. The method attempts to assess whether households of different sizes could afford housing units of appropriate size; however, it does not address whether households currently occupy units that match their needs or preferences. For instance, some single-person households might choose to rent larger units, or multiple single people might share larger units for affordability or preference.

Interpreting the Scores

A household's affordability score reveals how their housing costs compare to what they should reasonably pay based on their income. Consider a two-person household with a 26.6 percent cost burden threshold, meaning they should spend no more than 26.6 percent of their monthly income on housing.

An affordability score of 0.20 means they're spending 21.3% of their income on rent (26.6 percent * [1 - 0.20] = 21.3 percent), which is affordable. A score of 0 means they're spending exactly their threshold amount of 26.6 percent. A score of -0.50 means they're spending 39.9 percent of their income on rent (26.6 percent * [1 + 0.50] = 39.9 percent), indicating a significant cost burden.

For example, if this household earns $4,000 per month:

- A score of 0.20 means they spend about $852 on housing (21.3 percent of income)

- A score of 0 means they spend $1,064 on housing (26.6 percent of income)
- A score of -0.50 means they spend $1,596 on housing (39.9 percent of income)

Quality scores range from 0 to 1 and show how a unit's quality compares to other units of the same size in the market.

A score of 0.75 means a unit rates better than 75 percent of similar-sized units, while a score of 0.25 means a unit rates better than only 25 percent of similar-sized units. These scores were calculated separately for each bedroom size to ensure consistency.

Table 12 shows the average, minimum, and maximum affordability scores by household size and number of bedrooms. *Table 13* contains a summary of the adjusted cost burden thresholds by household size. *Figure 9* shows the distribution of quality and affordability scores by household size and ZIP code. As you can see, there is significant variability in affordability, but variation in quality appears to be limited.

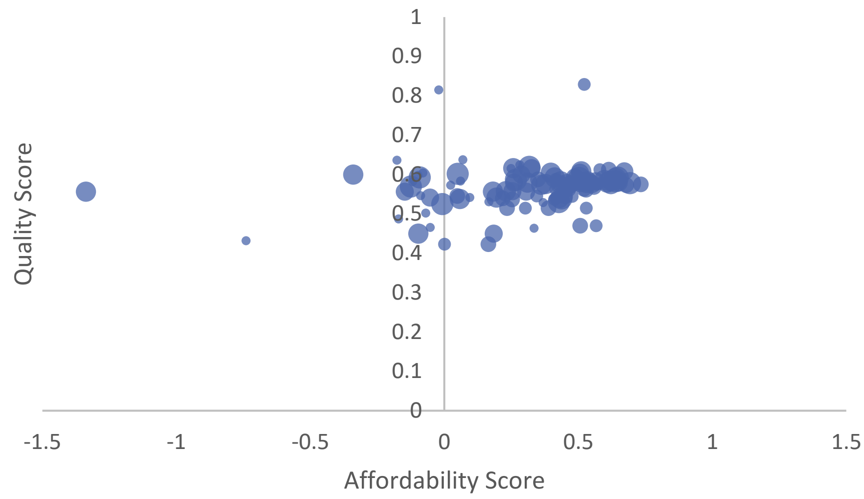
Table 12: Summary of Affordability by Household Size and Number of Bedrooms

Bedrooms	Household Size	Average	Minimum	Maximum
1	1	0.002	-0.740	0.369
2	2	0.454	0.001	0.621
	3	0.430	0.048	0.733
3	4	0.398	-0.148	0.672
	5	0.251	-1.337	0.622
4	6	0.338	-0.125	0.693

Table 13: Summary of Cost Burden Thresholds by Household Size

Household Size	Average
1	26.60%
2	29.50%
3	28.00%
4	28.00%
5	26.50%
6	27.20%

Figure 9: Housing Affordability and Quality Scores by Household Size and ZIP Code



Each bubble represents a household size, ZIP code pair, where the size of the bubble indicates the household size.

Affordability Patterns by Household Size

Median single-person households seeking one-bedroom units face significant affordability challenges. For these households, with a typical affordable housing cost threshold of 26.6 percent of monthly income, the analysis shows:

- The most affordable units (affordability score of 0.369) require only 16.8 percent of income.
- A typical unit (affordability score near 0.002) requires almost exactly the 26.6 percent threshold.
- The least affordable units (score of -0.740) require 46.3 percent of income

This means a single person making $3,000 per month might pay anywhere from $504 to $1,389 for a one-bedroom unit, with typical units costing around $798.

Median two-person households seeking two-bedroom units show better affordability outcomes.

With an average affordability score of 0.454, these households typically face costs well below their cost burden thresholds. The positive scores persist across quality levels, suggesting that higher quality doesn't necessarily translate to unaffordable rents for these households.

The market for larger households shows a more complex relationship between quality and affordability. For three-bedroom units:

- Middle-quality units show the best affordability scores.
- Both low and high-quality segments show some cost burden.
- High-quality units often command prices that would burden even higher-income households.

For example, the median four-person household with a 28 percent cost burden threshold might find high-quality units requiring 35 percent of income, while middle-quality units require closer to 25 percent.

Quality Patterns in the Housing Stock

While quality scores appear tightly clustered (between 0.56-0.59 across bedroom sizes), the underlying property ratings show meaningful variation:

- Condition, Desirability, and Utility (CDU) quality ratings range from 1 to 15. Most units cluster between ratings of 8 and 9.
- Individual ZIP codes show variation in quality (standard deviations from 0.44 to 2.61), suggesting that while neighborhoods maintain similar overall quality levels in their housing stock, individual properties within those neighborhoods can vary substantially in quality.

These findings reveal important patterns in Wichita's housing market, particularly regarding the relationship between unit quality and affordability for different household sizes.

However, due to limitations in the data, the current analysis only looks at median households and housing units, as opposed to the full distribution of incomes and costs that would be necessary to provide a more complete picture of Wichita's housing market. Additionally, the data cannot say whether households currently occupy units that match their size needs or whether they have chosen different housing arrangements based on preferences or market constraints.

Focus Group Findings

As part of its Housing Assessment study, the Public Policy and Management Center also conducted five focus groups to better understand multiple points of view regarding local housing conditions, including quality and affordability.

Focus groups were conducted with:

- REALTORS® of South-Central Kansas
- Wichita Area Builders Association
- Wichita Habitat for Humanity
- Mennonite Housing
- City of Wichita Real Property Section staff

Affordability Barriers

- For many households, the purchase price is not the only barrier. Rising interest, tax, and insurance costs were repeatedly cited not only as a barrier to buyer affordability, but also as a reason people are selling their homes. These associated costs are outpacing homeowner's ability to keep up. Agents said they have seen buyers from a few years ago become sellers as homeownership costs rise.
- Builders also said specials typically now add $300 or more monthly to house payments and are a major affordability challenge for buyers.
- Those in the homebuyer market face the combined obstacles of these purchase prices and the challenge of resetting expectations for how far budgets will go.

One agent said a home priced at $200,000 three or four years ago with 5 to 10 percent down will cost almost double in monthly payments today, with interest and other factors included.

- This also has led to higher-priced inventory, such as homes over $300,000, sitting on the market and buyers at all levels compromising on features such as particular schools or districts, bathrooms, or preferred housing quality and condition.
- Real estate agents said buyers still want a three-car garage, basement, and multiple bathrooms, and are willing to expand their searchable area within the region to try to find inventory rather than compromising on these characteristics.
- Costs for building and buying prevent some households from downsizing. One real estate agent noted that downsizing from a family home to a patio home at half the square footage comes with a hefty price tag in the current market. This prevents a domino effect of movement that would allow other households to upsize.
- Mennonite Housing staff said they see this as well, and a large part of their rental portfolio is dedicated to older adults who want to get out of their homes and into something without maintenance. An emphasis on building subsidized senior projects assists in putting housing stock back on the market.
- Real estate agents also anticipate a future wave of increasing rent costs. They said right now homeownership is frequently more costly than renting and they attributed that to long-term investor landlords with multiple rentals holding rates at artificially low numbers to keep established renters. Agents said as new owners come in, they are likely to adjust rents to current rates.

Quality Considerations

- Lower-income households may struggle to find quality housing at an affordable price point.
- Aging housing stock often requires updates and repairs.

- Both the City of Wichita and Habitat for Humanity provide Home Repair programs to assist income-qualified homeowners with costs that they otherwise might not be able to afford.
    - Many of these homeowners no longer have a mortgage, but a lack of energy efficiency, roof issues, windows in poor condition, and other issues can threaten affordability.
    - High-dollar household systems that fall within these types of programs include water service and wastewater lines, HVAC, roofs, lead or galvanized plumbing.
    - Both programs have restrictions, such as debt to cost ratios, and restrictions, such as substantial foundation repairs.
- Focus group feedback indicated many rental properties are not maintained to quality standards and may have holes in the floors, walls, or presence of rodents.
- Tenants traditionally have been in a Catch-22 situation where if they request a fix the landlord may raise rent or ask them to find another place to live. If a tenant cannot afford a deposit or move, they may choose to live with the deficiency.
- Rentals subsidized with Housing Choice Vouchers (HCV) are subject to inspections and landlords must follow program requirements.
- Boarded up homes are a concern and may require substantial investment to bring back to livability.

<u>Housing Market Conditions</u>

- Real estate agents are seeing pressure on the local housing market from out-of-state buyers who are looking at Wichita’s housing market for both investments and relocations.
- A lot of the housing development that is taking place within Sedgwick County is farm ground in communities outside of Wichita. Duplex/twin home developments are springing up in Goddard, Maize, and Haysville. Both home builders and real

estate agents indicated they are seeing a growing trend of owner-occupied twin homes, or in an owner purchasing both sides and renting out one side.

    - "In the single-family market, they can't find the same amount of living space in the affordable range they need."

- Price-conscious homebuyers are also seeking out avenues such as auctions, where they may be able to snag a quality home in need of updates in the $150,000 to $200,000 price range.
- Real estate agents said housing stock priced at less than $100,000 typically is purchased by investors and many of these properties are not livable.

Homebuilding Costs

- Within the single-family housing market, it is very difficult to build a new home for less than $200,000.
    - Mennonite Housing has a model that costs $212,000 to build and sells for $122,000 after a $90,000 Housing Development Loan Program subsidy.
    - One private market builder has an approximately 1,200-square-foot model for $239,000.
    - Wichita Habitat for Humanity is able to build for less than $200,000, but some of this is tied to their unique model that includes systemic efficiencies and significant volunteer efforts.
        - WHFH logged 27,688 volunteer hours in 2023, which the Internal Revenue Services considers to be a $1.1 million equivalent
- Multiple builders said regulation can drive up costs. In particular, builders who build subsidized housing said the use of International Building Codes, energy efficiency requirements, and other hallmarks of subsidy programs add costs and increase the subsidies required per unit.
- Builders noted cost increases in recent years on several fronts, including labor, subcontractors, lumber, and land.

    - Costs per acre for greenfield land purchases have increased from the $10,000 range per acre 10 years ago to between $20,000 and $35,000 now.
    - In 2014, when Wichita Habitat for Humanity began its infill Rock the Block initiative in northeast Wichita, lots were $500 to $3,000. Owners are now seeking up to $18,000 for infill lots.
- Builders in three focus groups mentioned substantial challenges related to infill lot redevelopment, including overgrown trees, old approaches, sidewalks, existing foundations and basements, and infrastructure in need of repair or replacement.
- Builders said some affordability can be increased through economies of scale, such as volume and scale in a development area and bulk purchasing of supplies and equipment.
- Twin home builders said some key characteristics that can enhance affordability include:
    - Ability to put two units on a 60-70-foot lot, versus one home on an 80-100-foot lot
    - Spreading the cost of lots and specials across more front doors
    - Permit costs
    - Common walls with soundboard and sheetrock between

Community Development

- Subsidized housing activity tends to prioritize infill development. Some of these neighborhoods were previously redlined, and a lack of upkeep in the neighborhood may prevent area homes from retaining value.
- Nonprofit builders who do this work said it is difficult to build in distressed areas without subsidy support and dollars.
- One area where many buyers will not compromise is safety, even to secure housing affordability.

- Real estate agents said buyers are not willing to move to affordable areas if they are perceived as not safe and there is a preference for suburban school districts.
- Mennonite Housing staff said six prospective households declined to purchase a newly built subsidized home in an infill area before a seventh household bought it last June. They said even though they have hundreds of households on their homebuyer wait list, many people don't like infill locations and may pass on the opportunity.
- Habitat for Humanity staff said one recent buyer in the Rock the Block neighborhood was rattled by a recent shooting a block away. Staff said blocks with a density of homeownership tend to be safer, but this represents a shift in where crime occurs, rather than a true reduction. While the Rock the Block area has seen decreasing crime, this activity moves elsewhere.

- The City also is selling units from its Public Housing program with funds available through the Affordable Housing Fund to subsidize remodels of these homes.
  - Wichita Habitat For Humanity is redeveloping 16 of these units on Piatt in northeast Wichita with plans to demo these units down to the studs, rehabilitate them, and make this block a heart of the neighborhood.
- Redeveloped areas have fewer fire calls, less dumping, and reductions in squatters on formerly vacant lots.
- When more homeowners are invested in an area, builders see more vibrant neighborhoods with pride in place and increased safety.
- Habitat for Humanity's "Sweat Equity" model means neighbors often worked on each other's homes in the build process and have built community and family as part of the process.
- Both Habitat for Humanity and Mennonite Housing staff said there is a satisfaction to helping households successfully achieve homeownership and community through their work.

Conclusions and Recommendations

The economic impact of homelessness in Wichita and Sedgwick County represents a significant allocation of public, private, and nonprofit resources. This study represents the first comprehensive attempt to quantify the economic impact of homelessness across public, private, and nonprofit sectors in Wichita and Sedgwick County. The findings demonstrate that addressing homelessness requires substantial financial investment across all sectors, with costs extending far beyond direct service provision.

This report, in both the economic impact and housing assessment, endeavors to create a more complete framework for viewing the dual challenge our community faces in homelessness and housing needs. While more complete, it is acknowledged that it is not comprehensive. The work of this report aids in better understanding the parameters of these challenges as it applies to the allocation of resources.

While these concluding thoughts and policy recommendations are anchored in resource allocation – the very real impact of this dual challenge is born by friends, neighbors, and families across Wichita and Sedgwick County who experience homelessness or housing insecurity. This report aims to inform the system that addresses homelessness and housing insecurity, whether directly or indirectly, and provide improved methodology for making decisions that affect lives every day.

Summary of Main Conclusions

The research reveals several key conclusions about the economic impact of homelessness in the community. Within the public sector, emergency services and public safety departments face substantial direct costs and resource allocation challenges. The Wichita Police Department's dedication of over 6,600 hours to homelessness-related calls, combined with more than $478,000 allocated across City departments for encampment remediation in 2025, illustrates the magnitude of public resource consumption. Moreover, departments not traditionally associated with homelessness response report dedicating 15 to 25 percent of staff time to related issues, indicating a broader impact on public service delivery than previously documented.

In the private sector, businesses in high-impact areas face escalating costs across multiple categories. Beyond immediate expenses for security and property maintenance, businesses encounter systemic challenges such as increased insurance rates and potential loss of customers. The concentration of these impacts in specific geographic areas suggests that homelessness creates localized economic pressures that could affect long-term business viability and neighborhood development.

The nonprofit sector's financial data indicates substantial investment in addressing homelessness, with individual organizations managing annual budgets in the millions of dollars for direct service provision.

The gap between federal funding and actual service costs, as demonstrated by Hunter Health's experiences, suggests that even well-funded programs struggle to meet community needs.

Relation to Existing Research

The economic impact findings generally align with previous research indicating that chronic homelessness creates substantial public costs, particularly in healthcare and emergency services. However, this study expands on existing literature in three significant ways:

- By documenting impacts across a broader range of public departments than typically studied, including code enforcement, animal control, park and recreation, and other departments not traditionally associated with homelessness response
- Through detailed examination of private sector impacts, providing new insights into how homelessness affects business operations and economic development at the neighborhood level
- By examining these dynamics in a mid-sized city context, where different economic and social factors may be at play compared to the major metropolitan areas typically studied in existing research

Directions for Future Research

Integrated Data System for Service Provision

The current fragmentation of data collection and reporting across departments and sectors limits our understanding of service utilization patterns and overall economic impact. Development of an integrated data system could:

- Enable tracking of service utilization across multiple providers
- Identify patterns in resource consumption and service needs

- Support more efficient resource allocation and program planning
- Allow for better coordination between public and nonprofit service providers

Implementation of such a system would require standardized definitions of homelessness across departments, consistent reporting periods, and mechanisms for protecting client privacy while sharing essential service data.

Expanded Business Impact Analysis

The qualitative interviews with business owners provided valuable insights into the types of economic impacts experienced by the private sector. These findings could inform the development of a comprehensive business impact survey that would:

- Quantify specific categories of costs identified in the interviews
- Measure the geographic extent of economic impacts beyond the downtown core
- Assess potential relationships between business types and impact levels
- Track changes in economic impact over time

A larger survey instrument could help establish baseline measures of economic impact and support future evaluation of intervention effectiveness.

Enhanced Cost-Tracking Mechanisms

Future research would benefit from the development of standardized cost-tracking mechanisms across departments and sectors. Key areas for improved measurement include:

- Direct service costs, including staff time and resource allocation
- Indirect costs such as lost business revenue and property value impacts
- Opportunity costs associated with diverted resources
- Long-term economic effects on neighborhood development and business viability

Policy Implications

Economic Impact of Homelessness

The findings from this study suggest several considerations for policymakers and stakeholders.

Multidisciplinary Response

First, the substantial allocation of public safety resources to homelessness-related calls indicates a need to evaluate current response models and consider alternative approaches that might more efficiently address community needs. Current efforts within Wichita and Sedgwick County should be acknowledged as efforts to address these needs. Multidiscipline response teams responding to calls have become a regular part of the emergency response structure in Sedgwick County. More specifically, increased efforts by non-public sector stakeholders like the Coalition to End Homelessness and the Homelessness Task Force have made significant efforts in recent years to increase the capacity of non-law enforcement or public safety responses to persons experiencing homelessness and in need of non-medical assistance through coordinated outreach.

Homelessness Task Force

The Homelessness Task Force has prioritized information sharing and data gathering among public safety and emergency response stakeholders. The cross-sector composition of the Task Force has resulted in nonprofit stakeholders like the Coalition to End Homelessness and its provider network building more robust support for coordinated response and outreach, including new efforts to broaden the involvement of health care stakeholders.

The anticipated opening of the Mult-Agency Center to provide shelter, services, and navigation to housing, presents further opportunity to align resources and coordinate response.

Continued efforts to fully understand the ways in which resources are being used by public entities in the community can inform the service model and processes at the Multi-Agency Center.

Intersection of Homelessness, Mental Health and Substance Use

It is repeated often among service providers that it is incorrect to assume that the population of people experiencing homelessness in the community is made up largely of people experiencing mental health issues or substance use disorder. This study does not aim to clarify that question or evaluate that assumption.

What does become clear when examining past data gathered locally, existing research outside the region, and anecdotal evidence from stakeholders – is that a substantial amount of the resources dedicated to serving persons experiencing homelessness are allocated to the portion of the population that are dealing with mental health and substance abuse challenges.

A 2019 study conducted by the PPMC highlighted the disproportionate percentage of crisis services in Sedgwick County dedicated to providing emergency care and response to a population of less than 300 in the community. Ascension Via Christi St. Joseph's reported more than $17 million in uncompensated care annually as a part of this disproportionate service delivery. The 2008 Barbar study cited in this report describes researcher's conclusion that just 32% of persons with co-occurring conditions like mental health illness or substance abused disorder account for 82% of homelessness services nationally. And while stakeholders make great efforts to ensure that the population of persons experiencing homelessness is not falsely characterized as all facing these co-occurring conditions, they do share in public meetings and stakeholder engagement that it is accurate to say a small population of these persons requires a significant and intensive portion of care and service.

Private Sector

Second, the concentration of private sector impacts in specific geographic areas suggests that targeted interventions might help mitigate economic effects on local businesses. The recent passage of a revised camping ordinance by the City of Wichita may have the intent to address certain elements of the impacts being realized by these businesses. In light of the findings in this report – it may be beneficial to evaluate the scope of the cost associated with enforcement of the ordinance when compared with a combination of enforcement and alternative interventions including coordinated street outreach to persons camping, or trainings on how to engage persons experiencing homelessness made available to affected businesses and their owners.

Coordinated Resources

Finally, the balance of available funding and service needs in the nonprofit sector, including health care providers, indicates a need to examine current funding mechanisms and explore additional resources and approaches for service provision. While the Multi-Agency Center represents a significant change in approach to the model of homelessness service provision in Wichita and Sedgwick County, additional efforts underway in recent years have aimed to address this challenge of scarce resources and complex solutions. Wichita and Sedgwick County's stated objective, in summer of 2023, to achieve "functional zero" in homelessness is an ambitious effort that requires coordinating resources and stakeholder in order to deliver a system of service that moves persons out of homelessness faster than persons move into homelessness. Stakeholders across the community, including the Coalition to End Homelessness and Homelessness Task Force, have supported efforts to achieve this among two key populations, initially: Veterans experiencing homelessness and those non-veterans who are experiencing chronic homelessness.

Additionally, an informal collaborative of stakeholders and providers has initiated the process of developing, evaluating, and documenting a continuum of care from chronic homelessness to stable, safe housing among the population of persons who are hardest to engage and support. This process is a stated goal of the Homelessness Task Force and is being carried out by partners across the community through regular meetings and evaluation. This essential step in care and service, however, has no centralized method of financial support, to date, and could benefit from the expanded data analysis begun in this report.

Housing

The challenge Wichita and Sedgwick County face in aligning housing development with housing needs is not unique to communities across the nation. And in fact, efforts are currently underway through various stakeholders across the community and region to imagine and execute the tactics or policy choices that will help to address this alignment. The response to housing challenges has long held the attention of all sectors. Public sector efforts to address housing have played out for decades at all levels. Private and nonprofit interests have aimed to provide solutions that are both financially viable investments and impactful.

Determining Methodology

Within the wildly complex set of efforts to address housing challenges across the community is a fundamental need that spurred this report's work. What is lacking is an agreed upon methodology for evaluating need and informing tactics deployed by the cross-sector network of stakeholders.

This report provides the framework for evaluating the housing challenge through three distinct methodologies. In addition, feedback from audiences involved in the regular work of satisfying housing needs are included to provide context for what stakeholders in the field view as obstacles to implementation of the tactics they view as essential.

The quantitative findings from our three housing models complement and validate some of the challenges identified through stakeholder engagement. The evidence reinforces focus group observations about barriers to household formation among young adults, affordability challenges across multiple market segments, and misalignment between housing supply and demand at various price points.

However, the models also reveal some patterns that weren't prominent in stakeholder discussions, particularly regarding the scale of housing shortages at both ends of the income spectrum. These insights suggest that market challenges may be more systemic than individual stakeholder perspectives might indicate.

These analyses have important limitations that should inform their use in policy development. The models cannot fully capture the complex interplay between housing preferences, market constraints, and household decisions. Geographic variations within ZIP codes, quality factors beyond those captured in assessment data, and the dynamic nature of household formation all warrant further investigation. These limitations suggest the need for ongoing refinement of analytical approaches and data collection alongside the stakeholder-driven strategies being developed through the Task Force and other collaborative efforts.

Diverse Stakeholders

It should be noted that in Wichita and Sedgwick County today, accompanying the day to day work of stakeholders across sectors like the City of Wichita Housing and Community Services department, nonprofit providers who align care and services with housing for persons experiencing homelessness, property owners and landlords, private interests like the Wichita Area Builders Association, or nonprofit housing development organizations like Habitat for Humanity, is the collaborative work of groups like the Coalition to End Homelessness and the Homelessness Task Force.

Focused Coordination

In the case of the Task Force, since 2023, a subcommittee of representatives across sectors as well as community members have worked to develop specific and targeted strategies that can be supported by stakeholders and translated to policies or actions implemented in Wichita and Sedgwick County. Among the proposed strategies is increased coordination and support of area-based Low-Income Housing Tax Credits (LIHTC) provided by the federal government and issued by the state. Additionally, the committee has explored methods for increasing communication and partnership between persons serving people experiencing homelessness or housing insecurity and landlords. Lastly, the group has gathered information on zoning changes that present opportunities for more streamlined approval and the development of housing that meets a standard for affordability.

The network of stakeholders working to address housing challenges is diverse, with varying investment models and missions. The network is also distributed across the community without a central convener for strategic vision or evaluation of needs. The findings included in this report's analysis of housing begin to provide a method for evaluating and informing the strategies Wichita and Sedgwick County stakeholders use to approach this challenge.

There are recent examples in Wichita and Sedgwick County that point to the value of focused and coordinated inter-sector strategic planning. The Mental Health and Substance Abuse Coalition, the Coalition to End Homelessness, as well as the Homelessness Task Force are models for building networks that align leadership, diverse stakeholders, and key practitioners around a shared agenda that is rooted in data-driven decision making. The challenge housing presents is paramount to success not only as community but specifically to achieving "functional zero" in homelessness. The methodologies laid out in this report should serve as options for coalescing stakeholders around an approach to developing interventions, investments, and goals while creating a way to evaluate a collective approach and the tactics implemented.

Stakeholder Feedback

Among the focus groups conducted for this report, area housing stakeholders provided a range of policy considerations they identified as necessary for addressing the challenge of housing in Wichita and Sedgwick County. Focus groups were with the Realtors of South-Central Kansas, Wichita Area Builders Association, Wichita Habitat for Humanity, Mennonite Housing. The discussions yielded wide-ranging ideas including changes in the buyer market towards more multi-generational households. Stakeholders looked ahead at changes they felt worth exploring like constructing homes without garages to reduce cost, auxiliary dwelling units on existing properties, and addressing zoning limitations that reward loudest opponents of change. Finally, the groups shared more specific challenges that are viewed as hindering solutions to housing challenges. These included code and compliance issues, permitting and fees, appraisal bias in historically marginalized communities, and inconsistencies in development incentives, specifically special assessment taxes, across communities within Sedgwick County.

Moving Forward

This research provides a foundation for understanding the economic impact of homelessness in Wichita and Sedgwick County. While the study's lower-bound approach likely understates total economic impact, it establishes clear evidence of substantial costs across all sectors. Moving forward, improved data collection and analysis systems will be essential for tracking changes in economic impact over time and evaluating the effectiveness of various interventions. Continued collaboration between public, private, and nonprofit stakeholders will be important for developing comprehensive approaches to addressing both the human and economic dimensions of homelessness in the community.

Appendix A: Additional Results

The Public Policy and Management Center has gathered data to calculate and understand the lower bound of economic impact of homelessness in the City of Wichita and Sedgwick County. The research process and data gathering efforts also have revealed impacts that cannot yet be quantified but are worth noting to more fully capture the impacts of homelessness on public services.

Changing Service Needs Related to Homelessness

Interviews with representatives of several City and County departments revealed a shift in the types of responses required of the public sector. Each department's response remains in line with primary service delivery, but interviews revealed growing frequency of responses involving individuals who may lack permanency or authority to occupy a structure or whose situations could meet definitions of homelessness. In many of these situations, departments have not adopted a standard definition of homelessness or tracking mechanisms to document a homelessness-involved response.

Growth in particular types of needs or responses shifts utilization of limited public resources of staff time and effort, requiring more crisis response and reducing time available to provide standard levels of service.

- Homelessness response within the public sector involves a collaborative approach between social services, health care providers, law enforcement and code enforcement, with public employees often working to de-escalate the situation and provide the person experiencing homelessness with the opportunity to vacate before they encounter law enforcement consequences.

- The Metropolitan Area Building and Construction Department’s (MABCD) Neighborhood Inspections Division Staff said traditional parts of the code enforcement process, such as placarding a building as uninhabitable, are like an invitation for people experiencing unsheltered homelessness.

Challenges of Make-Shift Shelter

Persons experiencing homelessness often end up living in unsafe conditions. Some blend in by camping on otherwise quiet parcels in the unincorporated county or at designated campgrounds, and others seek shelter in vacant homes or buildings. Encampments, pallet shelters, or other structures also develop, with persons experiencing homelessness utilizing whatever resources they can locate to develop shelter and provide basic services.

- In parks, there can be a fine line between recreational camping and camping by persons experiencing homelessness. Policy changes at Lake Afton, such as limiting length of shelter rentals, are designed to defray unintended use and have been developed or modified as needs emerge.
- MABCD’s Neighborhood Inspections staff said vacant large commercial structures can become homeless hotels, which has prompted greater engagement with commercial properties.
- Costs of encampment cleanup are much more concentrated and substantial within the City of Wichita. Notice must be posted and due process followed to abate a nuisance, and encampment cleanup poses hazards such as drug needles, used condoms and human waste. In some instances, addressing these biohazards can be prohibitively expensive in addition to posing health and safety risks to employees, staff, and first responders.
- It is difficult to quantify costs to clean up encampments in the County, and doing so would require differentiating between encampment cleanup and hauling of tires, limbs, and other dumping that regularly occurs in unincorporated areas. Large encampment cleanup costs likely would be incurred at the township level.

Human Costs of Homelessness

Public sector employees who work with individuals experiencing homelessness described the tension of facing tremendous challenges while experiencing deep compassion as they see the human costs of homelessness through their work.

- Interactions when delivering donations or resources also allow public sector employees to monitor the welfare of persons experiencing homelessness.
- Law enforcement noted that some people will trade one bad situation for another, and a fear of violence in homelessness can lead to human trafficking aspects and "protection via sexual services" instead.
- Law enforcement said an unofficial indicator of homelessness upon intake into jail is a lack of digits resulting from winters spent in the cold.
- One public sector employee said it can be a challenge to locate people who don't want supportive services, particularly when they move to the rural parts of the county. The thoroughness of the annual Point In Time count each January can help to locate people who have become deceased while experiencing homelessness.
- Local journalists reported 42 identified people died while homeless in 2023, and 46 identified people had died while homeless as of an October 9, 2024 article. Final data for 2024 was not readily available.[1] [2]

Data Collection Opportunities

Many of the departments included in this appendix do not have systems in place to formally track data related to these responses. In these interviews, PPMC staff asked for estimates of how much staff time is likely spent on these types of interactions. Staff interviewed estimate they spend roughly 15 to 25 percent of their time on these types of interactions, with some departments more heavily affected based on assigned geography or particular tasks.

Some departments indicated interest in beginning to track these types of interactions, and many recommended adoption of a standardized community definition of homelessness that can assist employees in knowing which calls to log for future data tracking.

Appendix B: Housing Assessment Methods

This appendix further describes the methodologies for analyzing housing market gaps across the three different models.

Model 1: Income-Based Housing Gap Analysis

The section describes the methodology used to estimate housing gaps using a traditional approach that compares available housing units in each price range to the number of households who could afford those units while spending no more than 30 percent of household income on housing.

Data Sources and Preparation

The analysis relies on American Community Survey (ACS) 5-year estimates, specifically:

- Table B25118 (Tenure by Household Income)
- Table B25063 (Gross Rent)
- Table B25088 (Monthly Owner Costs)

Each estimate includes a margin of error (MOE) at the 90 percent confidence level.

Income Distribution Processing

The analysis examines renters and owners separately. The process begins with annual household income data in ranges. These ranges convert to monthly affordable housing costs through division by 12 and multiplication by 0.30 (the standard affordability threshold). For example, an annual income range of $20,000-$24,999 converts to a monthly affordable housing cost range of $500-$625.

Housing Cost Distribution Alignment

Housing cost data comes in ranges that differ from the income-based affordable ranges. Rather than using interpolation, the analysis employs a proportional allocation method to align housing units with income-based ranges. When a cost bracket overlaps with an affordable range, units are allocated based on the proportion of overlap. For instance, if a cost bracket of $800-$1,000 overlaps 60 percent with an affordable range of $900-$1,200, then 60 percent of the units in that cost bracket are assigned to that income range.

Owner Cost Structure

The owner market analysis accounts for the bimodal distribution of housing costs between units with and without mortgages. The process analyzes these two groups separately:

1. Units with mortgages typically show higher monthly costs including mortgage payments, taxes, insurance, and utilities
2. Units without mortgages show lower monthly costs covering taxes, insurance, and utilities

The analysis applies the proportional allocation method to each group separately, then combines the results to calculate total affordable units for each income range.

Gap Analysis

Calculations for each income range include:

1. The total number of households with incomes at or below the range maximum
2. The total number of housing units with costs at or below the affordable amount for that income
3. The gap between available units and households

Uncertainty Analysis

The analysis incorporates uncertainty through several statistical procedures:

First, when combining allocated units from different cost brackets, the margins of error are combined using the square root of summed squares method. For example, if two partial unit counts have MOEs of 100 and 150, their combined MOE equals the square root of ($100^2 + 150^2$).

Second, gap calculations combine the uncertainty from both household counts and unit counts. The MOE for a gap equals the square root of the sum of squared MOEs from both estimates.

Third, the analysis creates 90 percent confidence intervals by multiplying the combined MOE by 1.645 (the critical value for 90 percent confidence). A gap is considered statistically significant if this interval does not include zero.

Finally, the analysis assesses estimate reliability using coefficients of variation (standard error divided by the estimate, where standard error equals MOE divided by 1.645). Following Census Bureau guidelines:

- Coefficients below 15 percent indicate high reliability
- Coefficients between 15 percent and 30 percent indicate moderate reliability
- Coefficients above 30 percent suggest lower reliability

Model Limitations and Assumptions

The analysis includes several important limitations:

1. The proportional allocation method assumes uniform distribution of units within each cost bracket, which may not perfectly reflect reality
2. The 30 percent affordability threshold applies uniformly across all income levels, though actual affordable proportions may vary
3. The analysis does not account for housing quality or location preferences

4. Households might choose to spend more or less than 30 percent of income on housing
5. Geographic variations within the market area are not captured
6. The bimodal distribution of owner costs might not fully capture the complexity of the owner market, particularly for units with unusual financing arrangements

These limitations suggest opportunities for future refinements, particularly in incorporating spatial variation, housing quality metrics, and more nuanced affordability thresholds.

Model 2: Suppressed Household Formation

This section documents the methodology used to estimate housing supply gaps using the "missing households" approach. The analysis relies on American Community Survey (ACS) data to estimate the number of potential independent households and compare this with available housing units.

Data Sources and Preparation

The analysis primarily uses ACS Table B09121 (Living Arrangements of Adults 18 Years and Over by Age) to identify adults currently living with nonrelatives who might form independent households. Housing availability data comes from ACS tables on vacant units for sale and rent.

Estimation Procedure

The estimation occurs in three main steps:

First, the base population includes adults living with nonrelatives. This number receives an age-specific adjustment to account for varying preferences for independent living. These factors include margins of error of five percentage points.

Second, available housing units equal the sum of vacant units for rent and sale. A five percent reduction factor accounts for natural vacancy rates needed for market function. This factor includes a margin of error of one percentage point.

Finally, the housing gap equals potential independent households minus available housing units. The calculation propagates uncertainty from both components.

Sensitivity Analysis

The analysis employs three scenarios to test the robustness of results:

1. Conservative Scenario: Assumes lower preferences for independent living, with adjustment factors of 50 percent for ages 18-34 and 65+, and 60 percent for ages 35-64.
2. Baseline Scenario: Uses moderate adjustment factors of 70 percent for ages 18-34 and 65+, and 80 percent for ages 35-64.
3. Aggressive Scenario: Assumes higher preferences for independent living, with adjustment factors of 80 percent for ages 18-34 and 65+, and 90 percent for ages 35-64.

Uncertainty Analysis

All estimates include margins of error at the 90 percent confidence level from the ACS. For sums, the total margin of error equals the square root of the sum of squared individual margins of error. For products, the calculation uses relative variance propagation.

The analysis assigns reliability ratings based on coefficients of variation:

- High reliability: coefficient of variation 15 percent or less
- Medium reliability: coefficient of variation between 15 percent and 30 percent
- Low reliability: coefficient of variation above 30 percent

Limitations

The methodology has several important limitations:

1. The adjustment factors represent assumptions about preferences for independent living. While the sensitivity analysis helps understand the impact of these assumptions, they remain approximations not derived from survey data.
2. The analysis does not account for housing affordability or match housing types to household needs. Available units might not match the price points or characteristics needed by potential independent households.
3. The geographic scale of analysis may mask important sub-area variations in both housing availability and household formation preferences.

Results from different scenarios should be interpreted as a range of possible outcomes rather than precise predictions.

Model 3: Combined Affordability, Quality, and Geography Analysis

This section documents the methodology used to assess housing quality and affordability in the rental market. The analysis examines how rental housing quality varies across different unit sizes and evaluates whether households of different sizes could afford units appropriate to their needs, based on current market rents.

Data Sources and Preparation

The analysis uses three primary data sources:

1. County appraiser data provides property-level information, including a quality rating (1-15 scale), year built, square footage, and number of bedrooms.
2. American Community Survey (ACS) 5-year estimates provide median household income by household size and median monthly gross rent by number of bedrooms.
3. Health and Human Services (HHS) poverty guidelines establish baseline income thresholds by household size.

Quality Score Construction

Quality scores are calculated separately for each bedroom category using a market-wide normalization approach. For each bedroom size category (1, 2, 3, and 4 bedrooms), the methodology looks at all properties of that size across all ZIP codes. The appraiser's quality ratings (1-15 scale) are then normalized to create scores between 0 and 1, where 0 represents the lowest quality, and 1 represents the highest quality among all rental units of that size in the market. This approach helps to compare similar types of units to each other, recognizing that quality standards and characteristics may differ systematically between unit sizes.

Affordability Score Construction

The affordability analysis matches households to appropriately sized rental units using HUD's two heartbeats per bedroom framework. One-person households are matched with one-bedroom units, while two and three-person households are matched with two-bedroom units. Four and five-person households are matched with three-bedroom units, and households of six people are matched with four-bedroom units. The current analysis does not consider households with seven or more people due to censoring in the ACS data.

For each appropriate household-unit match, the model calculates an affordability score that compares median gross rent to income-based cost burden thresholds for the median family of a particular size in a particular ZIP code. The current model only considers gross rent when looking at housing costs for two primary reasons:

1. The ACS does not break out selected monthly owner costs by the number of bedrooms.
2. Housing costs for owner-occupied units are subject to a number of additional considerations and assumptions (i.e., units with and without a mortgage, interest rates, and down payment assumptions).

These thresholds vary by household size and how far a household's income is above the poverty line. Households at the poverty line face a 20 percent threshold, recognizing their need to reserve more income for other necessities. As income rises relative to the poverty line, the threshold increases linearly, reaching 30 percent for households at three times the poverty level or higher.

The affordability score is calculated as follows:

(threshold - actual cost burden) / threshold

Where:

- The threshold is the maximum appropriate housing cost burden (0.20 to 0.30).
- Actual cost burden is the ratio of monthly gross rent to monthly income.
- Positive scores indicate housing costs below the threshold.
- Negative scores indicate housing costs above the threshold.
- The magnitude shows how far above or below the threshold the costs are.

For example, if a household has a 25 percent cost burden threshold:

- A score of 0.20 means they spend 20 percent of income on housing (25% * [1 - 0.20]).
- A score of 0 means they spend exactly 25 percent of income on housing.
- A score of -0.50 means they spend 37.5 percent of income on housing (25% * [1 + 0.50]).

Limitations

The methodology has several important limitations:

1. The analysis only examines costs in the rental market. The quality and affordability patterns observed might differ from those in the owner-occupied market.

2. The quality score relies solely on appraiser ratings, which may not capture all aspects of housing quality that matter to residents, such as neighborhood amenities or access to transportation.
3. The use of ZIP code-level medians masks within ZIP code variation in costs and household incomes, which could be substantial in economically diverse areas.
4. While the analysis can assess whether households of different sizes could afford appropriately sized units, it cannot observe whether households currently occupy units that match these standards or have chosen different arrangements based on preference or necessity.
5. The exclusion of ZIP codes with suppressed data means the analysis might systematically omit certain types of submarkets, particularly areas with few units of certain sizes.

Results should be interpreted as relative measures of housing conditions rather than absolute assessments of quality or affordability.

Glossary

24/7 Shelter: A type of emergency shelter that allows guests to stay 24/7. Typically, these shelters have programming and services available during the day.

Accessible Housing: Generally defined as housing that households have the financial means to rent (for example, a housing voucher or disability income) but may be denied tenancy based on other grounds such as a low credit rating, criminal background, source of income, or history of homelessness.

Affordable Housing: Housing that is subsidized by nonprofit or governmental agencies, allowing housing to be offered at rates lower than the market rate for a comparable unit.

At Risk of Homelessness: Individuals and families who are on the verge of being unhoused. They typically have an annual income below 30 percent of the median income for the area and lack sufficient resources or support networks needed to obtain other permanent housing.

By-Name List: This is a list, sorted by name and by need, of every household experiencing homelessness in a community.

Case Conferencing: A process where case managers, often from different agencies, use information about a client to match them with the next possible housing resource.

Chronically Homeless: Households that have experienced homelessness for at least a year or for 12 months within the last three years while having a documented disabling condition such as serious mental illness, substance use disorder, or physical disability.

Congregate Shelter: A type of emergency shelter where unrelated persons share the same sleeping quarters and bathroom facilities. Common examples include shelters that are set up in gyms or church gathering spaces.

Coordinated Entry: The system by which persons experiencing homelessness are queued up for housing resources based on needed level of care and rental assistance, length of time homeless, and belonging to community-prioritized populations like veterans or chronically homeless persons.

Couch Surfing: A household that does not have a lease or agreement for a permanent nighttime residence but is temporarily staying with friends or family. Households in this situation are not able to be served by most federal homeless assistance programs and are often excluded from Point in Time Counts and other data collection measures.

Disability: A physical or mental impairment that substantially limits one or more of the major life activities.

Doubling Up: A household that does not have a lease or agreement for a permanent nighttime residence but is staying with another household in a space typically too small for both households.

Emergency Shelter: A facility that provides temporary shelter for those experiencing homelessness in general. Some emergency shelters only accept specific populations, such as Veterans or households with children.

Functional Zero: The number of people experiencing homelessness never exceeds the community's capacity to move people into permanent housing, usually measured by subsets of the total homeless population (e.g., Veterans, Chronically Homeless)

High-Barrier Shelter: A type of emergency shelter where there are high barriers to entry, such as sobriety requirements, adherence to certain religious beliefs, or completing interviews before admission.

Homeless: A household that lacks a fixed, regular, and adequate nighttime residence or a household whose primary nighttime residence is a supervised, publicly, or privately operated shelter designed to provide temporary living accommodations.

Household: An individual or multiple persons who choose to live together. This can be a traditional nuclear family or several individuals who are not related.

Housing First: An approach that prioritizes putting people into housing first to meet their basic needs, then immediately followed with supportive services to ensure their success in that housing.

Housing that is Affordable: Generally defined as housing on which the occupant is paying no more than 30 percent of gross income for housing costs, including utilities and transportation for employment.

Housing Voucher: Programs funded by governmental agencies that pay for—some or all—a household's rent. It can also be a pool of funding that can be distributed to households based on need.

Imminently at Risk of Homelessness: A household that will lose their primary nighttime residence within 14 days with no subsequent residence identified that also lacks support networks to obtain other permanent housing.

Low-Barrier Shelter: A type of emergency shelter that provides immediate and easy access to shelter with few barriers to entry.

Night Shelter: A type of emergency shelter that only allows guests to stay during the night and typically has no programming or services available during the day.

Non-Congregate Shelter: A type of emergency shelter where households have separate sleeping quarters and bathroom facilities.

Panhandlers: Individuals who may or may not be experiencing homelessness who ask people for money or food.

Permanent Supportive Housing: A type of housing assistance where the tenant will pay no more than 30 percent of their rent and receive supportive services to provide housing stability, such as case management.

Point-in-Time (PIT) Count: A count of sheltered and unsheltered people experiencing homelessness on a single night in January.

Rapid Re-Housing: A type of housing assistance that provides housing identification, move-in and rental assistance, and/or case management for a time-limited period, usually less than 24 months.

Survivor: A household that is fleeing, or attempting to flee domestic violence, dating violence, stalking, or sexual assault that makes the household afraid to return to their primary nighttime residence. Under the Violence against Women Act, these households are eligible for homeless services.

Wraparound Services: Comprehensive, personalized support and resources that help individuals and families can address the complex issues and challenges that often accompany homelessness interfere with long-term housing stability.

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