



Memorandum

To: Mayor McFall and Loveland City Council Members
From: City Manager Jim Thompson
CC: City Attorney Vince Junglas, Deputy City Manager Rod Wensing
Date: Friday, January 29, 2026
Subject: Future Pathway for the City of Loveland's Role in Addressing Homelessness

Summary

The purpose of this memorandum is to outline an option for the City of Loveland's future pathway for addressing homelessness following the closure of the Loveland Resource Center (LRC) on April 30, and the conclusion of the City's temporary role as a shelter operator which is consistent with feedback from the Community Conversations shared at the Loveland Public Library. Loveland is the only city in Colorado that directly owns the property and manages both daily and overnight shelter operations. From the beginning, we took on the role of managing the LRC as a temporary measure, but now we can no longer lead this effort or continue it alone. The City remains committed to finding both short-term and long-term solutions in the role of a partner; however, the City is not positioned to continue leading this work and is transitioning to a supporting role.

Accordingly, staff propose a framework to navigate future discussions from community-based nonprofits and faith-based organizations through the creation of a temporary ad hoc committee. This committee would serve as a convening body to bring together local nonprofits and faith-based organizations to share their ideas for a sustainable short-term and long-term solution for Loveland.

Background

Over the past several years, the City has taken measures to address both short-term and long-term shelter needs for individuals experiencing homelessness. These measures included temporarily operating the LRC and, previously, the South Railroad Facility as an overnight shelter. These efforts were supported through temporary permits and were always intended as interim measures while pursuing a sustainable, inclusive, and strategic plan.

On May 17, 2022, City Council approved an ordinance to create an emergency unauthorized encampment ban to address the growing number of large, unsafe, and unsanitary encampments on



public land. At the time, enforcement was guided by *Martin v. City of Boise* and other local cases citing to *Martin*, which required access to overnight shelter in order to enforce camping restrictions. Although this legal standard was later overturned by *City of Grants Pass, Oregon v. Johnson*, the City has already committed significant resources to shelter operations and homelessness response. Since the enactment of the emergency ordinance in 2022, the City has spent a total of \$8.4 million on homelessness services, including capital, staff, and encampment cleanup responses (**Attachment I**).

City operation of the LRC as a shelter was intended to be temporary while a more sustainable solution was pursued. In October 2025, the City extended overnight shelter operations at the LRC through March 15, 2026, to ensure continued access to shelter during the winter months. The City also retains tents, supplies, and space that may be deployed during inclement weather if needed.

The City has actively sought qualified third-party operators to provide both short-term and long-term solutions; however, these efforts have been unsuccessful. Additional details are provided in the January 26, 2026 memo (**Attachment II**).

Regional Efforts

The City of Loveland has consistently participated in regional efforts to address homelessness and remains committed to collaboration at the county and regional level. Loveland is an active partner in the Northern Colorado Continuum of Care (NoCO CoC), which was established in 2020 and now coordinates with more than 40 agencies across Larimer and Weld Counties.

In 2019, the City of Loveland partnered with the University of Denver's Burnes Center on Poverty and Homelessness to create a Homelessness Strategic Plan. Some of their recommended goals were to increase local and regional capacity, improve data collection efforts, expand community education strategies and more. You can find the report at:

<https://www.lovgov.org/home/showpublisheddocument/50777/637115709750330000>

In October 2021, the City of Loveland partnered with Homeward Alliance as a lead agency to provide a homelessness response and help with shelter operations. They utilized the Burnes Report as a roadmap to measure progress in Loveland and worked with local agencies to better understand the capacity of their organizations in addressing homelessness. The City contracted Homeward Alliance for three years with an approximate total cost of \$485,141 until they were no longer under contract with the City in 2024. With the cost of encampment cleanup and Homeward Alliance, the total approximate cost to Loveland is closer to \$8.8 million.



In 2025, the City served on the Strategic Plan Advisory Committee that developed the report titled *Regional Homelessness Strategy Across Larimer County*, a countywide effort led by Homeward Alliance in partnership with Larimer County, Fort Collins, Estes Park, the NoCo CoC, the City of Loveland, and other stakeholders. Loveland elected officials and staff also participated in a Regional Elected Officials meeting to further discuss the report on September 29, 2025. The regional strategy specifically calls for Loveland to develop a transition plan following the phase-out of City-funded shelter operations and to pursue collaborative agreements with countywide and regional partners to reduce service gaps and manage cross-community demand. You can find the regional plan at:

<https://www.larimer.gov/sites/default/files/regional-homelessness-strategy-across-larimer-county.pdf>

In addition, in 2025 the City and the Loveland Public Library hosted six community conversations focused on the future of homeless services, with consistent themes emphasizing coalition-building, engagement with nonprofit and faith-based providers, and shared community responsibility. These conversations—attended by 100 people—involve clear themes that the City cannot or should not provide these services alone.

Proposed Next Step: Ad Hoc Committee by Council Resolution

As the City transitions from a leadership role to a partnership role, City staff will continue working closely with community partners, nonprofits, and faith-based organizations to identify both short-term and long-term solutions.

To support this transition, staff propose bringing forward a Resolution to establish a temporary ad hoc committee for up to one year. The purpose of the committee would be to:

- Engage with nonprofits and faith-based organizations to seek an effective homelessness response for Loveland.
- Assess the capacity, service models, and the short-term and long-term viability of solutions.

The proposed structure of the ad hoc committee would include:

- The committee would assist in the coordination and establishment of a community clearinghouse for any organization that would provide space for solutions.
- The committee will meet on an as-needed basis to bring together nonprofits and faith-based organizations that would be willing to find short-term and long-term solutions for Loveland.
- Membership will be self-selected by Board and Commission members whose scope and expertise are relevant to issues related to homelessness.



- Any other appropriate parameters, roles, or operating guidelines may be established to support the committee's purpose and effective functioning.

Conclusion

The City remains committed to finding both short-term and long-term solutions in the role of a partner, working with our local nonprofits and faith-based organizations. The proposed ad hoc committee provides a structured pathway to support a reasonable transition and encourage community-based leadership from our local organizations to effectively address homelessness in our community.

Staff will return to City Council with a proposed Resolution outlining the committee's structure, scope, and timeline.

Attachments

Attachment I: Encampment Response Operations & Cleanup Expenses 2022-2026

Attachment II: January 26, 2026 Memo to City Council

Attachment 1

Encampment Response Operations & Cleanup (EROC) Expenses 2022-2025

The tables below show the expense history of the EROC program since inception in 2022.

Table 1 LRC Direct Program Expenses	
YTD 2025 Motel rooms (not posted to report below)	\$ 11,280
LRC Purchase Price	410,334
LRC monthly / daily cost	\$ 158,071 \$ 5,099

Table 2 EROC Project Direct Expenses					
	2022 Total	2023 Total	2024 Total	2025 Total	Total Expenditures
Total Payroll	\$ 187,732	\$ 922,245	\$ 1,115,155	\$ 1,160,728	\$ 3,385,859
Total Employee Mileage	208	71	110	-	389
Purchased Services:					
Motel Rooms:					
Baymont rooms	17,810	42,394	-	8,515	68,719
Best Western Room	848	-	-	-	848
Kings Court Rooms	75,675	145,065	29,575	2,180	252,495
Rosebud Motel	88,051	48,436	3,432	-	139,918
Hiway Motel	-	-	1,680	-	1,680
Travel Lodge	-	-	-	1,885	1,885
Total Motel Costs: *	182,383	235,895	34,687	12,580	465,545
Security:					
Total Security Costs	195,561	365,448	454,410	420,634	1,436,053
Shelter Creation:					
Total Shelter Creation Costs (Fixtures, Appliances, I.T.)	44,799	14,838	-	693	60,330
Tent Supplies:					
Total Tent Supplies	42,684	14,919	1,536	766	59,906
Storage:					
Total Storage Costs	17,541	15,619	-	-	33,160
Encampment Clean Up:					
Total Encampment Clean Up (Contractors, Mitigation work)	243,941	352,773	379,271	210,697	1,186,682
Unhoused Support:					
Total Unhoused Support	3,289	4,282	90	364	8,024
Supplies:					
Total Supplies (food, cleaning, office, personal, safety, misc)	17,740	52,845	49,938	45,006	165,530
Ongoing Expense:					
Total Ongoing Shelter (Sanitation/ Shelter Maint.)	25,865	153,795	143,175	112,644	435,478
Miscellaneous Expenses:					
Total Miscellaneous Expenses (Signage, Training, Staff Support)	6,241	55,950	18,919	1,984	83,094
Total Purchased Services	780,045	1,266,363	1,082,027	805,367	3,933,802
Capital Outlay:					
Purchase of tents & HVAC units	119,524	46,599	-	-	166,123
Electrical	23,717	524,274	-	-	547,991
Storage Container, 40' (2)	18,100	-	-	-	18,100
COR Engineering - Railroad encampment design	4,723	5,403	-	-	10,127
Camera Installation at SRF & LRC	-	46,264	-	-	46,264
Moving Connex at SRF	-	350	-	-	350
COL Electric Distribution Charges	-	40,220	-	-	40,220
Ditesco Design Services	-	425	-	-	425
Plumbing - water main supply to trailers	-	35,793	24,588	-	60,381
Sewer Infrastructure	-	122,673	-	-	122,673
Other Misc.	865	50,448	5,861	9,186	66,360
Total Capital Outlay	166,929	872,451	30,449	9,186	1,079,015
Annual Actual Expense Total	\$ 1,134,913	\$ 3,061,129	\$ 2,227,741	\$ 1,975,281	\$ 8,399,065

Note: The amounts above reflect direct expenses for the Encampment Response program. It does not include staff expenses incurred in other departments (e.g. Police, Public Works, Administration, Finance) related to time spent on the program.

* 2025 Motel Expenses have not posted to the general ledger as of report date and are disclosed in Table 1.



Memorandum

To: Mayor McFall and Loveland City Council Members
From: City Manager Jim Thompson
CC: City Attorney Vince Junglas, Deputy City Manager Rod Wensing
Date: Monday, Jan. 26, 2026
Subject: An update on property purchase and operator application process

I am writing today with an update on the proposed property purchase item and the review of applicants for emergency shelter services.

As you know, the City has been considering a conditional purchase of a building at 599 71st Street in northwest Loveland for use as an overnight shelter and resource center. The purchase would only proceed if City Council approved the purchase and the City secured a qualified operator.

After receiving two requests for applications for a proposed shelter on Jan. 8, 2026, from Bridge House and Krucial Rapid Response, Inc., the City has determined that one operator, Bridge House, is qualified. However, on Friday, Jan. 23, the City received a letter from notifying Bridge House officially withdrawing its application, citing capacity constraints to meet project goals within the required timeline.

This means that the City does not have a qualified operator for the proposed shelter and resource center and is no longer considering purchasing the 71st Street property based on the conditions set for acquisition.

Because we do not have a qualified operator and the conditions of the purchase have not been met, we have decided to remove the property purchase item from council consideration.

Loveland is the only city in Colorado that directly owns the property and manages both daily and overnight shelter operations. From the beginning, we took on the role of managing the Loveland Resource Center (LRC) as a temporary measure, and we are now at a point where the City can no longer lead this effort or continue it alone. This important work is something cities are not equipped or prepared to manage.

However, we remain committed to being a partner. Since September, we've been working with nonprofits, faith groups, businesses, residents, medical providers and law enforcement to build a community-driven path forward that focuses on prevention, including affordable housing. Homelessness is a community topic and will require continued community-based options to solve.



The City encourages continued community conversations about long-term solutions, but unfortunately, efforts to date have been unsuccessful and the City needs to make operational decisions that are in the best interest of the City and our financial future.

As we discussed previously, the LRC will close overnight shelter services on March 15. Now that we do not have a viable path to consider for a long-term shelter operated by a third-party operator, we will be permanently closing the LRC at the end of the day on April 30. From March 16 – April 30, the LRC will operate with the hours of M-F 8 a.m. – 5 p.m. depending on staff availability. The LRC will still be used for overnight shelter through April 30 if inclement weather is declared when conditions are met. The City will no longer provide shelter, a resource center or inclement weather shelter after April 30. We will be looking to sell the LRC property in the near future.

During this time, LRC staff, in collaboration with community partners, will focus on supporting people experiencing homelessness in Loveland who regularly use these services. Staff will work with partners to connect these individuals with resources and family support. Staff will also schedule time with nonprofit partners serving Loveland to discuss continued collaboration.

The Grants Pass item will remain on the Feb. 3, 2026, agenda.