



THE FUTURE OF WHAT'S HAPPENING NOW

A Real Opportunity to Break the Cycle of Homelessness

The successes achieved by a Denver program combining housing and supportive services demonstrate what can be achieved — and how to do it without busting city budgets.

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A homeless tent encampment near 22nd Street in downtown Denver. (Jakob Rodgers/KHN/TNS)

The statistics are clear: Traditional solutions to homelessness are not working. The number of people experiencing homelessness [has crept up every year](#) since 2016, and Black, Native and Latino people continue to be grossly over-represented. Federal, state and local governments cite budget constraints to justify funding piecemeal initiatives that make little long-term

impact, and instead prioritize resources for short-term interventions like emergency shelters that do little to address the root causes of homelessness.

For years, housing advocates have advanced [supportive housing](#), which pairs an affordable home with services that disrupt the cycle of homelessness for good, but widespread adoption has stalled largely because of the potential price tag and public pressure on city leaders to simply make homelessness less visible. Instead, cities and states have asked taxpayers to foot the bill for the increasing public costs of homelessness, including emergency services and policing.

New findings from [a five-year program evaluation](#) by the Urban Institute prove what supportive-housing advocates and people experiencing homelessness have always known: It does not have to be this way. The Denver Supportive Housing Social Impact Bond Initiative has shown remarkable success in breaking the cycle between homelessness and the criminal legal system and offers a road map for how cities can use their budgets creatively to bring positive change over the long term.

Five years ago, the city of Denver and multiple partners, including our organizations, embarked on an ambitious initiative to examine how a person-centered approach to resolving homelessness impacts people and public budgets. The Denver program took [a “Housing First” approach](#) to disrupt this cycle: Participants were provided housing — with no prerequisites or conditions — and offered supportive services like mental health treatment and coordinated care.

The long-term study found that, compared to similarly situated individuals not enrolled in the program, participants experienced a 34 percent reduction in police contacts, had an average of four fewer visits to a detoxification facility, and, after three years, 77 percent remained housed. For most participants, enrollment in the Denver program broke the cycle between chronic homelessness and interactions with the criminal legal system.

The individual impacts were transformative. For people like Walter Boyd,

who lost his job due to chronic health issues and found it extremely difficult to make ends meet, having a stable roof overhead provided the necessary platform to get everything else in his life back on track. Boyd received assistance with his job search from the services connected to his housing and was able to secure a part-time position.

It was a smart municipal budgeting choice, too. The program's social services component was largely covered up front by \$8.6 million from private [social impact bond](#) investors, who are repaid by the city of Denver based on the program's outcomes, significantly limiting risk to taxpayer funds. On average, participants in the Denver program saved the city \$6,876 each in annual per-person expenses for municipal services, with the most significant reductions in jail and ambulance costs — offsetting the overall costs of the program by half while making a massive difference in the lives of formerly homeless individuals and the communities around them.

The Urban Institute evaluation is the most comprehensive to date showing that supportive housing works to significantly reduce interactions with emergency response systems, including arrests and jail stays. Armed with this data, community leaders and policymakers should feel empowered to invest in changes that yield long-term results and improve the quality of life for millions caught in the cycle of institutionalization.

Evidence in hand, Denver is already building on the success of its Social Impact Bond Initiative: The city [recently received a federal award](#) to expand its supportive housing program. Those lessons can be applied throughout the country. With a thoughtful infusion of resources that pairs supportive services with low-barrier housing opportunities, governments can better allocate taxpayer dollars to tackle the complexities of homelessness and particularly its disproportionate impact on communities of color.

Cities and states are hoping to receive critically needed and long overdue resources for housing programs through the federal budgeting process and the Build Back Better Act. But due to massive cuts in federal resources for affordable housing and services that began in the 1980s, we have much

catching up to do. Jurisdictions now have the evidence proving the benefits of supportive housing and Housing First for both people and public budgets.

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