

Press Release Tuesday, April 29, 2025

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DESPITE MISLEADING REPORT FROM THE COMMON SENSE INSTITUTE, HOUSING FIRST WITH SUPPORTIVE SERVICES REMAINS THE DATA-PROVEN BEST PRACTICE FOR RESOLVING HOMELESSNESS

The Common Sense Institute (CSI) has released yet another misleading and loosely informed report on homelessness in Colorado. This report purports to examine the economic impact of two differing approaches to homelessness, characterized in its introduction as *Housing First* vs. *Intervention First or Work First*. The authors of the report claim that *Housing First* policies have contributed to an increase in homelessness, demonstrating a deep misunderstanding of the model as well as the actual housing market conditions that create homelessness. The report also mischaracterizes spending on homelessness in the Denver area. The Colorado Coalition for the Homeless (CCH or the Coalition), an organization with over 40 years of experience in the sector, takes issue with this flawed report and its potential harmful impact on the homeless response system in Colorado.

Housing First with Supportive Services is a model for resolving homelessness that CCH adopted and implemented many years ago. It has been embraced by the City of Denver in its All-In Mile High campaign and explained thoroughly in this report. This model has been data-proven as the most effective approach for homelessness resolution and housing stability in national studies as well in Denver's Social Impact Bond as assessed by the independent Urban Institute.

Through the model of *Housing First with Supportive Services*, individuals are provided with rapid access to housing, crisis intervention, case management, and support services to help them gain housing and sustain housing over the long term. Trusted care teams for individuals encourage engagement in employment opportunities, healthcare, mental healthcare, and substance use disorder services, but engagement with these services are not required as a condition of housing nor used as a punitive tool. In 2023, 99% of the Coalition's residents in permanent supportive housing remained successfully housed over 12 months.

CSI's report falsely conflates the evidence-based *Housing First with Supportive Services* approach described above with a "Housing Only" model. The report attempts to claim that increases in homelessness are a result of Housing First policies in their effort to promote intervention-first or workfirst models. It is ridiculous to assert that a housing model that gets people and keeps people housed is

contributing to an increase in homelessness. Further, the requirements of work or treatment as a precondition for housing fail to account for individualized circumstances, and for how difficult it is to maintain employment and access services when not stably housed.

Work-first and treatment-first programs are data-proven to be less effective than true *Housing First*, which prioritizes being safely housed and sheltered, but only as the first step. According to the <u>National Low Income Housing Coalition</u>, a survey of 26 studies demonstrates that Housing First programs decrease homelessness by 88% and improve housing stability by 41% compared to Treatment First programs.

While failing to include any information about housing availability and affordability, CSI's report also implies that homelessness happens in a vacuum and is due to personal failings rather than the housing market and landscape. Numerous studies, notably the work of Gregg Colburn and Clayton Page Aldern, demonstrate that housing market conditions directly correlate to rates of homelessness. These structural market conditions include a community's median rent, rental vacancy rate, and high population growth versus low supply of affordable housing. Mental illness, drug use, poverty, climate, and generosity of public assistance have no statistically significant impact on homelessness at the aggregate level.

"Writing a report about homelessness that fails to mention the housing shortage and affordability crisis that every Coloradan has seen grow in recent years is the opposite of common sense." stated Cathy Alderman, Chief Communications and Public Policy Officer for the Colorado Coalition for the Homeless.

According to the National Low Income Housing Coalition's Out of Reach Report, in 2014, Colorado was the 18th most expensive state in the country for housing. Just 10 years later, in 2024, Colorado has become the 8th most expensive state. This lack of affordability impacts households at lower incomes who are severely cost-burdened and being pushed out of the housing market. When people cannot access affordable housing in their community or they lose the home they're in because they can't afford it, especially in a high-cost, low-supply housing market like Colorado, homelessness becomes inevitable. The solution to homelessness is and always has been housing and when that housing is coupled with supportive services for those that need them, households are able to stay stably housed at much higher rates.

"This report has a clear purpose of touting unproven housing approaches at the expense of undermining long-standing best practices for homelessness resolution and has cherry picked data to advance that pre-determined perspective. A more common-sense driven and legitimate interpretation of data would tell a reader that cities like Los Angeles, San Francisco, and Portland demonstrated increased homelessness in recent years because they are expensive places to live, not because they are 'Housing First' cities as characterized in CSI's report introduction" added Alderman.

Denver's per capita rate of homelessness increased from 5.4 unhoused individuals per 1000 people in 2019 to a rate of 8.1 unhoused individuals per 1000 people in 2023. During this period, Denver rent increased from \$1204 for a one-bedroom in 2019 to \$1538. Further, evictions are at an all-time high in Denver and people are losing their housing at high rates with no opportunities to be re-housed.

Affordable housing availability has continued to decrease across Colorado. As of 2024, there was a gap of 134,281 affordable and available units for those living at 30% of area median income or less.

In addition, nonprofit spending on page 21 is woefully miscalculated. For instance, for the Colorado Coalition for the Homeless, the 990-document referenced does not break down spending by program. Therefore, CSI is counting funding allocated to healthcare services (over 50% of the organization's operating budget) and funds used outside of Denver and erroneously attributing those funds to homelessness resolution for those newly experiencing homelessness. This is a miscalculation that CCH pointed out to CSI at length in both 2023 and 2022. Yet they continue to mischaracterize the data to advance a false narrative about spending on homelessness in Denver.

The Coalition recommends true data-driven policy decisions and the following resources in lieu of CSI's report:

Denver Social Impact Bond Final Report from the Urban Institute

NLIHC Summary of UCLA Department of Economics Working Paper

Housing First Impacts on Costs and Associated Cost Offsets: Review of Literature

Housing with Supportive Services: An Evidence-Based Solution

Colorado's Affordable Housing Crisis: It's Time for Strategic Investments

Colorado's First Annual State of Homelessness Report 2024

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About Colorado Coalition for the Homeless:

The mission of the Colorado Coalition for the Homeless is to work collaboratively toward the prevention of homelessness and the creation of lasting solutions for people experiencing and at-risk of homelessness throughout Colorado. The Coalition advocates for and provides a continuum of housing and a variety of services to improve the health, well-being and stability of those it serves. Since its founding, the organization has earned state and national recognition for its integrated healthcare, housing and service programs. The Coalition's comprehensive approach addresses the causes of homelessness, as well as the consequences, offering critical assistance to over 22,000 individuals and families each year. Learn more at www.coloradocoalition.org.