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Finding Home

Removing Barriers to Housing for
Formerly Incarcerated Individuals

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Executive Summary

With over half a million people in the United States living in a state of homelessness, media coverage and community awareness of the issue is on the rise.¹ Yet, many jurisdictions are still struggling to develop and implement plans that significantly improve housing access and stability for their residents. A key reality cities must grapple with is that securing stable housing for formerly incarcerated individuals is particularly challenging, which helps to explain why the rate of homelessness among formerly incarcerated individuals is ten times higher than that of the general population.² This also means that addressing the housing needs of this population is crucial for improving housing access and stability overall. Recent estimates suggest that approximately 235,000 additional units of supportive housing are necessary across the country to support the housing needs of justice-involved individuals alone.³

There is a cyclical relationship between housing instability and the criminal legal system, whereby a person's experience with either housing instability or interactions with the criminal legal system can increase the risk and impact of that person experiencing the other. For instance, a North Carolina Department of Correction (now, the Department of Adult Corrections) survey found that over a third of individuals entering prison had been homeless at some point, and the primary reasons for homelessness included consequences of criminal legal involvement, such as unemployment,

OVER 0.5 M



people in the United States live in a state of homelessness

the rate of homelessness among formerly incarcerated individuals is

10x HIGHER

than that of the general population



approximately

235,000



additional units of supportive housing are necessary across the country to support the housing needs of justice-involved individuals alone

OVER 1/3



of individuals entering prison in North Carolina had been homeless at some point

rates of homelessness are approximately

50% HIGHER

for justice-impacted Black people than for justice-impacted white people

substance abuse, and a prior conviction.⁴ Significantly, these consequences disproportionately impact people of color and perpetuate existing racial inequities. Because each challenge compounds, so too do racial inequities. For example, the rates of homelessness are higher for justice-impacted people of color than for justice-impacted white people.⁵ The likelihood of a justice-involved person of color receiving a callback from a potential employer is lower than for a white person with the same criminal background.⁷ In fact, because of the way these challenges compound existing inequities, the gap between unemployment rates of those who have experienced incarceration and those who have not is higher for people of color than for white people.⁷ In this way, reentry, itself, becomes racialized. Furthermore, studies have shown that people of color are often released to neighborhoods that have the fewest supports, the greatest need, and are the least conducive to successful reentry, exacerbating the challenges that people of color face.⁸

Given this relationship between criminal legal system involvement and homelessness, if a jurisdiction wants to improve its housing stability, it is imperative to address the additional challenges impacted people face when trying to secure housing.



Summary of Recommendations

1. Repeal Exclusionary Zoning Laws

Zoning laws can reduce the stock of affordable housing both directly (e.g., mandating minimum lot size or requiring single family housing development) and indirectly (e.g., increasing land value or development costs). Municipalities should evaluate the impact of their zoning laws to reduce policies which have the effect of reducing housing for lower- and middle-income individuals.

2. Reduce Barriers to Public Housing

Although the U.S. Department of Housing and Urban Development (“HUD”) does not specifically prohibit allowing individuals with criminal records into federally supported housing programs, many local housing authorities have more restrictive policies than required by HUD — preventing these individuals from accessing public housing or obtaining housing vouchers. Additionally, potentially eligible individuals may not apply due to a lack of clarity regarding local policies.

Local policymakers should clarify or amend local housing authority policies to ensure that formerly incarcerated individuals eligible under HUD standards have access to public housing. Specifically, local housing authorities should amend their administrative plan, a document required by HUD, to remove unnecessary criminal record-related barriers. Additionally, policies should be revised to minimize housing authority discretion to help ensure these requirements are consistently applied.



3. Enact Policies to Minimize Barriers in Obtaining Private Housing

Policymakers should consider implementing ordinances, laws, or regulations that allow individuals with criminal records to obtain housing more easily. Jurisdictions should consider enacting Fair Chance Housing ordinances to prohibit landlords from screening tenants based solely on criminal background. These ordinances could include notice requirements to potential tenants, provisions limiting the type of convictions considered by landlords, and provisions limiting the lookback period for any background checks.

4. Implement Housing Interventions to Meet Individual Needs

Everyone requires different levels of support and engagement from service providers to successfully return to communities and maintain housing stability. For that reason, policymakers should consider implementing a variety of housing programs, from Permanent Supportive Housing (“PSH”) for those individuals with the greatest need, to diversion programs for those individuals who may need only brief financial support or conflict mediation to obtain stable housing. These programs should follow a Housing First model, allowing individuals to gain access to stable housing without requiring that they meet certain preconditions.

Additionally, policymakers should consider restructuring existing reentry programs to provide holistic wraparound services, including housing assistance, to individuals immediately after their return to the community. When implementing these programs, policymakers should evaluate their racial equity implications to ensure groups disproportionately impacted by the criminal justice system are included.

5. Collaborate Across Agencies

To leverage limited resources efficiently, housing programs should aspire to high levels of cross-agency and cross-organization collaboration. Existing resources, such as direct service organizations and nonprofits, should be engaged early by policymakers to minimize duplicative efforts. Policymakers should consider collaborating across jurisdictional lines (e.g., city and county) to maximize the effectiveness of the programs.

6. Pursue Creative Funding Opportunities

Holistic housing support programs require significant financial investments from communities, presenting serious obstacles to implementation of these programs. For that reason, policymakers should consider creative funding solutions, such as social impact bonds, Pay-for-Success programs, and public-private partnerships.



Lack of Affordable Housing Disproportionately Affects Formerly Incarcerated Individuals

Poverty serves as one of the greatest challenges to individuals looking to reintegrate into a community, yet the lack of employment opportunities can keep formerly incarcerated individuals trapped in poverty. One study of formerly incarcerated women who had been convicted of felonies found that poverty status increased the odds of rearrest by 4.6 times.⁹ Additionally, the unemployment rate for formerly incarcerated individuals is 27% — about five times higher than the national average¹⁰; barriers that lead to this high unemployment rate include purposeful exclusion in the form of background checks, stigma, and lack of education and life skills training.

Moreover, poverty strongly correlates with race, with 21% of Black Americans living below the federal poverty level.¹¹ Black workers also earn less than white workers at every income and education level.¹²

Even for individuals who secure a job, having a criminal record tends to severely affect their income-growth trajectory given their placement into low-paying and unstable work.¹³ In other words, the jobs of justice-involved individuals tend to have minimal pay, provide few opportunities for growth, and are the most prone to layoffs with any change in the economy.¹⁴ As a result, the formerly incarcerated tend to earn significantly less,

both immediately and over the course of their lives.¹⁵ At the same time, housing costs have risen drastically over the past decade, making housing inaccessible to many low-income workers and compounding barriers faced by formerly incarcerated individuals.¹⁶

State and local governments can pursue evidence-based programs to increase the supply of affordable housing, including by modifying exclusionary zoning practices and implementing land value taxes. Many localities, however, have exclusionary zoning laws that work to price out

lower income residents by limiting lower- and middle-income housing.¹⁷ These laws vary greatly, but include: i) large-lot requirements, creating a minimum size for lots and favoring larger, more expensive single-family homes at lower densities; ii) community conservation districts, which require additional permitting and increase the cost of development; iii) transit-oriented development policies incentivizing development with access to public transit, which may increase property values due to increased desirability.¹⁸



Recommendation

At the state and local level, review and amend exclusionary zoning laws that disincentivize development of lower- and middle-income housing.

Local governments should evaluate zoning laws to determine the extent to which these laws discourage development of affordable housing. For instance, zoning policies requiring large lots or single-family housing should be reconsidered. Localities should also evaluate the extent to which less directly exclusionary policies, like the creation of community conservation districts, increase housing costs, limiting opportunities for lower income individuals.



Local Housing Policies May Limit Access to Publicly Supported Housing

Given how justice involvement can affect an individual's future employment and wages¹⁹, many formerly incarcerated people would benefit from public housing assistance, but are barred from accessing such assistance. For example, the U.S. Department of Housing and Urban Development (HUD) requires that local Public Housing Authorities (PHAs) conduct criminal background checks and prevents individuals with two types of convictions from living in Public Housing or utilizing a Housing Choice Voucher: those convicted of manufacturing methamphetamines on a federally assisted housing property, or those with a lifetime requirement to be on a sex offender registry.²⁰ Additionally, some states, such as North Carolina, do not have multiple tiers or durations of registry requirements, meaning all sex offenders in states like North Carolina have lifetime registry status and would be precluded from ever accessing public housing resources.

Outside of these provisions, HUD requires PHAs to determine their own policies documented in their administrative plan for admission and continued occupancy, which leaves PHAs with significant discretion in evaluating criminal legal histories outside of the two convictions barred by HUD.²¹ HUD has no “lookback period” requirements limiting the number of years back an individual's criminal record can be searched, but many PHAs do specify lookback periods. PHAs also have

discretion in determining the types of behaviors and convictions that can be used to begin an eviction process.

Additionally, formerly incarcerated individuals report challenges in accessing government-supported housing programs, including rental subsidies and vouchers, due to unclear eligibility requirements and the discretion held by housing authority officials.²² Research has demonstrated that these difficulties extend beyond the immediate reentry period, potentially impacting formerly incarcerated individuals for years after their release.²³





Recommendation

Reduce barriers to public housing by revising local housing authority policies to facilitate access to resources by formerly incarcerated individuals.

- For instance, local housing authorities should reevaluate their policies (including anything documented in their administrative plan) regarding criminal background checks to reduce lookback periods and limit disqualifying convictions to only those mandated by HUD. The policies should be clear and easily accessible to the public.
- Local housing authorities should also work with communities to increase understanding of their eligibility requirements, especially as they apply to formerly incarcerated individuals, in order to reduce confusion surrounding the policies. To the extent possible, bureaucratic requirements should be minimized to reduce difficulties in navigating the process.





Criminal Background Screening Severely Limits Private Housing for Formerly Incarcerated Individuals

Many landlords require background checks and deny housing to individuals with a criminal legal history. The Fair Housing Act (FHA) prohibits a landlord from denying tenancy based on race, religion, sex, national origin, disability and family status.²⁴ Because of practices denying those with criminal legal histories and the disproportionate number of people of color in the criminal justice system, individuals in several of these protected classes still experience disproportionate housing discrimination.²⁵ To address these disparities, the Department of Housing and Urban Development (HUD) released updated guidance on the Fair Housing Act in 2016, advising that landlords should not hold a blanket policy prohibiting those with criminal legal backgrounds from living in their properties and should instead consider criminal legal history on a case-by-case basis.²⁶ HUD further clarified this guidance in 2022, stating that criminal legal history is not a good predictor for housing success and landlords should use other screenings to determine whether someone would be a good tenant.²⁷ The HUD guidance also states that landlords should not deny tenancy based on criminal legal history unless for a legitimate business reason.²⁸ In April 2023, HUD announced its intention to issue a notice of proposed rulemaking to change its regulations

related to criminal background checks for subsidized housing providers.²⁹

Nonetheless, this guidance does not seem to be widely utilized by landlords. Some landlords continue to refuse to rent to people with *any* criminal legal history, no matter how minor or old, often stating their business may be negatively impacted if tenants living in nearby properties do not want to live near someone with a criminal legal history.³⁰ Additionally, some jurisdictions have enacted “crime-free” rental housing ordinances, requiring landlords to conduct background screenings and evict tenants if criminal conduct occurs on the property.³¹ These ordinances typically impose penalties on landlords for violations, which may encourage landlords to screen out potential tenants with criminal backgrounds.

Communities across the country have enacted Fair Chance Housing ordinances prohibiting landlords from screening tenants based on criminal legal history alone, prior to evaluating other aspects of their application — such as their ability to pay rent — and require conditional housing offers be made prior to conducting background checks.³² Fair Chance Housing ordinances typically include exceptions for owner-occupied dwellings like duplexes and accessory dwelling

units (ADUs), or for landlords who own four or fewer rental units.³³ Additional exceptions include offenses that result in lifetime bans from HUD assisted properties (manufacture of methamphetamines on federally assisted properties, and a lifetime requirement to be on the sex offender registry).³⁴ However, formerly incarcerated individuals have reported that these Fair Chance Housing ordinances may actually further complicate their search for housing because they get further in the process, spending additional time and money, before ultimately being rejected.

To address some of these concerns, Fair Chance Housing ordinances should require that if a landlord denies a tenant housing, they must notify the applicant of the information that negatively impacted their housing offer and allow the tenant to provide evidence to refute the decision. This evidence may include proof of rehabilitation or statements of good conduct.³⁵ Many Fair Chance Housing ordinances also limit the types of convictions that can be used as a basis to deny housing, as well as the length of lookback periods based on the severity of the crime.³⁶ To create buy-in, localities should also engage directly with landlords of all sizes to collect feedback and provide education on the reasoning behind the ordinance. For instance, landlords may be more likely to support an ordinance if they understand the evidence showing that criminal background is not a good indicator of successful tenancy.³⁷

CASE STUDY

Seattle, Washington

In 2017, Seattle enacted an ordinance prohibiting the exclusion of individuals with criminal records from rental housing, except for registered sex offenders.³⁸ Specifically, the statute says no landlord may “advertise, publicize, or implement any policy or practice” excluding individuals with criminal records.³⁹ The ordinance also included a first-in-time provision requiring landlords to rent to the first qualified applicant. Critics suggest that the ordinance could be improved by broadening exemptions for smaller landlords living on the property, increasing enforcement of fair housing laws, and providing other housing supports for formerly incarcerated individuals (e.g., permanent supportive housing or subsidies).⁴⁰





Recommendation

Implement Fair Chance Housing ordinances to facilitate access to private housing for formerly incarcerated individuals.

- Fair Chance Housing ordinances would prohibit private landlords from screening potential tenants solely based on criminal background. These ordinances could exclude smaller landlords or landlords living on the premises. Specific provisions could include:
 - Notice and justification requirements if tenants are rejected after the conditional lease approval.
 - Procedures allowing tenants to appeal or challenge rejections after the conditional approval.
 - First-in-time provisions, requiring that landlords rent to qualified applicants on a first-come, first-served basis.
 - Limitations to the lookback period for background checks conducted by landlords.
 - Limitations to the specific convictions that landlords could use as the basis for rejecting applicants, following HUD guidelines.
- To ensure these ordinances do not further racial discrimination, state and local agencies should consider conducting fair housing audits and prioritizing enforcement of anti-discrimination in housing laws.
- Local housing authorities should develop education and guidance documents for private landlords outlining appropriate uses of background checks to assist with Fair Chance Housing ordinance compliance. Landlords who understand the ordinance and how to comply may be more willing to support the ordinance.
 - The educational efforts should also include the principles laid out in the HUD guidelines to increase their impact and visibility to private landlords.
- Because of the limited research on the effectiveness of these ordinances, local policymakers should evaluate the effectiveness of any enacted Fair Chance Housing ordinance.





Many Housing Programs Do Not Follow Evidence-Based Housing First Models

Traditionally, housing programs have followed a “Treatment First” or “Housing Ready” approach, requiring that individuals adhere to certain preconditions, such as being substance-free or adherence to psychiatric treatment. Research shows, however, that housing ready approaches lead to lower rates of stable housing among participants.⁴¹ Additionally, disparate and inconsistent approaches taken by different agencies and non-profits may fragment the systemic response to housing needs, leading to duplicative and inefficient efforts.

Under a Housing First model, those with housing instability do not need to meet any preconditions before gaining access to stable housing. Numerous studies have shown that a Housing First approach leads to better outcomes for individuals experiencing housing instability.⁴² A 2020 systemic review evaluated results from 26 studies of housing programs in the United States and Canada, finding that Housing First programs decreased homelessness by 88% compared to a Treatment First approach. These programs also lead to significant savings in other public services expenditures.⁴³ Studies have shown that well-resourced programs, with greater financial support and higher levels of case management services, have higher rates of long-term permanent housing for participants.⁴⁴

Although many of these programs do not specifically target formerly incarcerated individuals, this population disproportionately experiences housing instability and would strongly benefit from more robust housing support services.⁴⁵

When developing a spectrum of housing programming, local policymakers should follow a progressive engagement model, where each individual’s strengths and needs are recognized.⁴⁶ The programs should be flexible and targeted to the specific obstacles faced by individual households. This targeted approach also allows for more efficient resource distribution, with the most costly interventions provided only to those individuals with the greatest need.

These Housing First programs typically fall into three categories with varying levels of support provided to participants: permanent supportive housing (PSH), rapid rehousing (RRH), and homelessness diversion and stabilization. Additionally, reentry programs specifically targeting individuals reentering communities after a period of incarceration may also follow a Housing First model. A successful housing solution should incorporate elements of all these programs, leverage existing resources, and require significant cross-agency and organizational collaboration.⁴⁷

Permanent Supportive Housing

Permanent Supportive Housing (PSH) is affordable housing that also provides access to supportive services — such as medication management and life skills trainings — to individuals with mental or physical disabilities who have a history of homelessness. PSH falls under the Housing First approach to decreasing housing instability, in which those with housing instability do not need to meet any preconditions before gaining access to stable housing, as opposed to housing support programs requiring preconditions such as sobriety to obtain or retain housing. PSH has been extremely successful in keeping formerly unhoused residents stably housed; for example, one study found PSH resulted in a decrease in jail incidents by 40% and reduced crisis health care costs by more than \$7,000 per person.⁴⁸ Further, treating underlying causes of homelessness can reduce law enforcement’s burden of responding to nonviolent crimes.

CASE STUDY

New York City’s Frequent User Service Enhancement Initiative

In New York City, the local Department of Correction, Department of Homelessness Services, and Corporation for Supportive Housing collaborated on a Frequent User Service Enhancement (FUSE) initiative aimed at individuals “with complex involvement in multiple public systems, numerous barriers to housing and complicated histories of behavioral health, physical health and significant trauma.”⁴⁹ The FUSE model uses data to identify “high-cost, high-need individuals” whose cycling through various public systems demonstrates the failure of those systems to meet their needs.⁵⁰

With a goal of shifting resources from more costly crisis interventions to more efficient permanent interventions, the second iteration of the program (“FUSE II”) placed roughly 200 individuals in permanent supportive housing, which combines long-term housing with wraparound services such as behavioral or mental health support.⁵¹ To fund the program, housing providers received a program fee from State or City agencies, made use of federally funded rental subsidies, and received one-time “service enhancement” funds provided by private and public sources.

On average, FUSE II participants experienced a 70% reduction in any shelter episode and a 40% reduction in days incarcerated over a carefully selected comparison group.⁵² Half as many FUSE II participants had a recent use of “hard” drugs as did the comparison group, and alcohol or substance use disorders were one-third less for FUSE II participants.⁵³ Additionally, FUSE II participants averaged 4.4 less days hospitalized for psychiatric reasons, a large reduction compared to the 8-day average for the comparison group.⁵⁴ Overall, the evaluation of the program found that “supportive housing significantly improved [participants’] lives.”⁵⁵

Rapid Rehousing

Rapid Rehousing (RRH) provides short- to medium-term housing support services for individuals experiencing homelessness or housing instability.⁵⁶ According to the National Alliance to End Homelessness, the core components of an effective RRH program are: i) housing identification services; ii) financial support; and iii) case management services.⁵⁷ Depending on the structure of the program, participants may receive support for 3-24 months. A 2016 evaluation of 23 rapid rehousing programs funded by HUD found that only 2% of families participating in the programs exited to homelessness.⁵⁸ Additionally, only 10% of families experienced an instance of homelessness within one year of exiting the programs.

Homelessness Diversion and Stabilization Programs

Diversion and housing stabilization programs target individuals as they apply for entry into a shelter or other housing program, before the individual may experience homelessness.⁵⁹ These programs typically provide similar services as PSH and RRH, including financial support, case management, conflict mediation, referral services, and housing search assistance. For instance, housing diversion programs could include funds for security deposits, application fees, or moving expenses. According to the National Alliance to End Homelessness, successful diversion and stabilization programs should make efficient screening processes available to individuals when they first contact the homeless assistance system.⁶⁰

CASE STUDY

Columbus, Ohio's Stable Families Prevention Program

In Columbus, Ohio, the city implemented a diversion program called the Stable Families Prevention Program.⁶¹ When individuals or families contact the local homeless intake organization, screeners collect information regarding their current housing situation. Families who can maintain stable housing for at least two days will be referred to the diversion program. If eligible, a case worker provides referrals to community organizations and other case management services, as well as financial support. After participation in the program, fewer than 5% of families reentered shelters.⁶²

Holistic Reentry Programming

Traditionally, many reentry efforts have focused on the continued parole or probation supervision of justice-involved individuals, rather than on supporting them in attempts to overcome barriers. Mounting evidence shows that this approach does not work.⁶³ In fact, being on parole or probation was second only to drug addiction in predicting reincarceration, even though individuals on parole and probation were less involved in new crimes.⁶⁴ Instead, these highly supervised individuals were often reincarcerated for technical violations like not reporting to a supervisor on time.

In contrast, holistic programs can effectively improve the life outcomes for formerly incarcerated individuals, helping them to remain housed and end the cycle of reincarceration. To do so, they provide services and resources that address a wide range of barriers from immediate needs, such as initial housing and food security, to long-term needs, like mental health services and long-term employment. Programs may vary in terms of the specific group of justice-involved individuals they support, but these programs all try to address basic human needs.

CASE STUDY

Los Angeles's A New Way of Life

Beginning as a single reentry home in Los Angeles in 1998, A New Way of Life (ANWOL) has since grown into a holistic program aimed at helping justice-involved women with reintegration through housing, support services, legal services, and workforce and education development.⁶⁵ Past case studies of participants indicated that the majority of these justice-involved women grew up with a family member with substance abuse issues, had a personal history of trauma, including childhood sexual abuse and interpersonal violence, and experienced poverty.⁶⁶ For this reason, housing serves as a key component of ANWOL, with the goal of giving women the space to heal.⁶⁷ In 2020, ANWOL served 94 women, successfully reuniting five of those women with their children in that same year.⁶⁸ All 94 women participated in on-site programming, leading to significant success: 97% maintained sobriety, 83% were employed or enrolled in school, and 73% accessed permanent housing.⁶⁹



CASE STUDY

Potawatomi Nation Reentry Program

In the Oklahoma City region, the Citizen Potawatomi Nation operates a reentry program that focuses on holistic and personalized support for justice-involved indigenous people.⁷⁰ The program includes many services, including assisting with utility payments, helping with the housing search, providing vocational training, supplying transportation, and hosting talking circles.⁷¹ Of over 350 participants in a six-year period, less than five returned to prison after completing the program.⁷² Anecdotal evidence from participants points to the unique positioning of the program—run by and for indigenous people—as a key part of its success.⁷³



Recommendation

Implement a variety of Housing First interventions, from permanent supportive housing to housing diversion, to meet individual needs.

- Individuals require varying levels of support to maintain stable housing when returning to communities. As such, policymakers should consider the full array of individual needs and implement a variety of programs to support individuals where they are, following a progressive engagement model.
- These programs should follow a Housing First model, providing support without requiring adherence to certain program requirements such as sobriety or psychiatric treatment.
- Existing reentry programs should be modified to provide more extensive holistic wraparound services, including housing assistance. Racial equity should be explicitly considered when designing these programs.



Fragmented Government Responses Hamper Effectiveness of Programs

Efforts to reduce these barriers are often piecemeal and, as a result, fail to achieve their desired results because they do not address the complexity of needs involved with reentry. Returning community members also often experience difficulty connecting to fragmented community and governmental resources.⁷⁴ To fully leverage these limited resources, cities and counties need a coordinated approach to maximize available services and ensure individuals are connected to the services they need. When there are several nonprofits and government agencies with overlapping areas of responsibility, direct service providers in jurisdictions with limited collaboration between city and county report difficulty connecting individuals to resources. Without a collaborative approach, these service providers struggle to understand the capacity of the system and what areas require the biggest resource investments. Additionally, some housing advocacy organizations, including California YIMBY*, have cited fragmented government responses as an obstacle to successfully reducing homelessness in communities.⁷⁵ Additionally, coordinated approaches may lead to more buy-in from private philanthropists who may support housing programs.



*YIMBY is an acronym for "Yes In My Backyard."

CASE STUDY

Houston's The Way Home

The Coalition for the Homeless, in partnership with direct services organizations, the city of Houston, and Harris County, partner to manage a coordinated initiative, known as The Way Home, to respond to the community housing crisis.⁷⁶ The Coalition for the Homeless serves as the coordinator for the efforts of local governments and non-profit organizations. The initiative is comprised of PSH, a PSH bridge program for individuals waiting for slots in PSH, RRH, diversion, and additional wraparound services. The Way Home engages government agencies across the city and county, as well as local direct service and nonprofit organizations, to maximize resources available to support individuals experiencing housing instability. In the past decade, the program has moved over 25,000 individuals into housing, and the number of individuals considered homeless has declined by 63% since 2011.⁷⁷ The Way Home provides a unique example of cross-agency collaboration operating effectively across jurisdictional borders.



Recommendation

Explore collaboration across agency and municipal borders.

- Given the limited resources available to support housing programs, policymakers should foster collaboration across traditional agency and municipal borders. Depending on the local context, cities, counties, and even regions should consider partnering to maximize resources and reduce duplicative efforts.
- Successful public collaboration may also lead to more opportunity for private-public partnership to support effective programming, in addition to providing potential cost savings for government agencies.





Jurisdictions Have Limited Funding for Housing Programs

Inadequate funding is a major barrier to increasing housing options for formerly incarcerated individuals experiencing homelessness or housing instability. Successful housing solutions must efficiently leverage existing resources through intentional cross-agency collaboration and consider creative funding options, such as pay-for-success models or social impact bonds.⁷⁸ Under a pay-for-success model, private investors provide upfront funding, with repayment contingent on the success of the intervention.⁷⁹ Additionally, public services savings associated with the implementation of Housing First programs should be leveraged to expand access to more individuals.

CASE STUDY

Los Angeles's Flexible Housing Subsidy Pool, a Public-Private Partnership

In 2014, Los Angeles County, in conjunction with other government parties and the Conrad N. Hilton Foundation, created a flexible housing subsidy pool targeting individuals experiencing homelessness with complex health conditions.⁸⁷ The program provided rental subsidies and case management services to participants who may not have been eligible for federal housing subsidy programs. Between 2014 and 2017, the program provided support to over 1400 households with an investment of over \$40 million.

During the implementation of the program, local government agencies and the Conrad N. Hilton Foundation worked together closely to define the structure and goals of the program and leveraged the reputation of the Foundation to garner support from key stakeholders.⁸⁸

CASE STUDY

Denver's Supportive Housing Social Impact Bond

In 2016, Denver launched a permanent supportive housing model aimed at supporting residents caught in a “homelessness-jail cycle.”⁸⁰ Denver used its first social impact bond (SIB) to pay to fund the model, selecting the Mental Health Center of Denver and the Colorado Coalition for the Homeless as service providers.⁸¹ Under the SIB, the city raised \$8.6 million from eight private investors with an agreement to pay back the investors only if the program met its goals.⁸²

In 2021, an evaluation of the program revealed that it had not only met all goals, but that “more than half of the total per-person annual cost of the program was offset by reductions in the costs of other public services, such as jail, detox and other emergency care.”⁸³ Using the Housing First model, under which individuals do not have to meet any requirements like sobriety to be able to move in, the SIB first helps place individuals in housing and then assigns them a case manager who can also help them access services ranging from mental health treatment to cooking classes.⁸⁴ Results include increased housing stability (85% of participants remained in stable housing at one year and 77% remained at three years), a reduction in shelter use (40% reduction in shelter visits among participants), reduced interaction with the criminal justice system (40% reduction in arrests among participants and 30% reduction in unique jail stays), and better use of office-based care rather than more costly emergency care (155% increase in office-based visits and 40% decrease in emergency department visits).⁸⁵

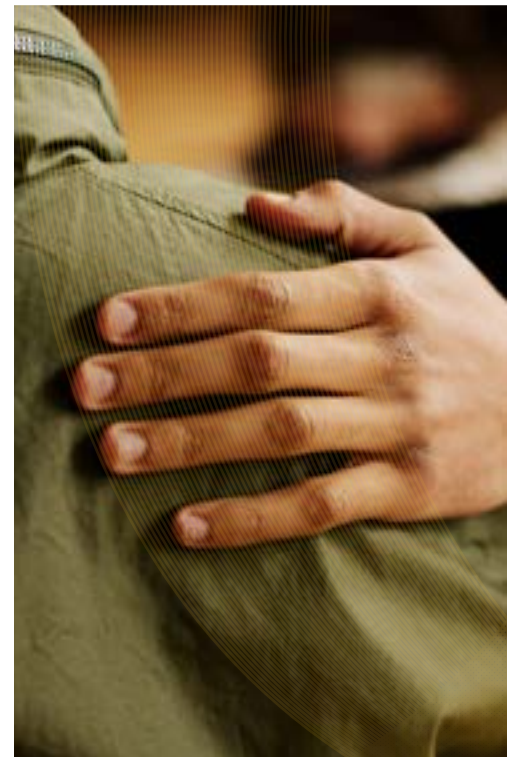
Given this success, Denver recently entered a new pay-for-success partnership called Housing to Health that will use local housing resources, \$11.75 million in funding from private investors, and up to \$5.5 million in federal grant money to offer similar services.⁸⁶



Recommendation

Pursue innovative funding opportunities to increase available resources for housing support programs.

- Given the significant community investment required to sustain a robust supportive housing program, policymakers should consider additional funding streams, such as private-public partnerships, Pay-for-Success programs, and social impact bonds.
- Early engagement with private philanthropists may also create opportunities for proof-of-concept program funding to provide the data necessary to create sustainably funded programs.



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³ *Justice Systems*, CORP. FOR SUPPORTIVE HOUS., https://www.csh.org/wp-content/uploads/2019/05/JUSTICE_web.pdf (last visited Apr. 27, 2023). Justice-involved refers to individuals who have contact or interaction with the criminal justice system, including the police and courts.

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