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## Massachusetts Tries a New Solution for Chronic Homelessness



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I've written about [Utah's approach](#) to chronic homelessness. How about Massachusetts? I talked last week with Jeff Hayward, Chief of External Affairs of the [United Way of Massachusetts Bay and Merrimack Valley](#) about their [Pay for Success Initiative](#), a program a lot like [social impact bonds](#) that were recommended by Seattle Mayor Ed Murray's [Housing Affordability and Livability Agenda \(HALA\) Committee](#).

What Pay for Success does is identify the hardest to serve homeless people and leverage private and public dollars along with coordination to get as many as possible housed.

The program just started about 18 months ago, but it sounds like it has promise. Here's how it works.



*Nurse outreach workers with Boston's Health Care For The Homeless Program, Cheryl Kane, standing, and Sharon Morrison hand a birthday muffin to Emmet, a homeless man (Photo by Darren McCollester/News-makers)*

Former Massachusetts governor, Deval Patrick, set aside \$50 million in the state budget to back investment in a collaborative effort to reduce chronic homelessness.

Massachusetts uses the Department of Housing and Urban Development's (HUD) [definition of chronic homelessness](#) as, %An unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, OR an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years.+

According to Hayward, there are 1590 people who, by the State's count, fit this definition. A non-profit alliance was formed by the United Way, the [Massachusetts Housing and Shelter Alliance](#) and the [Corporation for Supportive Housing](#) called the [Massachusetts Alliance for Supportive Housing](#) (MASH) to implement the program and promised to reduce that number by half in exchange for \$6 million dollars from the state, \$1 million in donations, and \$2.5 million in borrowed money. The rest of the funding for the program will come from \$11 million in dedicated vouchers for people qualified for the program and \$7 million in Medicaid funding for health services provided once people are housed. All together the program is budgeted at \$27 million for the six years.

Using what Hayward calls a 'tested intervention,' the [Community Support Program for People Experiencing Chronic Homelessness](#) (CSPECH), which is, like Utah's approach, a intensive case management approach to moving people who can't seem to get off the streets into housing. These 'high utilizers' of emergency rooms and other publicly funded services are the most in need but also create the highest costs for local and state government. Moving them in to stable housing would not only solve a serious human problem but also allow more resources to be moved to other people struggling with homelessness.

The idea is to work with non-profit service providers who are already in contact with chronically homeless people and allow them to screen and qualify people for the program. Once a person is identified and screened they are moved into a low-threshold housing situation along with case management and health services. If the person stays housed for exactly one year, the program can access the \$6 million in funding to help offset the costs of the program. Much of the funding comes from reprioritizing vouchers and Medicaid services (\$11 million and \$7 million respectively). So this isn't actually new money, but a prioritization of those resources for the program and the goal of halving the number of chronically homeless. Hayward says they've already got over 300 people enrolled in the program.

I asked Hayward, 'Why everyone couldn't just make that jump and prioritize vouchers and medicaid services without the program?' He said they could and that this is a good question. The answer is that agencies and local government are just overwhelmed managing what they've got. The additional dollars incentivized the coordination and prioritization of those existing resources. Hayward didn't disagree with me that that could have happened without the extra dollars, but he said that he wasn't going to argue with something that was working so far. The extra dollars were the spark that was needed to get the collaborative effort going.

Seattle and other jurisdictions ought to watch Massachusetts closely. Housing vouchers and Medicaid are tried and true sources of real money for housing and health. Putting them together is smart. Adding the promise of dollars to offset administrative and other costs for shifting those resources to chronically homeless people seems like an incentive to organizations who want to solve the problem but just don't have the resources.

**The huge opportunity in resolving stubborn homelessness is quantifying the costs to taxpayers and then investing private dollars to create savings.**

In Seattle, for example, the Downtown Emergency Service Center (DESC) built a project called 1811 that created low threshold housing for homeless people who used the emergency room hundreds of nights each year. By giving these people a place to live with no requirements about drinking, the project has saved local government, and tax payers, [millions of dollars](#). If private investors could pay for the the capital costs of housing up front, then get paid back with this savings plus interest, then a serious and costly human problem could be substantially solved without having to tap into already scarce public resources. Using private capital for public benefit has already been used to great effect to produce lots of housing through the sale of Low Income Housing Tax Credits. But this is [a costly system](#) that doesn't move fast enough. Pay for Success could address the chronic problems of homeless now and generate a return on the investment. It's worth trying something new to address an old problem

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