

Municipal Finance, Shelter Infrastructure, and Accountability: An Exhaustive Analysis of Denver's Homelessness Resolution Ecosystem (2022–2026)

Executive Overview of the Systemic Crisis and Policy Response

The City and County of Denver has undergone a massive, systemic transformation in its approach to homelessness resolution over the four-year period between 2022 and 2026. Driven by compounding socioeconomic crises—including a severe post-pandemic housing affordability shortage, widespread economic displacement, and a rapidly expanding unhoused population—the municipal government has mobilized unprecedented levels of public capital to manage the emergency. To execute this strategy, the city has constructed a vast, decentralized architecture of emergency, transitional, and low-barrier shelters. Because the municipality lacks the internal workforce and institutional infrastructure to directly manage thousands of highly vulnerable individuals on a daily basis, it has effectively outsourced the frontline crisis response to legacy non-profit organizations, predominantly the Denver Rescue Mission and The Salvation Army.

This public-private partnership model involves complex real estate arrangements, highly lucrative municipal service contracts, and the heavy utilization of private philanthropic donations. However, as the scale of both municipal and philanthropic funding has ballooned into the hundreds of millions of dollars, profound structural deficiencies and administrative failures have emerged. The rapid scaling of political initiatives, most notably Mayor Mike Johnston's "House1000" program and its successor, "All In Mile High," has vastly outpaced the city's administrative capacity to track public expenditures, enforce operational accountability, and guarantee adequate living conditions within the shelters.¹ For an individual navigating this system over the last four years, the landscape of overlapping entities, opaque funding streams, and shifting municipal policies invariably presents a misleading and labyrinthine reality.

This comprehensive research report provides an exhaustive, forensic analysis of the Denver homeless shelter ecosystem. It focuses explicitly on the operational footprints and ownership structures of the Salvation Army Crossroads facility, the Denver Rescue Mission's 48th Avenue Center, and the Holly Center. Furthermore, it addresses critical questions regarding system efficacy and financial integrity: the precise volume of individuals transitioned into permanent housing, the complex flow of public capital and private donations, and the deeply concerning

findings of the March 2026 municipal audit regarding tens of millions of dollars in unaccountable expenditures.

The Physical Infrastructure: Real Estate Models and Operational Footprints

Denver's approach to emergency sheltering relies on a bifurcated operational model. The municipal government generally controls, purchases, or leases the physical real estate, while contracting the daily operations, case management, and security protocols to third-party non-profit organizations.³ This architecture is designed to leverage the specialized experience of groups like the Denver Rescue Mission and The Salvation Army, while utilizing the city's bonding capacity and general fund for capital acquisitions. The realities of this model are most clearly demonstrated across the city's primary high-volume facilities.

The Salvation Army Crossroads Center (1901 29th Street)

Located in the Five Points neighborhood along Arkins Court, the Crossroads Center operates as one of the city's highest-volume, low-barrier emergency shelters dedicated primarily to adult men and transgender individuals experiencing homelessness.³

The real estate mechanism governing Crossroads is based on a municipal leasing structure. The physical building is leased by the City and County of Denver, which subsequently amends its lease agreements to align with corresponding service contracts executed by the city's Department of Housing Stability (HOST).³ By making the lease co-terminus with the service agreement, the city ensures that The Salvation Army retains uninterrupted access to the facility to provide 24/7 emergency sheltering.³

From a capacity standpoint, the facility was designed to provide shelter for upwards of 250 to 300 individuals on any given night.⁷ The programmatic services mandated by the municipal contract include secure sleeping arrangements, three meals a day, hygiene facilities such as showers and laundry, medical assistance, and baseline case management.⁶ The overarching goal established by the operator is to build the physical, emotional, and spiritual well-being of the residents, operating under a model that emphasizes self-sufficiency.⁶

However, the operational reality of Crossroads is heavily influenced by its intake philosophy. Operating on a "first-come, first-served" basis with daily bed availability assessed between 10:00 AM and 12:00 PM, the shelter is perpetually strained by high demand.⁶ City officials from HOST have historically noted that it is the "most popular" congregate shelter in the municipal network, pointing to a consistent 98% occupancy rate and a purported sense of community.⁸ Conversely, advocacy groups, former residents, and even members of the Denver City Council have presented a starkly different narrative. Critics argue that the high occupancy rate is a function of desperation rather than preference, characterizing the building as a "warehouse" of last resort.⁸ Former guests have testified to City Council that residents are packed into the facility in conditions resembling cattle warehousing, while city leaders themselves have

conceded that the physical space is a "horrible" and "not desirable" building for human habitation.⁸

Denver Rescue Mission: 48th Avenue Center (4600 E. 48th Avenue)

The 48th Avenue Center represents a pivotal shift in the city's real estate strategy, moving away from temporary leasing toward direct municipal asset acquisition to support 24/7 shelter models.⁹

Unlike the leased Crossroads facility, the City and County of Denver outright purchased this 82,000-square-foot facility in the Northeast Park Hill neighborhood in June 2021.⁴ The acquisition was executed at a cost of \$7,548,000, funded entirely through RISE Denver General Obligation bond money.⁴ The city initially leased the building in September 2020 as an emergency response to the COVID-19 pandemic, which forced the shutdown of the economy and accelerated the spread of encampments across the city.⁴ The original lease contained an option to buy, which the city exercised to secure a permanent node in its shelter network.⁴ Following the purchase, HOST contracted the Denver Rescue Mission to manage the site.⁹ Catholic Charities subsequently took over operations at the previous, smaller 48th Avenue location two doors down to provide services specifically for women.¹⁰

The 48th Avenue Center is a massive operation, serving up to 515 adult men experiencing homelessness.⁴ The transition into this larger, permanent facility allowed the Denver Rescue Mission to fully implement a 24/7 sheltering model. Prior to the pandemic, many shelters forced guests out during the daytime, contributing to visible street homelessness and disrupting the stability required to seek employment or medical care. The 24/7 model allows guests to remain on-site, providing a designated, permanent bed for each guest as long as they return by curfew and adhere to basic behavioral guidelines.¹⁰

This stability is deeply integrated with the Denver Rescue Mission's "Next Step" case management program. Rather than forcing individuals to re-enter a daily lottery for a place to sleep, the permanent bed model anchors them, allowing case managers to systematically work through a 22-point strategy designed to lead to permanent housing.¹¹ Case managers assist residents in navigating complex bureaucratic hurdles, such as replacing lost vital documents (IDs, birth certificates) required for income-based housing applications, and establishing baseline stability through the Supplemental Nutrition Assistance Program (SNAP).¹¹ The explicitly stated goal of the 48th Avenue Center's case management team is to ensure that no individual becomes permanently anchored in the shelter system, actively combating the psychological effects of institutionalization.¹¹

Denver Rescue Mission: Holly Center (5725 E. 39th Avenue)

The Holly Center functions as a critical overflow and overnight emergency shelter, specifically targeted at single men experiencing homelessness and poverty.¹³

The ownership and operational logistics of the Holly Center differ from the 48th Avenue Center.

The facility is located within the Denver Rescue Mission's broader Ministry Outreach Center, a massive warehouse facility in Northeast Park Hill.¹³ In March 2017, the Denver Rescue Mission's Board of Directors approved a capital plan to renovate a portion of this warehouse to create the Holly Center, featuring the first permanent shelter beds added to the city network since 1989.¹³ Therefore, the physical space is controlled by the Denver Rescue Mission, but its daily operations as a low-barrier shelter are heavily subsidized by the municipal government. For example, a recent legislative resolution approved a \$917,062 contract extending through December 2026 for the Denver Rescue Mission to provide programmatic overnight services at this specific location.⁵

The Holly Center accommodates up to 200 to 228 men.¹³ Logistically, it operates on a transportation-dependent model. Guests typically eat dinner at the downtown Lawrence Street Community Center and are subsequently transported via charter bus to the Holly Center for the night.¹³ In the morning, they are transported back downtown where breakfast is provided.¹³ To mitigate the inherent instability of overnight sheltering, guests are permitted to reserve beds for a week at a time and utilize on-site lockers to store their personal possessions during the day.¹³ The facility provides essential hygiene amenities, including restrooms, showers, laundry facilities, and phone charging stations, while serving as a relational bridge to connect guests with longer-term recovery programs like the New Life Program.¹³

The Broader Shelter Ecosystem

While Crossroads, 48th Avenue, and Holly represent primary intake nodes for men, the city's total sheltering ecosystem relies on a multitude of specialized facilities operated by a diverse array of non-profits.¹⁶ Catholic Charities operates the Samaritan House on Lawrence Street, providing emergency shelter for men, women, veterans, and families, alongside the Samaritan House 48th for women.¹⁶ Volunteers of America (VOA) manages the Family Motel for emergency family sheltering, the Bannock Youth Center, and the Bill Daniels Veterans Service Center.¹⁶ The Colorado Coalition for the Homeless provides highly specialized medical integration through the Stout Street Health Center and operates numerous permanent supportive housing properties.¹⁶ St. Francis Center provides critical day services, meals, and outreach.¹⁶ This vast network requires constant municipal coordination and financial life support to maintain the city's fragile social safety net.

Primary Shelter Facility	Operator	Capacity	Real Estate Model	Target Demographic
Crossroads Center	The Salvation Army	250 - 300	Leased by City, Contracted to	Adult Men, Transgender

			Operator	Individuals
48th Avenue Center	Denver Rescue Mission	515	Owned by City (Purchased for \$7.5M)	Adult Men
Holly Center	Denver Rescue Mission	200 - 228	Owned/Renovated by Operator, City Funded	Adult Men
Samaritan House	Catholic Charities	Variable	Operator Owned/Managed	Families, Women, Veterans, Men
Family Motel	Volunteers of America	Variable	Municipal Partnership	Families

Quantifying Outcomes: The Crisis of the "Housed" Metric (2022–2026)

A central and entirely justified inquiry for taxpayers, policymakers, and especially individuals who have navigated the shelter system over the past four years is the objective efficacy of this vast infrastructure. Specifically, how many individuals have been successfully transitioned from the streets and emergency shelters into permanent housing between 2022 and 2026?

A rigorous, forensic analysis of municipal data, continuum of care point-in-time reports, and independent financial audits reveals a deeply problematic reality: the City of Denver cannot definitively, accurately, and transparently report the exact number of people permanently housed because its internal tracking metrics have been structurally conflated and poorly defined. The data presented to the public has historically been misleading, blurring the lines between temporary emergency sheltering and true housing resolution.

The Obfuscation of "Stable" versus "Permanent" Housing

Under Mayor Mike Johnston's administration, the city launched aggressive, highly publicized

initiatives—initially dubbed "House1000" following a declaration of a state of emergency regarding unsheltered homelessness in July 2023, and subsequently transitioned to "All In Mile High".¹ The mayor set explicit, quantifiable public goals: to move 1,000 people indoors by the end of 2023, and to move an additional 2,000 people indoors while connecting 2,000 people to permanent housing by the end of 2025.²

However, the March 2026 performance audit conducted by Denver Auditor Timothy M. O'Brien critically dismantled the integrity of the city's reported success metrics.¹ The audit found that the Mayor's Office's public dashboard, designed to show progress to the citizenry, failed to distinguish between individuals placed in "stable housing" and those placed in actual "permanent housing".²

In the bureaucratic lexicon of the city, "stable housing" frequently refers to a temporary placement in a congregate shelter (like Crossroads), a micro-community, or a leased hotel room.² "Permanent housing" refers to a long-term, independent lease or owned property.² Because these two entirely distinct outcomes were aggregated into a single metric on the public dashboard, the reporting presented an artificially inflated and deeply misleading view of the city's success in permanently ending homelessness.² The reporting obscured the harsh reality that many individuals classified as successfully "housed" were merely transferred from unsheltered homelessness (sleeping in a tent or car) into sheltered homelessness (occupying a bed in a 515-person warehouse).² The auditor explicitly noted that this failure to align tracking metrics with the mayor's stated goals made it exceedingly difficult for the public to understand the actual, long-term impact of the nearly \$200 million program.²

Macro-Trends from Point-in-Time Data

While precise, individualized municipal housing placements are clouded by administrative reporting failures, the Metro Denver Homeless Initiative (MDHI) provides broader, regionally standardized demographic data that illustrates the overarching trajectory of the crisis over the last four years. MDHI conducts the annual Point-in-Time count on behalf of the region's Continuums of Care, providing the most reliable baseline data available.¹⁷

The data from the 2024 to 2025 transition periods reveals a systemic shift toward institutional sheltering. MDHI reported that the number of individuals residing in emergency shelters and transitional housing across the Denver metro area surged from 7,058 in 2024 to 8,625 in 2025.¹⁸ Conversely, the number of people sleeping in places not meant for human habitation—such as streets, parks, and vehicles—decreased from 2,919 to 2,149 over the same period.¹⁸ This statistical shift demonstrates that the city's massive capital investments in expanding shelter capacity and acquiring hotels successfully removed hundreds of individuals from the immediate dangers of the street.

Furthermore, federal data from the Department of Housing and Urban Development (HUD) indicates that the introduction of new Permanent Supportive Housing (PSH) initiatives contributed to a 34% increase in the number of people successfully housed in the region

compared to 2022 baseline levels.²⁰ Individual operators also track localized successes; the Denver Rescue Mission reported that in 2024, 1,020 guests at the 48th Avenue Center actively engaged with case management, 389 households were served through transitional programs, and 293 individuals successfully obtained vital identification documents essential for housing applications.²¹

Despite these localized successes, the overarching sociological data indicates that the crisis is continually fueled by systemic economic and social pressures. MDHI reports that 88% of respondents surveyed since 2015 reported their last permanent address was within Colorado, dismantling the political narrative that unhoused individuals are migrating to Denver for services.²² The primary contributing factor to homelessness is relationship problems and family breakups, closely followed by a systemic inability to pay rent or mortgages in an increasingly unaffordable housing market.²²

The empirical data suggests a clear conclusion: over the last four years, the City of Denver has been highly successful in temporarily warehousing individuals—moving them out of visible street encampments and into large-scale, city-funded facilities. However, the throughput—the logistical and economic mechanism moving individuals out of 515-bed facilities like the 48th Avenue Center and into permanent, independent living—remains a severe, systemic bottleneck. This bottleneck has been actively masked by municipal dashboards that count a temporary shelter bed as a successful housing outcome.²

Municipal Appropriations: The Flow of Public Funds to Non-Profits

The financial ecosystem supporting Denver's homelessness initiatives is vast and highly complex. Funding is drawn from multiple converging streams, including the city's general fund, federal emergency relief and FEMA reimbursements, and crucially, the dedicated Homelessness Resolution Fund, which was passed by Denver voters in November 2020.²³ The flow of this public capital to primary non-profit operators is staggering, representing a massive, continuous transfer of public wealth to private entities for the provision of essential municipal survival services.

To understand how money is being spent and exactly how much the city is providing to these organizations, one must examine the specific contracts awarded by the Denver City Council to The Salvation Army and the Denver Rescue Mission.

Capital Flows to The Salvation Army

The Salvation Army serves as one of the city's most heavily funded and deeply entrenched contractors. Since 2020, the City of Denver has paid the organization approximately \$155.7 million for various sheltering and rapid rehousing services.⁸ A review of recent legislative actions and contract approvals by the Denver City Council demonstrates the sheer scale of this financial dependency:

Salvation Army Program / Facility	Contract Value	Scope of Services / Funding Notes	Reference
Crossroads Center (29th St)	\$19.3 Million	Operations of the low-barrier shelter. Includes a highly contentious \$4.5M extension to cover unpaid work already performed in early 2025.	8
Tamarac Family Shelter	\$8.0 Million	Operations and management of the Tamarac Family Shelter, a hotel-conversion model.	25
The Aspen Shelter	\$7.0 Million	Operations and management for The Aspen shelter facility.	25
Transformational Rapid Re-Housing	\$5.05 Million	Rapid rehousing services for over 200 clients, including rental assistance, move-in support, and 12 months of housing-first case management (Ends June 2026).	26
Stone Creek Shelter	\$4.0 Million	Operations and management of the Stone Creek non-congregate	25

		shelter.	
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Capital Flows to the Denver Rescue Mission (DRM)

As the primary operator of the city's highest-volume intake and stabilization facilities, the Denver Rescue Mission is similarly capitalized by massive municipal contracts. DRM's operational focus leans heavily on programs designed to reintegrate individuals into the workforce, alongside critical initial interventions such as detox services and health holds for individuals struggling with addiction directly off the street.²³

Between 2023 and 2025, DRM received approximately \$31 million directly from the voter-approved Homelessness Resolution Fund to support these high-volume intake facilities.²³ Furthermore, to ensure the continuity of the shelter ecosystem, the Denver City Council recently approved a massive \$10 million contract extending DRM's core services through the end of 2025.¹² This specific funding allocation legally obligates DRM to maintain essential services across its sites, including the provision of meals, restrooms, showers, laundry facilities, and secure storage, while continuing the administration of its Next Step case management program.¹²

Beyond these broad programmatic contracts, the city funds DRM on a granular, site-specific level. The city approved a \$917,062 contract strictly to cover the operational and programmatic costs of the Holly Street Shelter through December 2026.⁵ Additionally, the city amended a contract for the Denver Rescue Mission Family Non-Congregate Shelter program (the Family Next Step Plus Program), adding nearly half a million dollars to bring the total contract value to \$1,487,942 to support trauma-informed care and harm reduction strategies for homeless families transitioning to permanent housing.²⁷

The financial dynamic between the city and these two non-profits reveals a state of mutual, inextricable dependence. The municipal government relies entirely on these organizations because it structurally lacks the internal workforce, expertise, and institutional capability to safely house, feed, and manage thousands of highly vulnerable individuals every single day.²⁸ If the city were to sever ties, it would face the catastrophic requirement of launching emergency procurement processes or taking over operations internally, an impossible task amidst existing municipal furloughs and budget cuts.²⁸ Conversely, these non-profits rely on these multi-million-dollar municipal contracts to sustain their massive, ever-expanding operational footprints.

The Anatomy of Unaccountable Capital: The March 2026 Audit

While hundreds of millions of dollars of taxpayer and federal money have been appropriated to solve the crisis, the administrative mechanisms required to track these funds have severely deteriorated. A forensic examination of the city's financial integrity reveals a systemic,

multi-million-dollar breakdown in accountability.

In the context of municipal finance, the term "unaccountable" does not inherently or legally imply embezzlement, theft, or deliberate fraud. Rather, it indicates that public funds were spent without proper tracking, utilizing incorrect accounting codes, or bypassing competitive oversight protocols, making it functionally impossible for auditors to determine if the money was spent efficiently, effectively, or for its legally designated purpose.²

In March 2026, Denver Auditor Timothy M. O'Brien released a devastating performance audit of the Mayor's Office and the Department of Housing Stability regarding the "All In Mile High" and "House1000" initiatives.¹ The audit confirmed the deepest fears of taxpayers and unhoused advocates: tens of millions of dollars were functionally unaccountable due to profound administrative negligence.²

The \$20.1 Million Discrepancy

During an official presentation to the Denver City Council in October 2025, the Mayor's Office reported that the total cost of the homelessness initiative from July 2023 through June 2025 was approximately \$158 million.¹ However, when independent auditors examined the general ledger transactions within Workday—the city's official financial system of record—they discovered that actual expenditures over that exact same period totaled **\$178.1 million**.¹

The city had underreported the cost of its flagship public policy initiative by a staggering \$20.1 million.¹ When confronted with this massive discrepancy, the Mayor's Office was unable to substantiate its lower figures.² Furthermore, they failed to produce the required internal expense-tracking spreadsheets mandated by the city's "Emergency Expenditures Finance Guide," claiming to auditors that the documents simply could not be found.² Even after reviewing the draft audit in early 2026, the Mayor's Office could only provide documentation to raise their acknowledged spending to \$169.6 million, leaving an \$8.5 million gap completely unexplained.²

The Mechanics of Systemic Financial Failure

The March 2026 audit meticulously detailed the mechanisms driving this unprecedented financial opacity. The failures were not isolated incidents but symptoms of a chaotic, decentralized bureaucracy rapidly attempting to scale an emergency response without establishing foundational financial controls.

Category of Financial Failure	Amount Impacted	Audit Findings and Mechanics	Reference
Total Underreported	\$20.1 Million	The discrepancy between the \$158M	¹

Expenses		publicly reported to City Council and the \$178.1M actually spent in the Workday system. Driven by a total lack of centralized, citywide expense tracking.	
Miscoded Departmental Expenses	\$40.7 Million	The Department of Housing Stability (HOST) recorded tens of millions of dollars in expenses within cost centers that were not designated for the All In Mile High initiative, rendering them invisible to standard financial queries.	2
Untracked Emergency Funds	\$9.8 Million	During the 2023 state of emergency, 47% of the \$20.9M spent through the Emergency Operations Center (EOC) was processed without the required program codes.	2
Commingling of Crisis Funds	\$233,000	Approximately \$230,000 of homeless initiative expenses were recorded under codes designated	2

		for the separate migrant sheltering emergency, and \$3,000 was funded through the Border Crisis Response Fund.	
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Beyond the sheer misallocation of accounting codes, the audit revealed a total breakdown in competitive procurement protocols.² To ensure that taxpayers receive the best value and highest quality of service, the city is legally required to evaluate multiple bids for multi-million-dollar service contracts. However, the audit found that HOST routinely failed to keep records of proposals from competing bidders, making it impossible to prove that contracts were awarded on merit.²

In one highly specific example regarding a contract awarded to the Colorado Coalition for the Homeless in October 2024, auditors discovered glaring documentation errors.² The business name, address, and contact information listed on the official city documentation were completely incorrect, and all tax and financial codes were recorded as the exact same number.² While internal scoring sheets for the winning bid existed, the city could not produce the actual bid proposals from the other applicants to justify why the contract was awarded to that specific organization.²

The financial infrastructure managing Denver's homelessness crisis operates in a state of administrative disarray. The political mandate to rapidly stand up emergency shelters and quickly scale hotel-conversion facilities bypassed standard, rigorous financial controls. Consequently, while the public can physically observe the existence of the shelters, the financial data regarding how efficiently, legally, and effectively their tax dollars are being deployed is irreparably compromised.¹

Private Philanthropy and Organizational Wealth: Following the Donations

Municipal contracts represent only one side of the financial ledger. The non-profit organizations operating these shelters are not small, grassroots charities; they are massive, highly capitalized corporate entities that generate tens of millions of dollars annually in private philanthropy. Understanding the sheer scale of this donated capital is crucial to evaluating the true cost and financial resilience of the shelter ecosystem.

Denver Rescue Mission (DRM): A Financial Profile

An analysis of the Denver Rescue Mission's IRS Form 990 tax filings reveals a financially robust, highly sophisticated organization backed by massive philanthropic wealth. The organization

consistently meets the standards of the Better Business Bureau Wise Giving Alliance, reporting that 83% of its total expenses are directed toward life-changing program activities rather than administrative overhead.²⁹

For the fiscal year ending June 2024 (representing the 2023 tax year filing), the Denver Rescue Mission reported an astonishing total revenue of **\$51,790,683**.³¹ This represented an increase from the prior year's revenue of \$50.0 million.³¹

When analyzing how much money is actively being donated by the public, the figures are striking. Of that total revenue, **\$39,561,506** was generated entirely from "All other contributions, gifts, grants, and similar amounts," representing direct private donations from individuals, corporate sponsors, donor-advised funds (such as the Fidelity Investments Charitable Gift Fund), and philanthropic foundations like the Colorado Gives Foundation.³¹ The organization also generated \$11,458,254 directly from program service revenue, which encompasses the operational revenues associated with running massive facilities like the 48th Street Center and the Lawrence Street Shelter.³¹

Denver Rescue Mission Financials	FYE 06/2023 (2022 Tax Year)	FYE 06/2024 (2023 Tax Year)	Reference
Total Revenue	\$50,019,614	\$51,790,683	31
Total Contributions & Grants (Donations)	\$39,496,600	\$39,561,506	31
Program Service Revenue	\$10,137,515	\$11,458,254	32
Investment Income	\$385,495	\$800,454	32

The organization's asset base is equally formidable. DRM holds significant institutional wealth, reporting over \$60.3 million in total assets and \$57.7 million in net assets.³³ However, the sheer scale of managing hundreds of beds and operating 24/7 facilities requires a massive payroll. In recent filings, DRM reported that "Other Salaries and Wages" accounted for upwards of \$18.2 million, representing approximately 35.9% of their total annual expenses.³³

The Salvation Army: Corporate Scale vs. Local "Financial Hardship"

The Salvation Army is an international evangelical movement and one of the largest charitable

organizations on the planet, possessing vast global real estate and financial assets.⁶ However, its financial relationship with the City of Denver has been characterized by intense friction regarding cash flow and municipal competence.

Despite the organization's vast global reserves, local leadership claimed severe "financial hardship" and "cashflow problems" in 2025.⁸ This hardship was not driven by a lack of donations, but rather by the city's gross administrative delays in finalizing multi-million-dollar service contracts.⁸ For nearly six months, The Salvation Army operated the Crossroads shelter, alongside several hotel shelters, without a finalized 2025 contract or corresponding payment from the city.⁸

Consequently, the charity was forced to tap into its own financial reserves, effectively fronting the municipal government approximately \$5 million to cover the costs of services, staffing, and food already provided to the city's unhoused population.⁸ While local advocacy groups, such as the Housekeys Action Network Denver, have publicly accused the organization of "profiting from pain," Salvation Army spokespeople emphatically denied the allegations.⁸ They stated publicly that the organization operates the city's programs at a loss, tapping into private donations to subsidize municipal shortfalls, and makes zero profit on its city contracts.⁸

This dynamic highlights a deeply concerning paradox at the heart of Denver's homelessness strategy. The municipal government is fundamentally reliant on the private, philanthropic wealth of these non-profits to cover for its own administrative incompetence. If The Salvation Army did not have the institutional wealth and private donation reserves necessary to float a \$5 million shortfall during a prolonged municipal contract dispute, the operations at the Crossroads shelter would have collapsed instantly, forcing 300 men onto the street overnight.⁸ The city's crisis response is entirely dependent on the private wealth of its contractors.

Operational Realities: The Crisis of Care, Safety, and the "Warehouse" Paradigm

The intersection of massive, often unaccountable funding, severe administrative opacity, and the necessity of high-volume intake has resulted in deeply concerning operational conditions within the shelter ecosystem. While facilities like the 48th Avenue Center operated by DRM are generally viewed as attempting to foster a more structured, permanent-bed environment integrated with intensive case management¹¹, the conditions at The Salvation Army-run Crossroads facility highlight the grim, often dangerous reality of emergency warehousing.

For individuals who have navigated these shelters over the past four years, the public narrative of municipal success frequently clashes with the lived reality of the shelter floor. Investigations by local media, coupled with numerous whistleblower reports from both staff and former guests, paint a picture of the Crossroads shelter as an overburdened, unsafe environment.⁸

Former residents have testified that individuals are "warehoused like cattle" within the building.⁸ While city officials tout the 98% occupancy rate as a metric of success, residents point to

severe overcrowding, chronic bedbug infestations, and sanitation failures as the daily reality of that statistic.⁸ More critically, safety within the Salvation Army-run network has emerged as a severe liability. Across the various "All In" shelters operated by the charity, 25 deaths have been recorded, with 19 directly attributed to drug overdoses.⁸ Guests have repeatedly complained that rampant on-site drug sales and abuse make maintaining personal sobriety virtually impossible while residing in the facilities.⁸ Furthermore, the shelter network has experienced high-profile violent incidents, including murders, stabbings, and severe allegations of sexual assault perpetrated by staff members with criminal records.⁸ In one particularly egregious failure in 2024, the Salvation Army failed to provide contracted security at a former DoubleTree hotel shelter, which subsequently became the site of a double homicide, forcing the city to rapidly seize control of security operations at the site.⁸

The "Hostage Situation" in Municipal Procurement

These severe operational failures and safety violations place municipal leaders in an impossible, cyclical dilemma, generating a phenomenon that City Council members themselves have openly described as a "hostage situation".⁸

During the highly contentious June 2025 vote to extend The Salvation Army's \$19.3 million contract for Crossroads, multiple council members expressed grave concerns regarding the organization's competency, noting high employee turnover, a flurry of health violations, and a fundamental failure to ensure guest safety.⁸ The council's lack of trust in the organization was so profound that they had previously rejected a separate \$3 million rapid rehousing contract for the charity earlier in the year.⁸

Yet, despite acknowledging these severe deficiencies, the City Council ultimately approved the \$19.3 million Crossroads extension by a hesitant 9-4 vote.⁸ The reasoning behind the vote was purely utilitarian and driven by panic: rejecting the contract would require the city to immediately launch an emergency procurement process or take over operations internally, an impossible task for a municipality already facing workforce furloughs.⁸ Closing the shelter would instantly displace 300 highly vulnerable individuals onto the streets, creating an immediate humanitarian and political disaster.⁸

The city's failure over the last four years to cultivate a diverse, highly competitive ecosystem of service providers has created a localized monopoly on care. Because entities like The Salvation Army and the Denver Rescue Mission are the only organizations with the logistical scale, real estate, and philanthropic wealth to manage hundreds of beds nightly, the city is forced to continuously fund them. The municipal government is a captive buyer, legally and morally bound to issue multi-million-dollar contracts regardless of operational failures, safety violations, or client mortality rates.⁸ True operational accountability is impossible to enforce when the ultimate threat—contract termination—would result in the immediate collapse of the city's social safety net.

Conclusion and Strategic Outlook

An exhaustive analysis of the homeless shelter infrastructure in Denver, Colorado, from 2022 to 2026 reveals a municipal system fundamentally at odds with itself.

On one hand, the city has successfully mobilized unprecedented capital—leveraging General Obligation bonds, the general fund, and the voter-approved Homelessness Resolution Fund—to vastly expand indoor sheltering capacity.⁴ The acquisition of massive facilities like the 48th Avenue Center⁴ and the continuous subsidization of Crossroads and the Holly Center³ have successfully driven down the number of unsheltered individuals sleeping on the streets, pulling thousands out of immediate environmental danger.¹⁸ Furthermore, partner organizations like the Denver Rescue Mission continue to draw immense philanthropic support, channeling nearly \$40 million annually in private wealth into the city's safety net to provide meals, case management, and stability.³¹

However, the administrative integrity and qualitative reality of this multi-hundred-million-dollar system are deeply compromised:

1. **Metric Obfuscation:** The municipal government cannot accurately state how many people have been permanently housed because its reporting mechanisms inherently conflate temporary shelter beds with permanent leases. This statistical manipulation creates an illusion of crisis resolution while merely warehousing poverty out of public view.²
2. **Financial Opacity:** The March 2026 municipal audit provides definitive, empirical proof that the city's financial controls are profoundly broken. With \$20.1 million in underreported costs, \$40.7 million in miscoded department expenses, and missing competitive procurement records, the system suffers from catastrophic administrative negligence.¹
3. **The Monopoly of Care:** The city is trapped in a structural dependency loop with massive non-profit operators. The sheer operational scale required to manage the crisis forces the city to continually fund organizations like The Salvation Army, despite severe safety failures, high mortality rates within facilities, and a complete breakdown of municipal trust.⁸

Moving forward, the City of Denver's homelessness response requires immediate, foundational structural reform. The focus must shift from merely expanding the volume of capital deployed to the rigorous enforcement of financial tracking, transparent competitive bidding, and the strict disaggregation of outcome metrics to separate temporary emergency sheltering from true, permanent housing solutions. Until the municipal government can accurately account for its capital and safely manage its contracted environments, the Denver shelter ecosystem will remain a highly funded, chaotic mechanism for daily crisis management, rather than a viable pathway to crisis resolution.

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