



New, Dedicated Revenue for Homelessness Resolution

August 3

Finance and Governance Committee



New Revenue For Homelessness

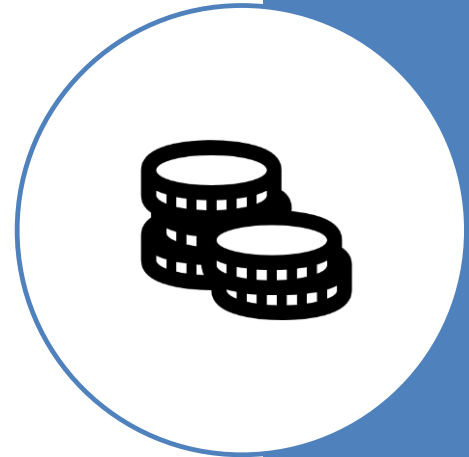
Source: .25% Sales Tax (2.5 cents on a \$10 purchase)

Revenue: Requesting voter approval for \$40 million.
If passed, City will monitor closely & plan conservatively for even less due to pandemic economic uncertainties.

Cost: ~\$5/month for average household

Sales Tax:

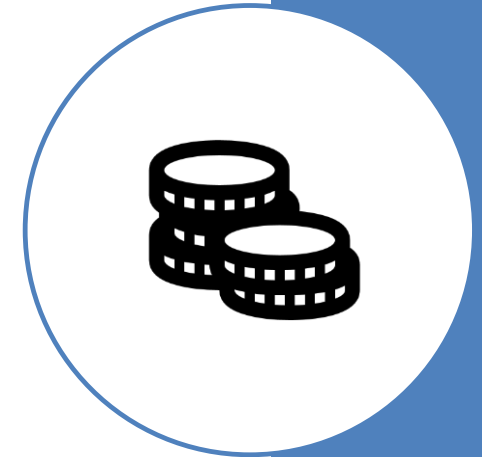
- Visitors help pay portion
- Food, medicine, fuel, fem hygiene exempt



New Revenue For Homelessness

What: Homelessness Resolution Fund to pay for housing, shelter, and services

Who: Those experiencing or exiting homelessness



Kniesch Office Organizational Outreach*

Name or Group	Name or Group
Neighborhood Development Collaborative	YIMBY
Downtown Denver Partnership (all 3 boards)	Denver BID Council
All In Denver	One Colorado
MAAH	The Denver Foundation
Inter-neighborhood Cooperation	The Center
Minority Chambers	Gender Identity Center
Denver Homeless Out Loud	Transgender Center of the Rockies
Working Families Party	Mile High Behavioral Health
Colorado People's Alliance	Empowerment Program
Together Colorado	Greater Denver Community Impact (Park Hill Strong)
Denver Area Labor Federation	MOCC
Healthier Colorado	Shorter Community AME Church
Homeless Leadership Council (association of major shelter providers)	Greater Denver Ministerial Alliance
Corporation for Supportive Housing	Cafecito (Latina network)
Enterprise Community Partners	Servicios de la Raza
Colorado Cross-Disability Coalition	DASHR
Atlantis	LGBTQ Commission Policy Committee
African American Initiative	Native American Housing Circle
Urban League	NAACP Denver
Northeast Denver Islamic Center	

*Responses varied, including group briefings, conversation with a single representative, email correspondence, no response etc. Additional briefings/conversations were held with individuals without organizational affiliations.



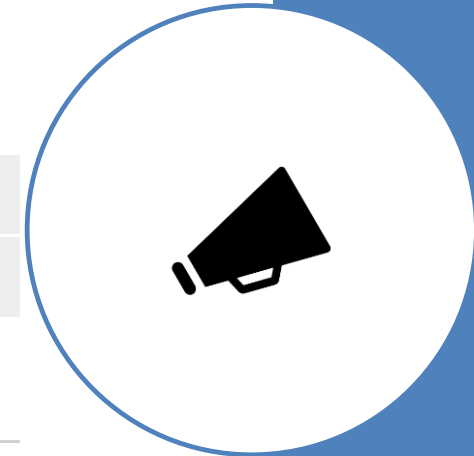
Outreach to those with Lived Experience of Homelessness

Partners have engaged 73 people who are/have experienced homelessness about the proposal:

- 58% ranked “*housing and services for those in housing*” as their top funding priority
- “*shelter and services in shelters*” ranked second, “*other services and supports*” third
- When asked to suggest how much should go for each purpose, most respondents allocated between 30-50% of revenue for housing, with 20-30% divided between the other two uses.

Specific responses on housing:

Do you agree that money should be used for the following?				
	YES	NO	UNSURE	TOTAL
Building or renovating permanent housing	93.06% 67	4.17% 3	2.78% 2	72
Supportive services to go along with housing	90.28% 65	2.78% 2	6.94% 5	72
Rental assistance	87.32% 62	9.86% 7	2.82% 2	71
Other housing supports	77.27% 51	6.06% 4	16.67% 11	66



Do you agree the money should be used for the following?				
	YES	NO	UNSURE	TOTAL
Expanding the number of shelter beds	73.61% 53	12.50% 9	13.89% 10	72
Improving access for underserved populations	92.96% 66	2.82% 2	4.23% 3	71
Providing 24-hour shelter and drop-in day services such as coronavirus prevention, mental health care, substance treatment, and housing and employment counseling	91.78% 67	4.11% 3	4.11% 3	73

Regarding money for shelter



Regarding money for services that are unconnected to housing or shelter:

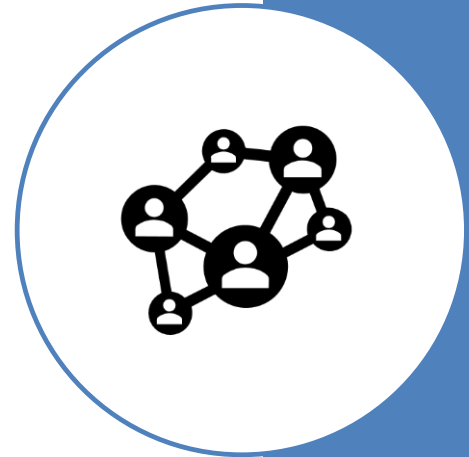


Do you agree the money should be used for the following?				
	YES	NO	UNSURE	TOTAL
Employment preparation or day work	83.56% 61	6.85% 5	9.59% 7	73
Outreach workers to provide housing referrals and assistance finding housing for those living on the streets	93.06% 67	1.39% 1	5.56% 4	72
Safe parking areas with restrooms/services for people living in their cars	87.50% 63	5.56% 4	6.94% 5	72
Safe outdoor camping spaces with restrooms/services for people who are unable or uncomfortable using shelter	80.82% 59	15.07% 11	4.11% 3	73
Tiny homes	71.01% 49	18.84% 13	10.14% 7	69
Converting motels/hotels for transitional housing	86.30% 63	8.22% 6	5.48% 4	73



Other Public Discussions/Outreach

- Broad community discussion began during I-300 debate and continued since on "doing better"
- Citywide Survey Monkey >600 respondents
 - 7 out of 10 supported *increasing local taxes*
 - 4 out of 10 were *more supportive* due to COVID
 - Long Term Housing and Health Care/Mental Health ranked highest
- Public/media announcement on July 1
- Other electronic mass communication



Administration

Who: HOST*

Why: Ensure alignment/maximization of all sources (federal, general fund, Housing Fund) in one plan, tracked in one place

How:

- First annual plan by January 31, 2021
- 3-5 year plans (community input, Council approved) + annual
- Housing Strategic Advisors (seated by Oct 2020)
- Open/inclusive subcommittees inform Advisors



*8% cap on city admin, same as Housing Fund

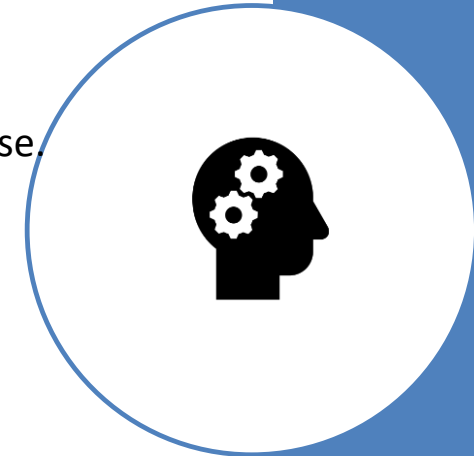
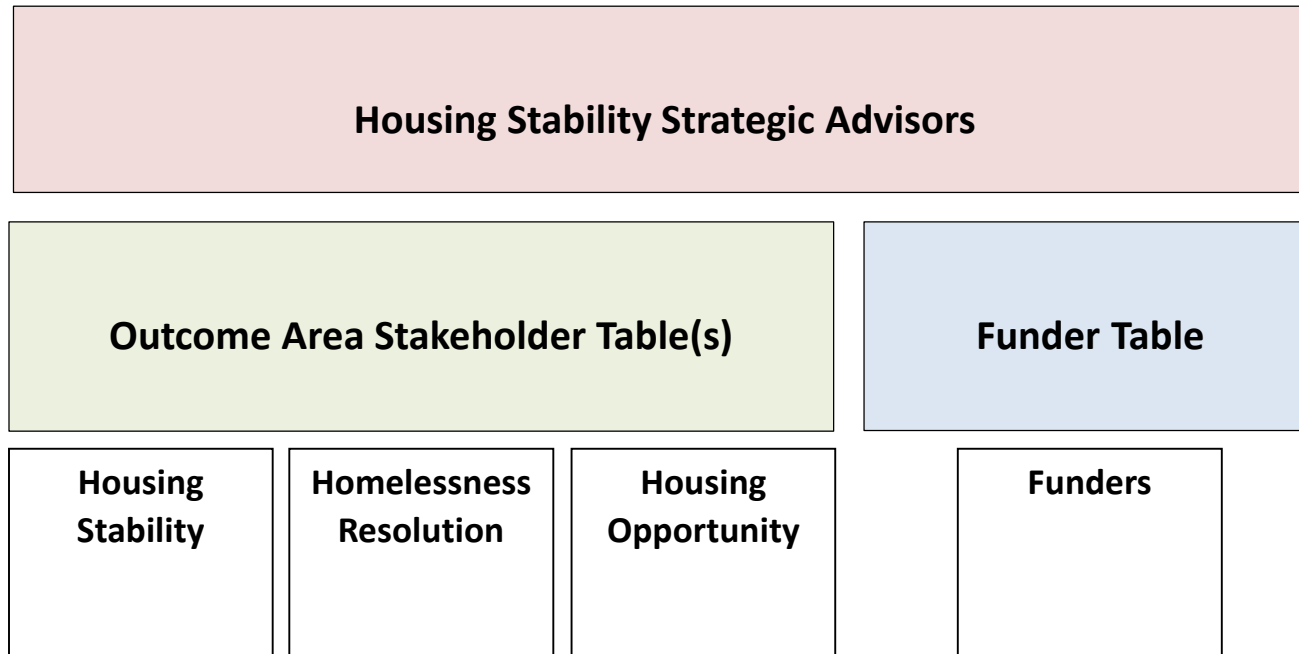


Department of Housing Stability Strategic Advisors

Membership of Strategic Advisors group would include total of 11 members:

- 2 reps with expertise in housing stability
- 2 reps with expertise in homelessness resolution
- 2 reps with expertise in housing opportunity
- 1 rep from the funder table
- 2 reps from housing or homelessness technical assistance organizations
- 1 rep at-large community member appointed by Mayor
- 1 rep at-large community member appointed by City Council

Seeking balance of professional & lived expertise, w/ at least 3 positions filled by those w/ lived expertise.



Updates to HOST Ordinance – Formalizing Equity & Input

Sec. 27-164. - Powers and duties.

The general purpose of the housing stability strategic advisors is to render advice and recommendations to the executive director of the department of housing stability in regard to the planning and implementation of city programs and services related to homelessness resolution, housing stability, and housing opportunities. Such advice and recommendations shall include strategies to preserve and increase the supply of affordable housing in the city, to the extent such programs and services are supported by expenditures from the affordable housing permanent funds, as provided in section 27-150, and federal or other funds allocated by the executive director of the department of housing stability for housing development, preservation or programs. Such advice and recommendations shall also include strategies that support equity for those that have been historically disadvantaged in access to housing and for those experiencing homelessness. The specific powers and duties of the housing stability strategic advisors shall be:



Updates to HOST Ordinance (continued)

a) To recommend goals, objective and policies to inform the adoption of the three- to five-year strategic plan for city housing expenditures, including, but not limited to, the permanent funds and any federal or other funds allocated by the executive director of the department of housing stability, for homelessness resolution, housing stability, and housing opportunity, which shall include, but not be limited to, housing development, preservation or programs. The executive director of the department of housing stability shall direct city staff, independent consultants, or a combination thereof ~~to solicit input and~~, develop the strategic plan to be reviewed by the housing stability strategic advisors and recommended for submittal to the city council by September 1 of the year prior to the plan's first program year for subsequent approval. The plan shall be developed with input from stakeholders and the public including those with lived expertise with housing instability and/or homelessness...The three- to five-year strategic plan shall include, at a minimum, the following elements:

...

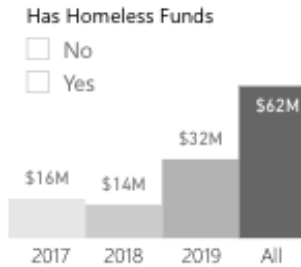
(4) Specific strategies aimed at promoting equity in housing and services, including for persons experiencing homelessness.



Affordable Housing Fund (AHF) Allocations

This page shows projects and programs with funds from the Affordable Housing Fund (also known as the Dedicated Fund), which began in 2017.

Click on a project or program to see the funding source detail in the upper right corner.



Year	Linkage Fee	Property Tax	Total
2017	\$1,133,033	\$15,077,359	\$16,210,392
2018	\$1,350,000	\$12,403,720	\$13,753,720
2019	\$10,455,866	\$21,962,590	\$32,418,456
All	\$12,938,899	\$49,443,669	\$62,382,568

Projects with AHF Funds

Strategy	AHF 2017-2019	Project Name	Status	Rental or Sale	Restricted Units	PSH Units	Population Served Description
Create	\$2,500,000	101 Broadway	Constructed & Open	Rental	102	0	
Create	\$1,750,000	43rd & Elizabeth	Under Construction	Sale	32	0	
Create	\$3,750,000	48th & Race	Pipeline	Rental	150	0	
Create	\$574,000	Arroyo Village	Constructed & Open	Rental	130	35	Homeless, Transitional
Create	\$2,300,000	Atlantis II	Pipeline	Rental	84	0	Disabled, Special Needs
Create	\$1,415,000	Avenida Del Sol	Pipeline	Rental	80	0	
Preserve	\$162,000	Barth Hotel	Preservation in Progress	Rental	61		Seniors, Transitional
Create	\$1,545,000	Capitol Square	Under Construction	Rental	103	0	
Create	\$2,640,000	Central Park Urban Living	Pipeline	Sale	132	0	
Preserve	\$1,350,000	Colburn Hotel	Preservation in Progress	Rental	91		
Create	\$325,600	College View Phase II	Constructed & Open	Sale	8	0	
Preserve	\$65,752	DHA Unit Swap	Pipeline	Sale	2	0	
Create	\$3,000,000	East Range Crossings	Constructed & Open	Rental	252	0	

Programs with AHF Funds

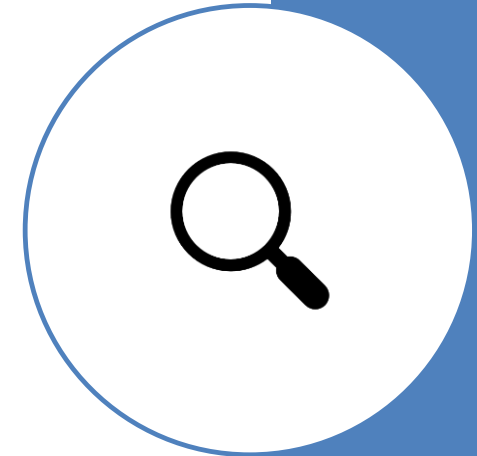
Strategy	AHF 2017-2019	Program Name	Status	Households Served
Access	\$485,000	Bridge to PSH 2019 (CCH)	Program Operating	410
Access	\$160,866	Bridge to PSH 2019 (Family Pro...)	Program Operating	20
Stabilize	\$450,000	Energy Outreach 2019 (EOC)	Program Operating	46
Stabilize	\$299,990	Eviction Assistance 2019 (CLS)	Program Operating	602
Other	\$600,000	Fusion Studios (Services)	Pipeline	139
Stabilize	\$35,000	GES Displacement Database (UN...)	Program Operating	47
Access	\$150,000	GES Matched Savings (Brothers)	Program Operating	0
Stabilize	\$900,000	I70 Environmental Remediation ...	Program Operating	260
Access	\$1,000,000	LIVE Denver	Program Operating	0
Access	\$450,000	PSH Housing Services	Pipeline	25
Access	\$950,000	PSH Housing Services Charity's ...	Pipeline	36
Access	\$375,000	Rapid Rehousing 2019 (VOA)	Program Operating	581
Access	\$60,000	Sunshine Home Share 2019	Program Operating	43

Live HOST Dashboard

<https://app.powerbigov.us/view?r=eyJrIjoiMjY4Nzc1ZDUtMjU0My00MzZkLTlhZTEtMGQwZmY4MmFhYzZiliwidCI6IjM5Yzg3YWVzLTY2MTItNDJjMCM05NjIwLWE2OTZkMTJkZjgwMyJ9>

Publicly Accessible Reporting & Oversight

- Strategic Advisors track progress, troubleshoot unmet goals, public/open meetings
- Annual reports on investments/plan outcomes required (usually print & online)
- Real-time HOST website dashboard already used for Housing Fund
 - o Updates underway to better highlight aggregated outcomes (new/renovated home totals, persons assisted etc.)



Eligible Uses of New Funds

Housing

Buildings
Rental assistance
Supportive services

Shelter

- Expanding shelter capacity
- Improve access for underserved
- 24-hour/drop-in day services
- Better health and housing outcomes *through services*: coronavirus prevention, mental health care, substance treatment, housing and employment counseling

Catalytic Projects

Shelter + Housing +
Services on a single site

Other Programs, Unsheltered Services

- Street Outreach
- Other services for those on streets
- Safe Parking/Outdoor Spaces
- Tiny Homes
- New innovations



Sales Tax Modeling Assumptions

-
- Modeling to help understand and project possible outcomes
 - Stakeholder and public engagement will inform the final plans, actual outcomes
 - Modeling used moderate revenue collection assumptions around \$40M/yr average
 - Actual collections vary year to year, likely lower in 2021
 - Assumes continued leverage of other tools like the partnership with DHA on “D3 Agreement” for supportive housing, tax credits, federal funds etc.

What Will These Funds Do?

**Actual plan goals will be refined in formal planning processes with stakeholders and public, including those with lived expertise.*

In the immediate term:

- Help us sustain our COVID emergency response, begin to regrow shelter capacity we've lost by 100+ beds, and transition more people to existing housing.

Beyond the emergency response:

- Complete the services and funding needed to build 1,800 new apartments over 10 years, create 5-600 new units of shelter or housing in catalytic projects that combine uses, and continue to expand shelter beds in ways that also improve access for underserved populations and provide better health and housing outcomes because they are 24-hours with more services.

How?

Potential First Year Investments*

**Actual first year plan goals will be refined in formal planning processes with stakeholders and public, including those with lived expertise.*

SHELTER:

- Restore at least **100 beds** to the city's capacity impacted by COVID
- Sustain other responses that have been federally funded to-date, but may need new resources:
 - Activated Respite/Protective Action rooms (currently ~800 rooms)
 - 24/7 shelter operations and case management (currently ~1,000 beds in existing network, plus 300 beds at auxiliary shelter after August)

HOUSING:

- Begin developing voucher program to provide deep rental subsidies needed in supportive housing
- Gap financing for new projects not in current pipeline
- Transition more people from unsheltered, shelter or hotel/motel through rent + services rehousing assistance

How?

Potential 10-Year Investments*

**Actual projected outcomes will be refined in formal planning processes with stakeholders and public, including those with lived expertise.*

HOUSING: Grow pipeline of supportive housing by 500 homes over 10 years (for total of 1,800 by 2030)

- Ensure that full pipeline of supportive housing reaches below 30% AMI with new vouchers
- Fill gap in city portion needed for services in supportive housing pipeline, building on lessons learned and stability outcomes from programs like the Social Impact Bond

SHELTER: Continue transformation of shelters to provide 24/7 access with services, focus on rehousing and addressing capacity for underserved populations

CATALYTIC – SHELTER+HOUSING+SERVICES: fill gaps in an already-existing pipeline of ~6 catalytic projects to deliver 500-600 *more* housing units and/or shelter beds

Feedback Themes

- ❖ This is SO Needed
- ❖ Desire for more local funding sources, besides sales tax
- ❖ Prevention
- ❖ Sunset/No Sunset
- ❖ Housing vs. Shelter
- ❖ Importance of Services
- ❖ But Housing First/No Mandatory Services
- ❖ Metrics, Transparency and Community Input important
- ❖ Concern about City capacity, speed of deploying \$



Timeline

First Reading: August 17

Final Reading: August 24

Voters Decide: November 3

IF Passed, funds become available: January 1, 2021

If passed, first year plan due to Council: January 31, 2021

- Budget supplementals/amendments typically required since the 2021 budget is almost complete by the time election results are certified





Questions?

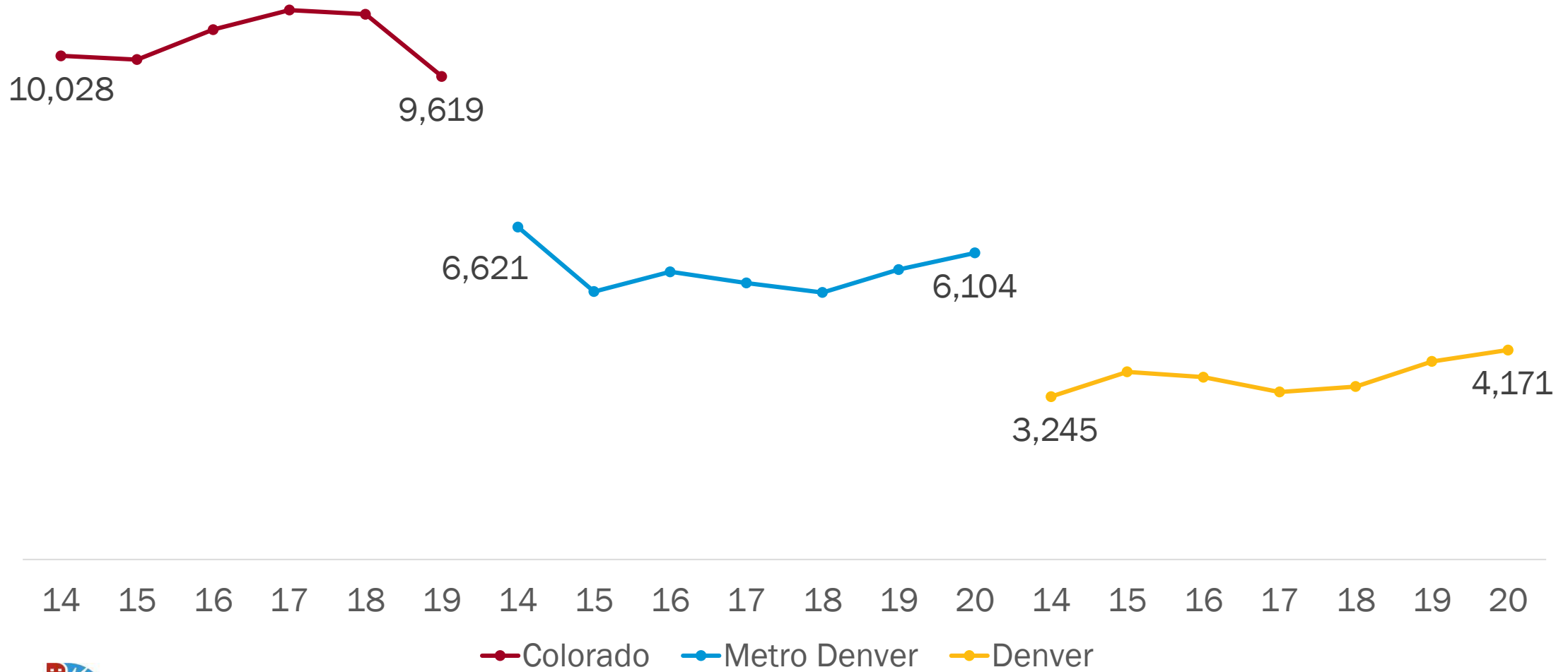




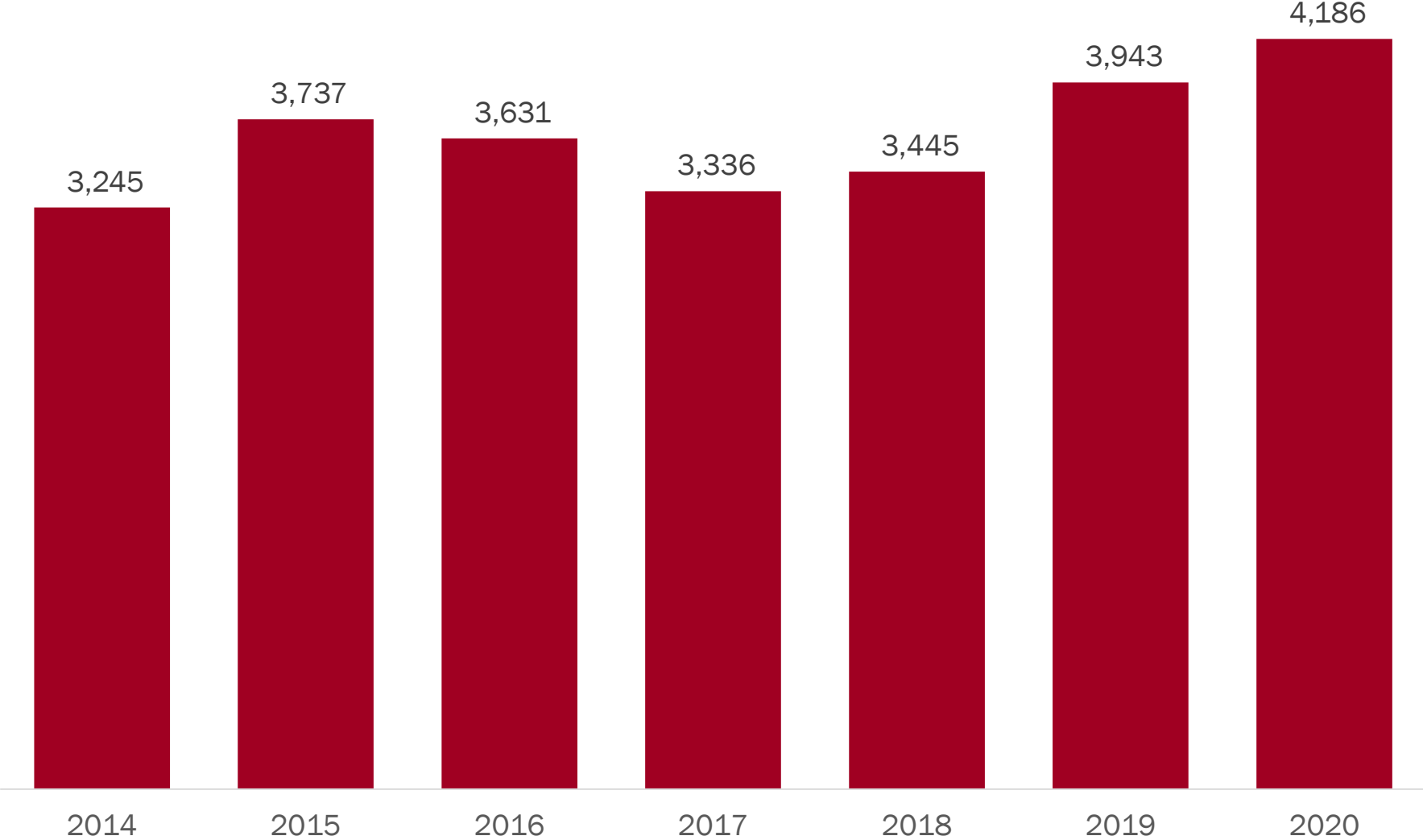
Appendix



Point-in-Time Count from 2014 to 2020

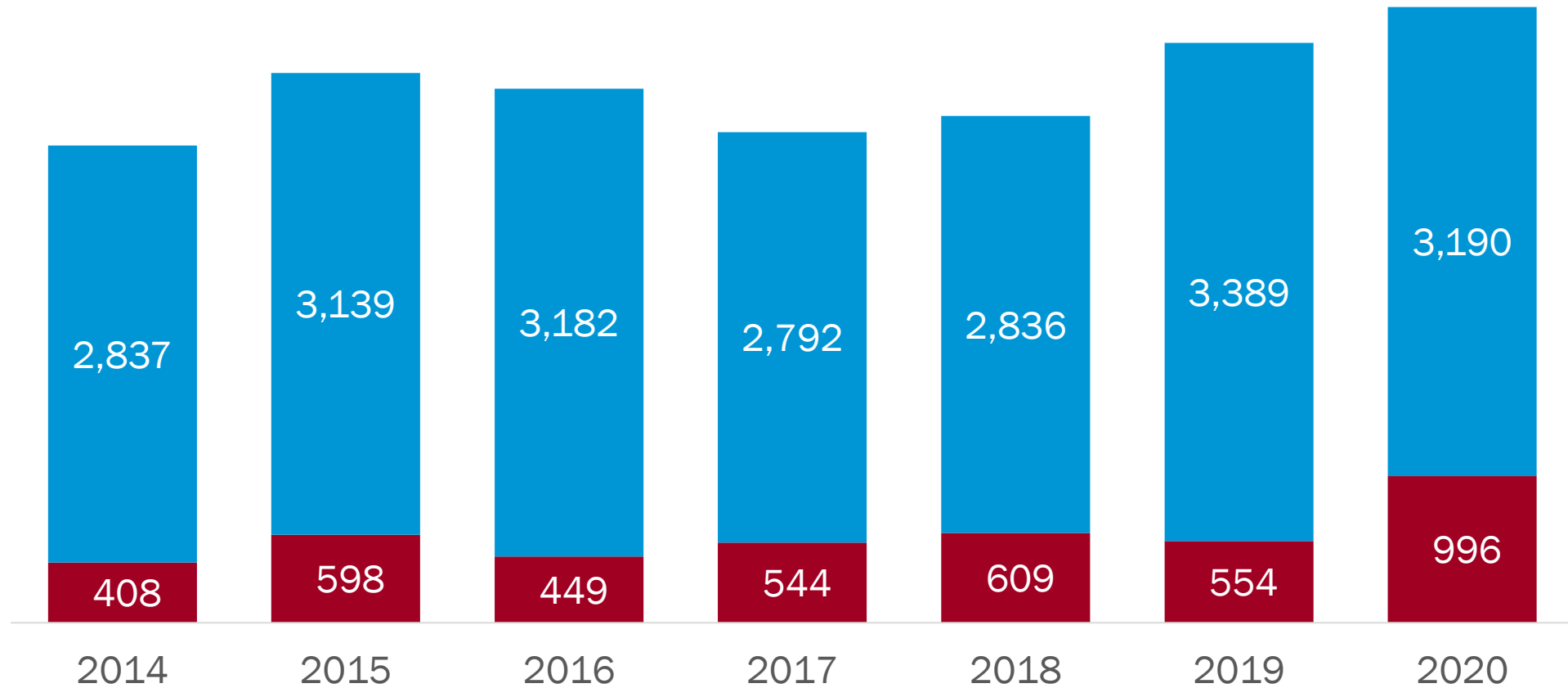


Point-in-Time Number of People Experiencing Homelessness in Denver



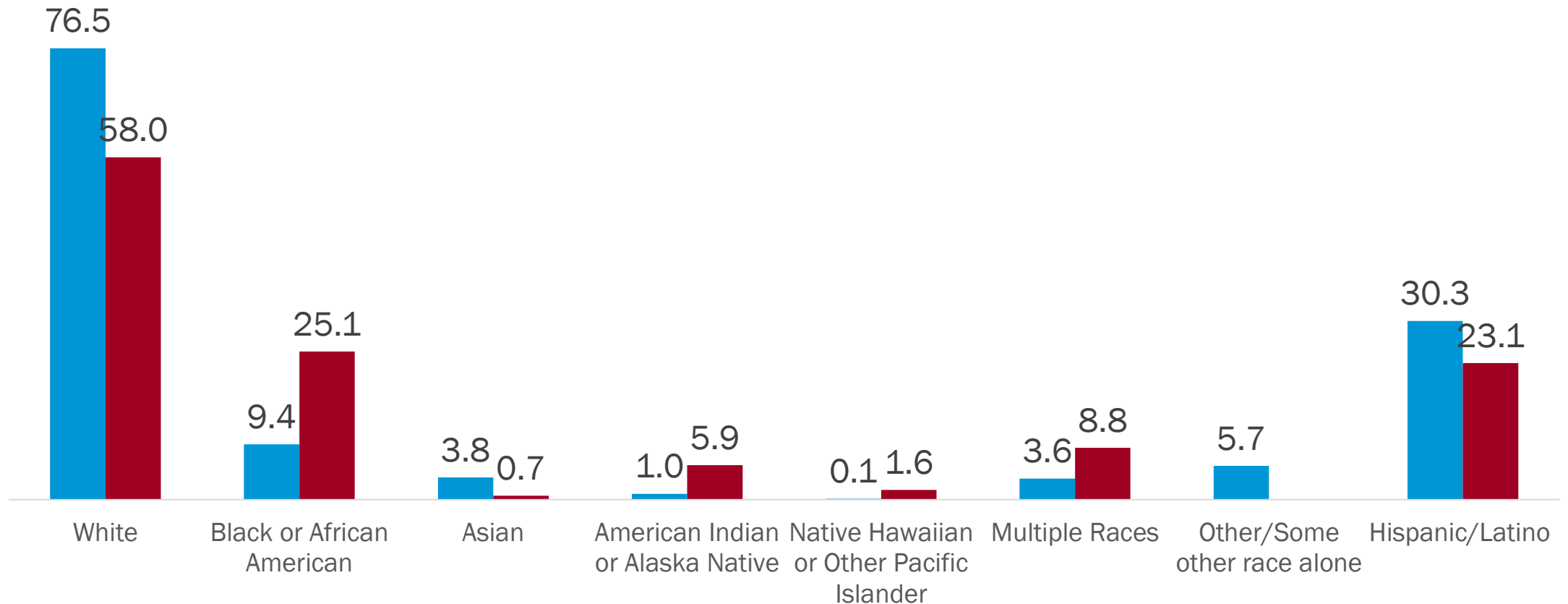
People Sheltered and Unsheltered on Point-in-Time

■ Unsheltered ■ Sheltered



Race and Ethnicity among Denver Residents

■ All Residents ■ Residents Experiencing Homelessness

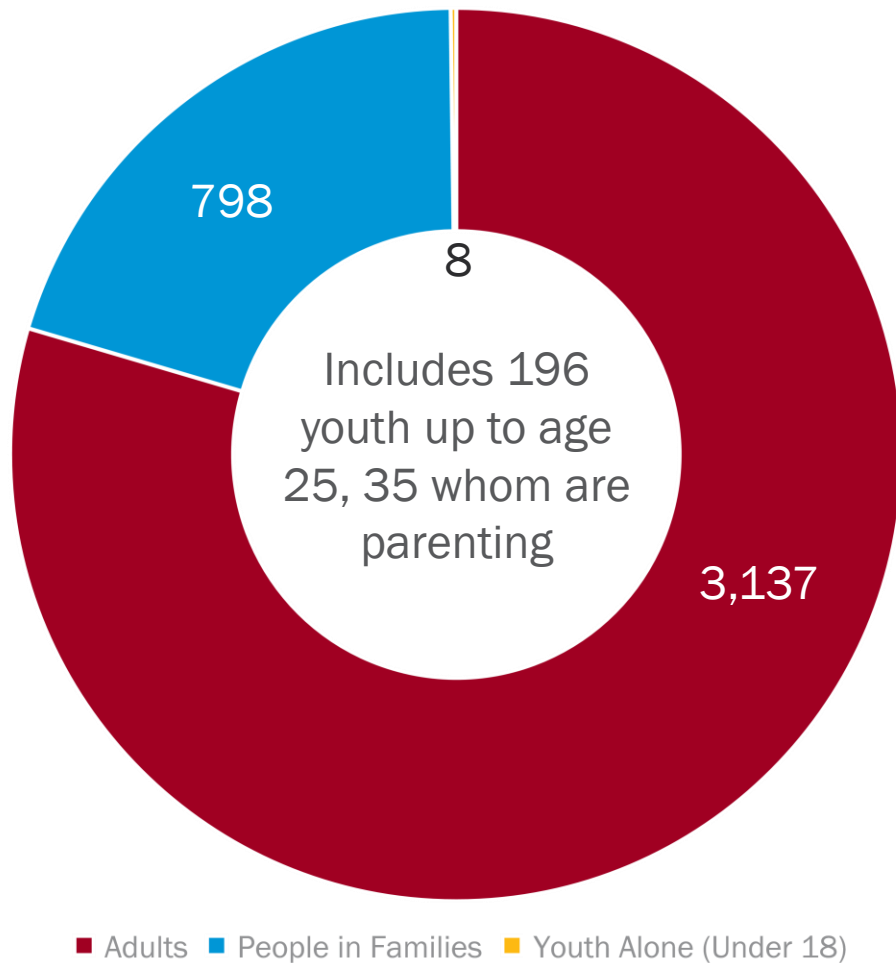


Source: Data for all Denver residents is from the 2014-2018 American Community Survey 5-year estimates; Data for residents experiencing homelessness is from the 2020 Point-in-Time Count.

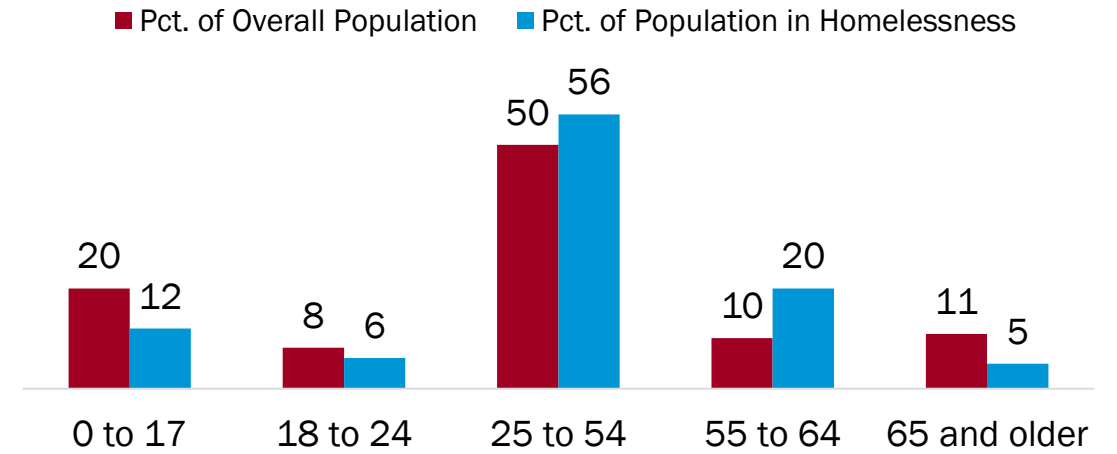
Note: Race categories sum to 100%. Ethnicity is asked separately. Point-in-Time data is not available that cross-references race and ethnicity.



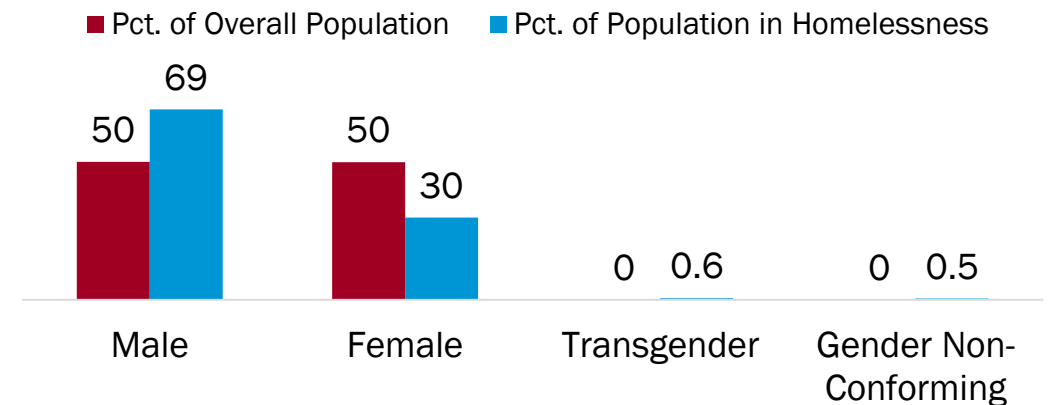
80% of people counted are adults, and 20% are in families



People experiencing homelessness are disproportionately 25-64



People experiencing homelessness are disproportionately male



Analysis from the 2019 PIT – Not yet updated with 2020 figures



Building on Success of Housing First through Supportive Housing

Social Impact Bond & Other Supportive Housing:

- Housing First Model (services optional but offered to everyone, within 1 year almost all residents utilizing)
- SIB and Non-SIB = 79-90% retention depending on project/year since opening
- SIB = 50-70% reduction in arrests
- SIB = \$13,400/person/year for supportive services vs. \$29,000 for emergency rooms, incarceration, detox, shelter
- If other sources not found, these funds could help as current SIB supportive services funding approaches expiration

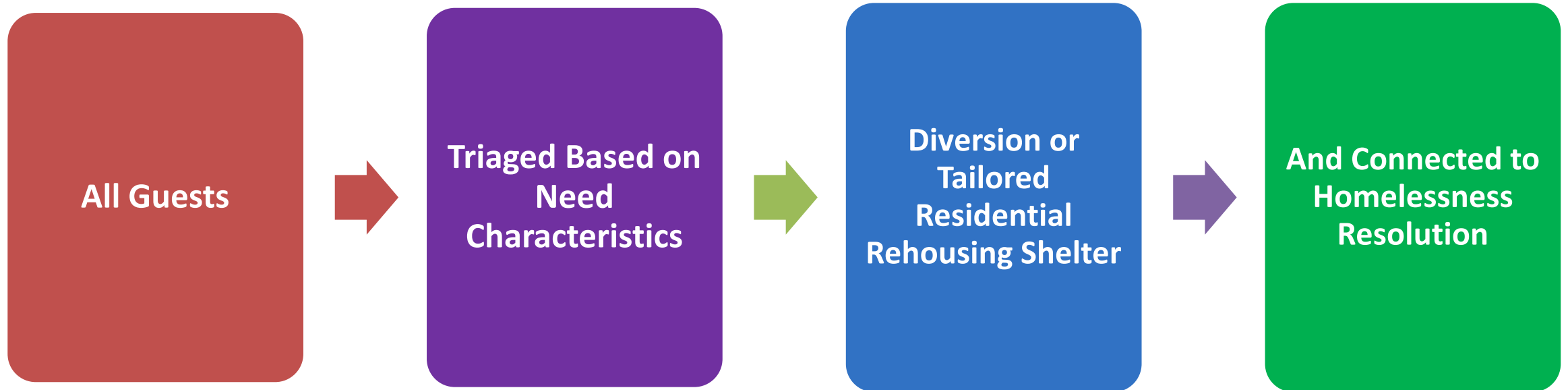


Three-Year Shelter Strategy Plan Summary

- Redefine shelter in the context of a broader rehousing system
- Focus shelter services on triage, diversion and rapid rehousing activities – especially for families
- Transition to a **Residential “24/7” model** without arbitrary time limits
- Shelter and services better targeted to groups that have experienced barriers to access, including seniors, medically frail and those with mobility impairments, couples, families, and people with pets.
- Expand person-centered options to better engage everyone



Shelter as a Pathway to Permanent Housing



Building on Early Success of Three Year Shelter Plan

24/7 Shelter + Services:

Auxiliary shelter & transformation of existing sites to 24-hr w/ more services during COVID:

- 16% of those surveyed at the National Western Center came into shelter from sleeping directly on the streets
- Guests less anxious, more rested with assigned bed
- Less transportation, no queues where guests don't have to move between separate day/night shelters
- Access to more robust food options
- On-site clinicians provided COVID prevention and other primary and mental health
- **New Funds in Year 1 => help maintain 24-hour, enhanced health svcs, restore 100+ beds of lost shelter capacity, later years would continue restoration of capacity, services**

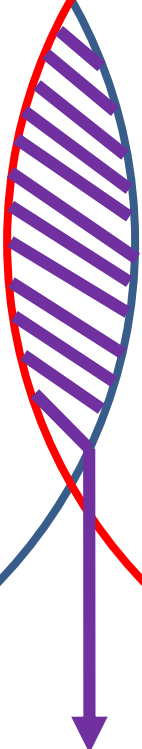


**Current
Affordable Housing Fund**

- For-sale Housing (Below 100% AMI)
- Rental Housing (Below 80%)
- Housing Programs:
 - Eviction Prevention, Defense or Intervention
 - Rent/Mortgage/Utility Assistance for broader population of housed residents

**Proposed
Homelessness Resolution Fund**

- Shelter acquisition, improvements, operations*
- Housing referrals & services for those living on streets/cars/unsheltered
- Transitional Interventions:
 - Motel/hotel
 - Tiny Homes
- Services not connected to housing or shelter (health, employment etc.)



Overlapping Eligibility: HOST will evaluate how to maximize each source for best outcomes

- Acquire/build/renovate housing for persons experiencing homelessness
- Tenant based rental assistance for those experiencing homelessness
- Rapid rehousing or other short term rental, service support for those experiencing homelessness
- Supportive services connected to housing for those experiencing homelessness**
- Project based rental assistance those experiencing homelessness***

* Denver allocates local general fund dollars and receives federal funds that are also used for shelter and homeless services , but those funds are not dedicated and are unable to meet the scale of the need on their own.

**Housing Fund limited to using 10% of property tax/non-linkage for supp svcs

***Eligible but not currently funded by Housing Fund



Affordable Housing Fund (AHF) Outcomes

\$62m spent since 2017

- **\$52m** to build and renovate 2700 units
 - **\$4m** to build two projects with PSH units:
 - **Arroyo Village with 130 units, including 35 PSH units (complete)**
 - **The Stella with 131 units, including 16 PSH units (under construction)**
 - **\$14m** for seven projects with almost 900 units being built or renovated that include units targeted for seniors, people with disabilities and special needs, veterans, and those transitioning out of homelessness
 - **Another \$34m** to build or renovate another 1500 units for rent or sale up to 80% area median income
- **\$10m** to help 4,500+ households access and stabilize in housing
 - **\$3m** to help 1,200 households exit homelessness through rent assistance, services and other resources **(includes PSH services at three properties, Bridge to PSH programs, and Rapid Rehousing program)**
 - **\$4m** to provide 2,400 households with rent and utility assistance to prevent displacement and potential homelessness
 - **\$1m** to provide 700 households with eviction legal services, mortgage assistance and energy improvements to prevent displacement and potential homelessness
 - **Another \$2m** for innovative programs to provide housing access and stabilization for 400+ households through 2021
- 350+ supportive housing and other units for those exiting homelessness created or in immediate pipeline across all sources



Housing Stability 2020 Budget

Cost Categories	General Fund	Grants *	Special Revenue Funds*	Dedicated Property Tax and Other Revenue Fund	Total
Personnel/ General Admin	5,890,365	454,536	1,288,298		7,633,199
Homelessness Resolutions	16,449,952	6,796,433	63,739	4,035,866	27,345,990
Housing Stability	-	1,416,000		2,659,990	4,075,990
Housing Opportunity	-	5,149,492	13,646,485	13,694,144	32,490,121
Total	22,340,317	13,816,461	14,998,522	20,390,000	71,545,300

* These funding sources are based on estimated expenditures not budget.

These numbers include the additional funding added Per Mayor/City Council Changes

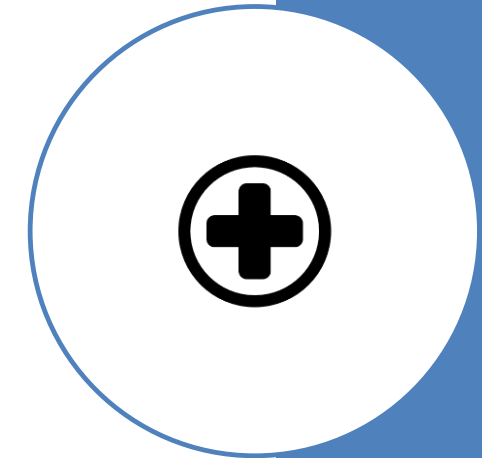
Motel Voucher	1,000,000
Support Services for Tiny Homes	125,000
Added Accounting Tech	60,000
Total Additions	1,185,000

Homelessness & Pandemic

- More than 2993 people have been tested by DDPHE and Colorado Coalition for the Homeless at Stout Street Health Clinic, shelters, encampments etc.
- 349 tested positive, positive rate of 11.66% (Stout only tests those with symptoms, other testing included asymptomatic)
- At least 6 deaths
- To maintain distancing, we have lost 1,200 beds of capacity

Columbia University Modeling:

- Historically, for every 1% increase in the unemployment rate, homelessness per 10,000 people increased by 0.65
- With no changes to policy, housing market, etc., that trend could result in a 40-50% increase in homelessness nationally



Cities with Dedicated Homelessness Revenue (CA)

City/County	Program/Fund	Source	Amount	Detail	Notes
Alameda County	Ballot Measure A1 (2016)	Bond issue measure Cost to property owners: ~\$12 - \$14 per \$100K of assessed value	\$580M (one-off)	Housing Development Housing Preservation	
Los Angeles County	Measure H (2017)	One-quarter percent (0.25%) special transactions and use tax on sale of personal property	\$355M/yr	Homelessness Services	
Los Angeles City	Proposition HHH (2016)	Bond issue measure Cost of property owners: \$9.64 per \$100K in assessed value	\$1.2B (one-off)	Housing Development	
San Francisco	Prop A Affordable Housing Bond (2015)	Bond issue measure \$8.09 per \$100,000 assessed value	\$310 (one-off)	Housing Development Housing Preservation	
San Francisco	Prop C (2018) “Our City, Our Home”	Wealth and business tax	\$250 - \$300M/yr	Housing Development Homelessness Services	CO prohibits local income taxes



Cities with Dedicated Homelessness Revenue (Other States)

City/County	Program/Fund	Source	Amount	Detail	Notes
Portland, OR	Measure 26-210 (2020)	Wealth and business tax	\$250M/yr for 10 years	Homelessness Services	CO prohibits local income taxes
Charlotte, NC	Housing Trust Fund Bonds (2018)	Bond issuance	\$50M (one-off)	Housing Development Housing Preservation	
Austin, TX	Proposition A (2018)	Bond issuance	\$250M (one-off)	Housing Development Housing Preservation	

Note: housing for those experiencing homelessness was likely also a component of additional affordable housing bonds/funding initiatives that were not profiled here, this summary is intended as a sample.

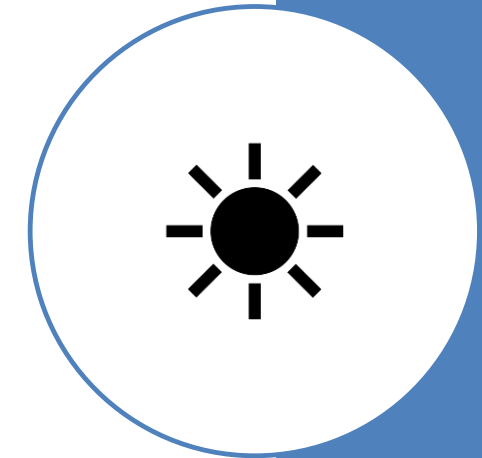


Sunsets in Other Sales Tax Measures

Of the special taxes applicable to Sales and Use Tax in Denver:

- Caring for Denver (.25%) – **No Sunset**
- Healthy Food (.08%) – **Expires December 31, 2028**
- College Affordability (.08%) – **Expires December 31, 2030**
- Parks, Trails, and Open Space (.25%) – **No Sunset**
- Preschool Program (.15%) – **Expires December 31, 2026**
- *Proposed* Climate Tax (.25%) – **No Sunset**

In addition, the developmental disabilities mill levy does not have a sunset.



Admin Caps in Other Dedicated Funds/Tax Measures

- Affordable Housing Fund – 8%
- Caring for Denver – 5%
- Healthy Food – 10%
- College Affordability – 5%
- Parks, Trails, and Open Space – 5%
- Preschool Program – 7%
- *Proposed* Climate Tax – 8%

The developmental disabilities mill levy appeared to be silent on this issue.

