



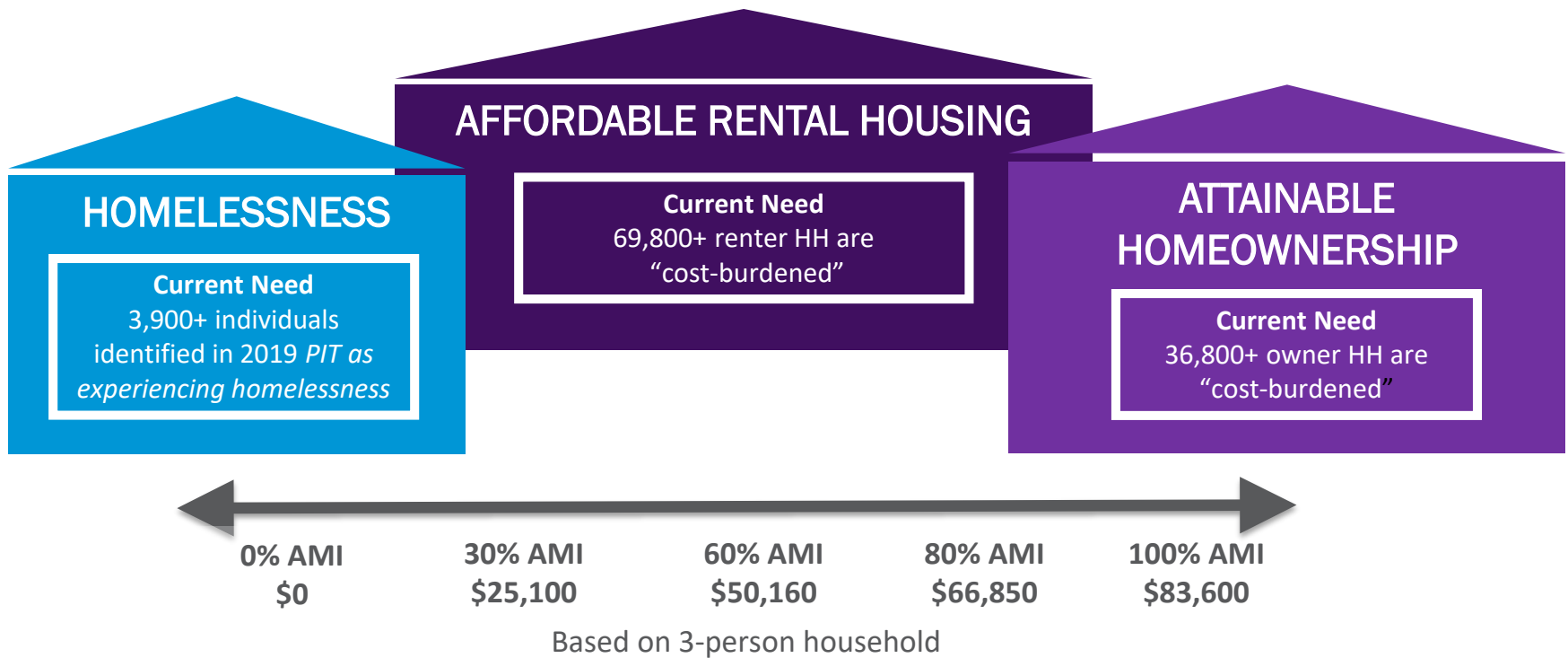
DENVER
THE MILE HIGH CITY

Department of Housing Stability

2020 Budget Submission

Mission: Invest, create policy, and partner to provide housing stability, homelessness resolution, and housing opportunity.

Housing Needs in Denver



A household is considered "cost burdened" when paying more than 30% of their income toward housing costs, and "severely cost-burdened" when paying more than 50% of their income toward housing costs.

Denver's Current Affordable Housing Inventory



21,219
1,429

22,648

Income Restricted Rental Units

Income Restricted For-Sale Units

Total Income Restricted Units

of
320,551
Total Housing Units

Denver's Comprehensive Plan 2040

THE *Vision* FOR DENVERIGHT IS:



- ❑ City has existing strategic plans that help to shape the city's investments and outcomes along portions of the housing continuum
 - ❑ Three Year Shelter Plan
 - ❑ Housing an Inclusive Denver
- ❑ However, as we transition to a new Department of Housing Stability (HOST), we expect to update and/or integrate these and other city plans to better reflect needs across the entire housing continuum
- ❑ Action Plans associated with these strategic plans (2020 Annual Action Plan under Housing an Inclusive Denver) currently only reference a portion of funds that will be managed by HOST once formally launched

Three-Year Shelter Plan

Three-Year Shelter Expansion Plan

STRATEGIC RECOMMENDATIONS FOR THE
ENHANCEMENT AND EXPANSION OF THE HOMELESS
EMERGENCY SHELTERING SYSTEM IN THE COUNTY AND
CITY OF DENVER

Prepared by
Mandy Chapman Semple
INDEPENDENT CONSULTANT



All Homeless
Individuals



Triaged Based on Need
Characteristics



For Tailored Residential
Shelter



And Connected to
Rehousing Pathways

Our Vision for a
Comprehensive
Homelessness
Response System

Three Year Shelter Plan: Notable Accomplishments

- ❑ Increased funding to Rapid Rehousing and Rapid Resolution to help almost 400 households to rapidly resolve homelessness and return to housing
- ❑ Announced funding partnership with private and philanthropic partners and released RFPs for \$15.7M in funding for:
 - ❑ shelter improvements to expand access and hours to day shelters while making improvements that also aid in preparation for residential shelter transformation
 - ❑ bridge housing for short term stays to stabilize people in housing
- ❑ Purchasing Crossroads shelter
 - ❑ to secure 476-bed capacity in current emergency response sheltering
 - ❑ to ensure ongoing site walkable to downtown services
 - ❑ to prepare for additional shelter plan investments in transformation to residential shelter

Housing an Inclusive Denver



Housing Plan Key Goals



Create affordable housing in vulnerable areas AND in areas of opportunity



Preserve affordability and housing quality



Promote equitable and accessible housing options



Stabilize residents at risk of involuntary displacement

Investments focus on low-income residents

40-50% of Housing Resources

will be invested to serve people earning **below 30% of Area Median Income (AMI)** and **those experiencing homelessness** who are seeking to access or maintain rental housing, including:

- ✓ 20-25% to serve residents experiencing homelessness
- ✓ 20-25% to serve residents earning below 30% AMI

20-30% of housing resources

will be invested to serve people earning **31% to 80% AMI** who are seeking to **access** to rental housing or to **maintain** rental housing.

20-30% of housing resources

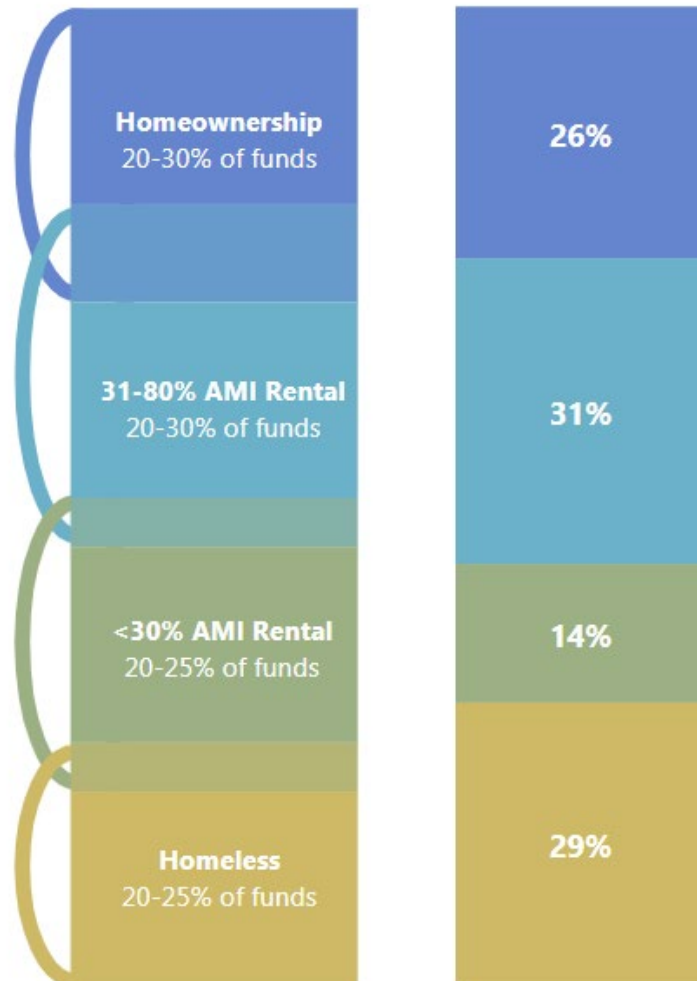
will be invested to serve residents **seeking to become homeowners** or **remain in homes** they already own.

Housing an Inclusive Denver: Notable Accomplishments

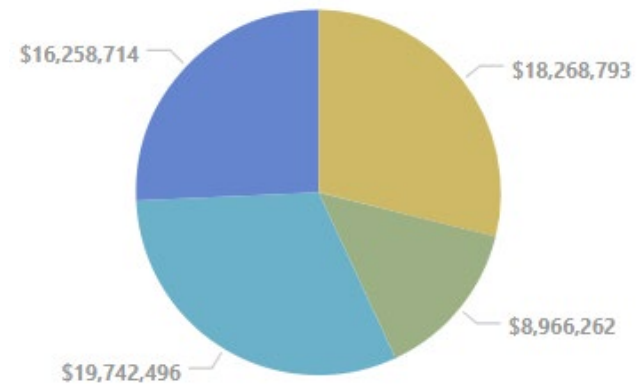
- Doubled the Affordable Housing Fund to \$30 million annually with general fund and 2% sales tax on recreational marijuana
- Partnered with Denver Housing Authority to leverage property tax to support \$120+ million in bond funding to accelerate pipeline over 5 to 10 years
- Created first incentive zoning approaches at 38th and Blake and the Central Platte Valley-Auraria to allow increased height or floor area by providing community benefits such as affordable housing
- Increase the minimum affordability period for rental housing development from 20 to 60 years

Housing an Inclusive Denver: 2018 - 2019 Progress to Date

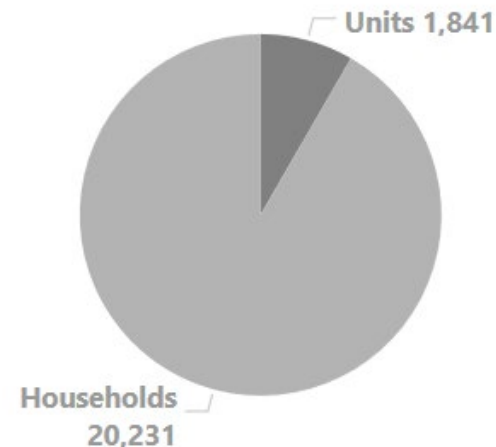
5-Year Allocation Goals 2018-19 Funds



2018-19 Funding Amounts



2018-19 Projected Outcomes



Housing an Inclusive Denver: 2020 Annual Action Plan

- Resources are prioritized under *Housing an Inclusive Denver* on an annual basis through action plans that align investments with market conditions
- The 2020 Annual Action Plan includes funds that were previously managed by DEDO's Housing Division, but does not reflect all funds under HOST oversight
- A new strategic planning process in 2020 will bring together goals and outcomes across entire housing continuum
- The 2020 Action Plan has been translated to English and Spanish and is currently open for comment on www.denvergov.org/economicdevelopment under the "Housing Opportunities" tab.

Housing an Inclusive Denver: 2020 Annual Action Plan

2020 Annual Action Plan priority strategy examples:

- Kick off project to develop a zoning incentive(s) to promote affordable and mixed-income housing development at transit-rich locations throughout Denver
- Develop clear standards for affordable housing at major redevelopment sites, and provide clear guidance on the process to develop and execute the plan
- Collaborate with partners to update the Inclusionary Housing Ordinance and supporting rules to streamline income verification process and strengthen outreach processes

Background on Department of Housing Stability

- ❑ Created city's first dedicated affordable housing fund in 2016, doubled it in 2018 to \$30 million annually
- ❑ Created Office of HOPE in 2017 to coordinate across agencies addressing housing and homelessness
- ❑ Conducted a structural analysis that recommended a department, but needed to align and to fortify resources, personnel, and leadership
- ❑ Hired first Chief Housing Officer, Britta Fisher
- ❑ Fortified housing division within DEDO
- ❑ Conducted research on peer city organizational structures for housing and homelessness
- ❑ Mayor Hancock announced new department of housing and homelessness at annual Housing Forum on April 19, 2019

Context for Department Setup

- ❑ Housing Division has shared functions within DEDO and Denver's Road Home has shared functions within DHS
- ❑ Goal of transition to new Department of Housing Stability (HOST) is to have three healthy departments in 2020
- ❑ 2020 budget requests for HOST reflect:
 - ❑ Support for previously shared functions via balance of transfer and new positions such as communications, finance, and contracting
 - ❑ Response to three audits on housing and homelessness between 2018 and 2019 that identified the need for additional support for preservation, compliance, data management, program evaluation, and strategic planning

Vision for New Department

- ❑ Bring together staff and resources across housing continuum to develop and implement a comprehensive and strategic approach to housing stability for Denver
- ❑ Align structure of the organization around outcomes that we are seeking to support along housing continuum
- ❑ Support a structure for department that promotes collaboration, innovation, and a focus on the outcome of our investments, policies and partnerships
- ❑ Drive toward a vision of Denver that is healthy, housed and connected.

Vision for New Department

Invest, create policy, and partner to provide housing stability, homelessness resolution, and housing opportunity

HOUSING STABILITY

Help residents to stay in the home they already live in by:

PRESERVING existing affordable housing

STABILIZING residents at risk of displacement

HOMELESSNESS RESOLUTION

Help residents resolve an experience of homelessness by:

SUPPORTING residents experiencing a crisis

CONNECTING to short-term and permanent housing

HOUSING OPPORTUNITY

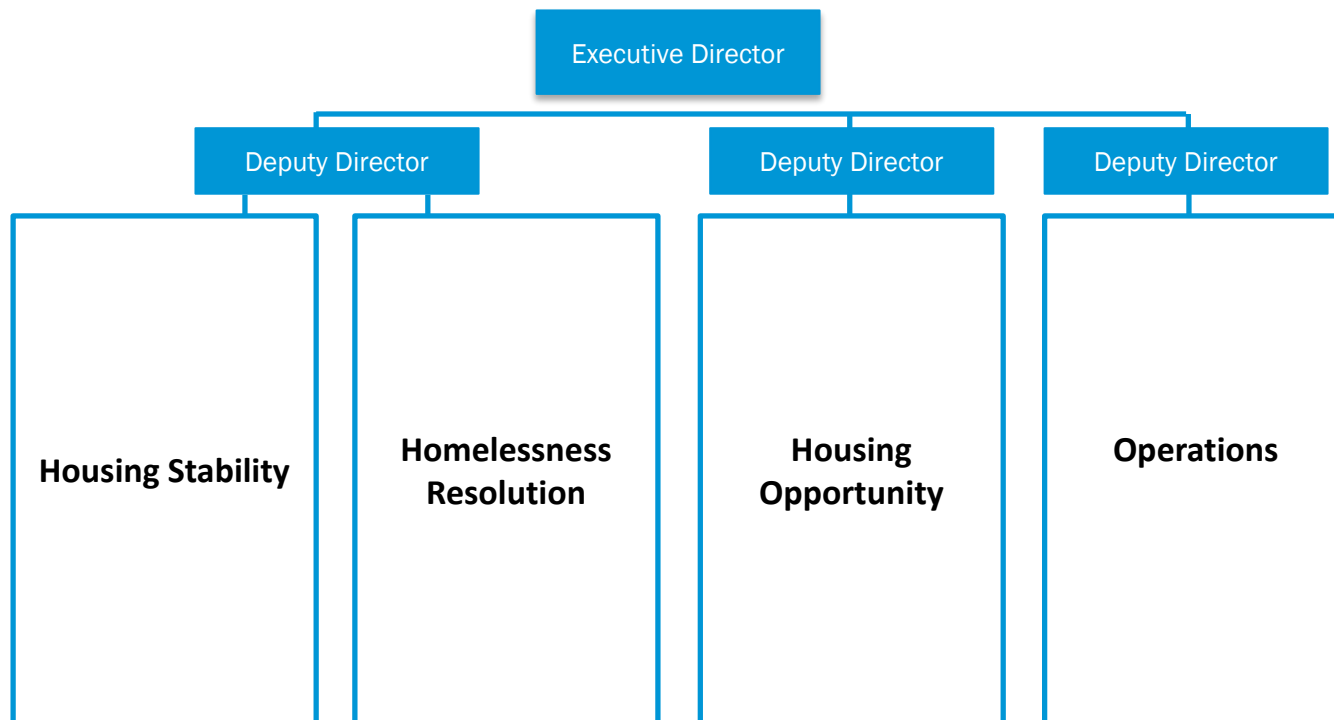
Help residents connect to new housing opportunities by:

CREATING new affordable housing

Promoting ACCESS to housing opportunities

Vision for New Department

To support our transition to the new structure, we are creating three new leadership opportunities to guide investment, policy and operations within and across department teams.



April – May 2019

Information gathering

Internal Working
Groups launched

Internal and External
stakeholder
engagement begins

June – July 2019

Internal and external
stakeholder
engagement

Decision making:
Department name
Initial structure/function

Initiate updates to
executive orders to
establish new
department

2020 Budget process
begins

August – September 2019

Finalize executive
orders to establish
new department

Package of changes to
the municipal code to
support new
department

Internal and external
stakeholder
engagement

Community
Engagement

October – January 2020

2020 Budget finalized

Package of rule
changes and policy
updates to support
new department

Strategic Planning

Internal and external
stakeholder
engagement

Community
Engagement

HOST Overall Budget

Funding Source	2020 Budget
General Fund	\$ 21,070,136
Affordable Housing Property Tax and Other Local Revenue Fund	\$ 20,390,000
Linkage Fee Fund	\$ 10,000,000
HOST Housing Grants	\$ 12,079,575
Community Development Block Grants for Housing, DEDO administered	\$ 1,274,254
Citywide Investments	\$ 8,766,609
Other DHS Investments	\$ 9,915,411
Other Housing SRFs	\$ 5,998,522
Capital Improvement Fund	\$ 2,500,000
HOST Homelessness Grants	\$ 1,732,760
DHS Homelessness Grants	\$ 1,034,602
Other Citywide Homelessness Grants	\$ 1,398,150
Total	\$ 96,160,019

	HOST Items
	DEDO Item, HOST contracting role
	Non HOST Items

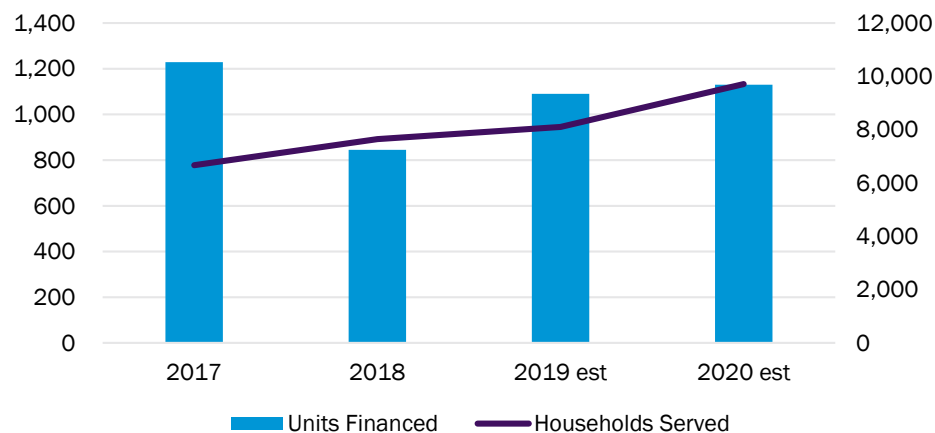
The total budget for HOST is appx. \$71M, with a total amount of appx. \$97M citywide for affordability and support for residents experiencing homelessness.

Fund Balances of DHS Special Revenue Funds \$ 994,398

	2020 Budget
Total HOST Amount	\$ 71,270,993
Total Citywide	\$ 97,154,417

2020 Key Metrics Highlights

2020 Action Plan Outcomes:
Units Financed and Households Served

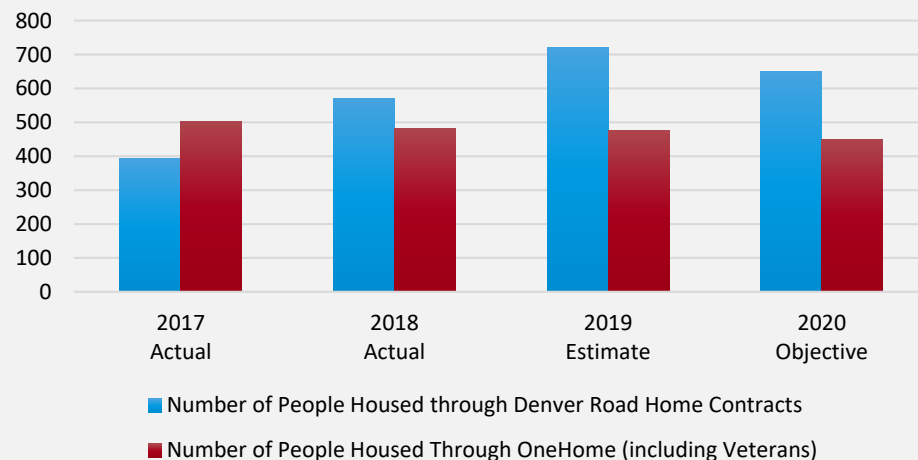


We expect to create or preserve more than **1,100 units** and serve more than **9,700 households** through programs in 2020.

These projections include progress under the DHA IGA.

We expect to connect more than **600 residents experiencing homelessness** to permanent housing solutions.

Permanency Outcomes in DRH contracts and OneHome



FTE	Description
32	Current Housing Positions
15	DHS Transfer to HOST (Including Denver's Road Home)
1	DEDO Transfer to HOST
12	New 2020 Budget Positions
60	Total

Transfers from DHS to HOST

- DHS Transfer: \$18.8 Million, 15 FTE
 - \$15.9 Million redirected from social services mill levy, general fund, and state resources to support residents experiencing homelessness
 - \$2.9 Million in federal grants (Continuum of Care grants, Emergency Solutions Grant, etc.)
- Major Services provided:
 - Shelter operations / Denver's Road Home operations
 - Financial and contract support
 - Denver Day Works / Colfax Works
 - Motel Vouchers programs
 - Respite Care programs
 - Rapid Rehousing programs

Anticipated Transfers to HOST, Position Details

Expenditures	Revenues	FTE	Duration
\$1,952,500	0	16	Ongoing

FTE	Description
2	DHS: Marketing and Communications
3	DHS: Fiscal and Contract Support
6	DHS: Formerly Denver's Road Home Staff
4	DHS: Homelessness Program Support
1	DEDO: Marketing and Communications
16	Total

2020 New FTE, Position Details

Expenditures	Revenues	FTE	Duration
\$1,107,400	\$0	12	Ongoing

FTE	Description
2	Administrative Support
1	Government Affairs and Community Engagement Manager
6	Housing Opportunity, Supportive Housing, Underwriting, and Compliance
1	Preservation and Resource Manager
1	Program Evaluation Manager
1	Data Analyst
12	Total

Initiate Transformation of our Shelter System

Expenditures	Revenues	FTE	Duration
\$2,247,500	0	0	Ongoing

Description	Amount
Day Shelter Operations	1,000,000
Expand Shelter Operations	500,000
Expand Bus Services	150,000
Expand Street Outreach	100,000
Storage Locker Facilities at the Minoru Yasui Building	225,000
Expand Rapid Resolution program	200,000
Expand Shelter Services for Women	72,500
Total	2,247,500
**CIP- Renovate Cross Road Shelter	2,500,000

Other 2020 Expansions

Expenditures	Revenues	FTE	Duration
\$493,300	0	0	Ongoing

Description	Amount
Supplies, equipment , space modification	123,300
West Denver Renaissance Collaborative	50,000
Inclusionary Housing: Income verifications, outreach and housing counseling	220,000
Partner with CHFA for monitoring of Tax Credit Projects	25,000
Strategic Plan	75,000
Total	493,300

October Updates for Affordable Housing Fund

Property Tax and Other Special Revenue	September Book Amount	Property Tax and Other Special Revenue	October Book Amount
DHD Administration	0	---	---
Land Acquisition	0	---	---
Unit Development/Preservation	7,607,005	Unit Development/Preservation	1,135,537
Housing Assistance	4,100,000	Housing Assistance	5,522,388
Supportive Housing Development	0	Supportive Housing Development and Services	5,734,694
Development Reserves	8,682,995	---	---
---	---	DHA IGA	7,997,381
Total	20,390,000	Total	20,390,000
Affordable Housing Linkage Fee Amount		Affordable Housing Linkage Fee Amount	
Affordable Housing Linkage Fee Fund	10,000,000	Affordable Housing Linkage Fee Fund	10,000,000

Changes in the October Budget book will reflect updates to the Affordable Housing Fund breakout to align with the 2020 Annual Action Plan to:

- Specifically identify the DHA partnership
- Include more resources for supportive housing development and services.

Race and Social Justice Initiative

Budget Expansion	Community Benefit	Community Impact (Burden)	Reduce gaps in race and ethnic outcomes
Expand Shelter Operations including Day Shelters and services for women	Increase overnight and day shelter capacity and increase shelter services for women and transgender population. Reduce trauma and increase stability. More connections to exits from shelter and to housing stability.	Capital construction may cause interruptions of normal service for 2 – 12 weeks. All providers plan to make improvements while providing services. May cause for dusty and less desirable environment.	Communities of color and First Nations people experience homelessness at a rate higher than other populations. This program would increase access to shelter services for this population.
Storage Locker Facilities at the Minoru Yasui Building	People experiencing homelessness will have the opportunity to safely secure their property which will aid their ability to seek services and employment.	Increased traffic in and out of the Minoru Yasui building. Transportation at open hours could be difficult for some people.	Communities of color and First Nations people experience homelessness at a rate higher than other populations. This program has dignity and respect for their belongings.
Expand Rapid Resolution program	Reduce duration of episodes of homelessness, reduce trauma and other costs of longer episodes of homelessness.	Explore opportunities to track user information to ensure equitable distribution of resources.	Communities of color and First Nations people experience homelessness at a rate higher than other populations. Reduction of trauma experienced in homeless crisis response system.
Focus on Administrative Excellence to organize department around outcomes	Engage community around equitable outcomes	Requires staff capacity and those resources are then not available for services or development of housing.	Work to eliminate disproportionate outcomes for communities of color, First Nations people, and historically marginalized groups.