

Department of Housing Stability

2024 City Council Presentation

Mission / Vision



We invest resources, create policy,
and partner

to provide housing stability,
resolve episodes of homelessness,
and create housing opportunities...

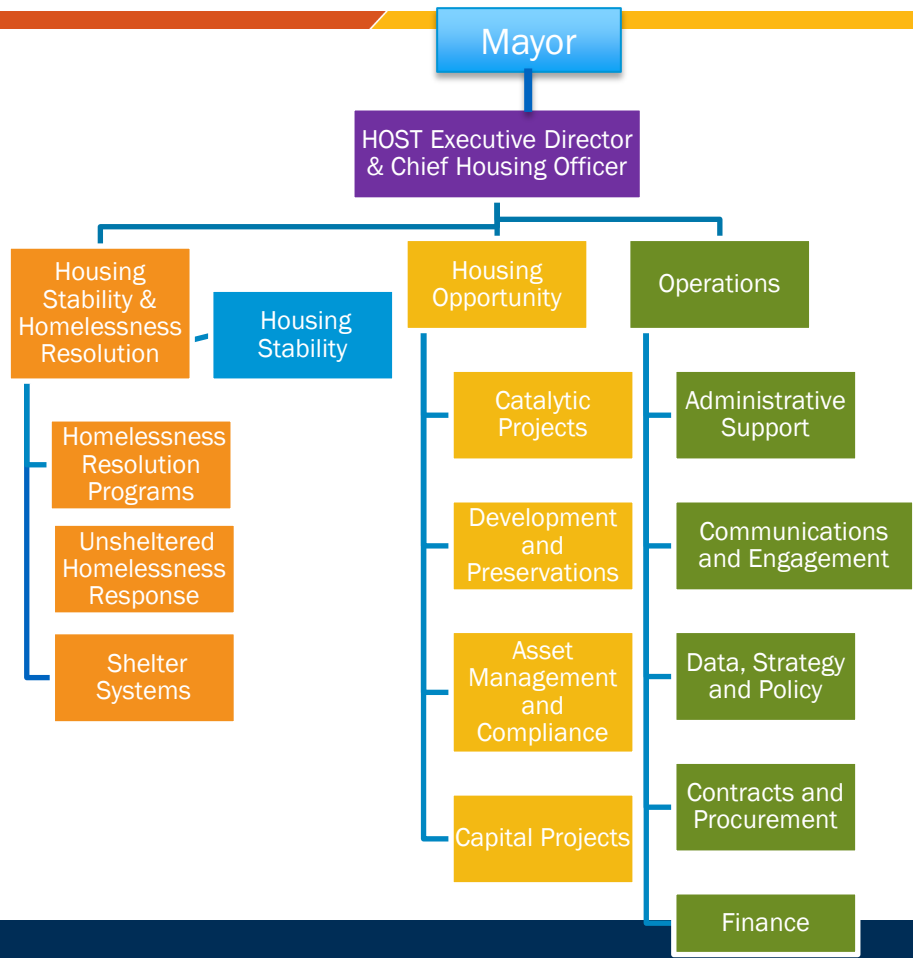
for a healthy, housed, and connected Denver.

Organizational Chart

Divisions mirror functional and outcome areas

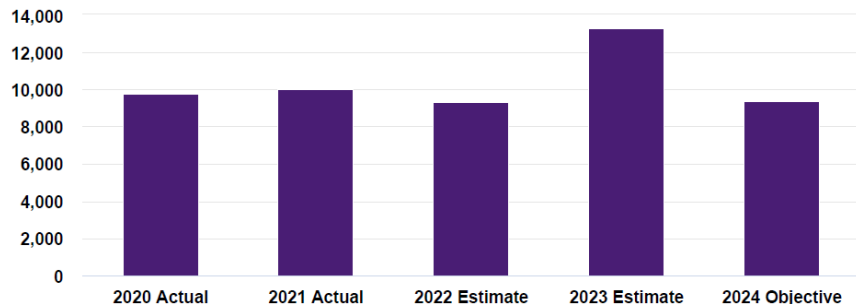
HOST staff:

- 31% identify as BIPOC
- 41% lived experience of housing instability
- 6% lived experience of homelessness in the past 10 years

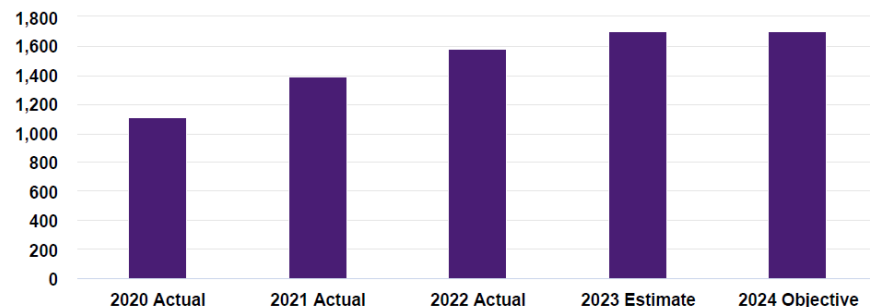


Key Strategic Metrics

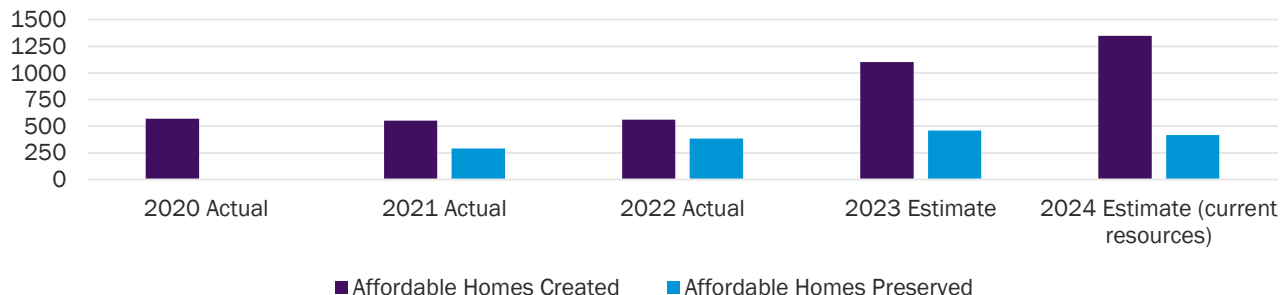
Households Served Through Housing Stability Programs



Households Housed Through Homelessness Resolution Programs



Affordable Homes Created and Preserved



Addressing Inequities



Future state:

Race no longer predicts outcomes for involuntary displacement, homelessness, homeownership, and housing-cost burden.

Equity Strategy

- Those experiencing homelessness and housing instability **disproportionately represent BIPOC and historically marginalized communities.**
- Addressing housing, shelter and service needs of this population helps **address historic discrimination** and supports equity throughout Denver.

Budget Impacts and HOST Programs

Homelessness Resolution:

- Served more than 15,000 households experiencing homelessness with emergency shelter and services each year, 2,500 through outreach, and exited around 1,600 households to permanent housing last year.
- People experiencing homelessness are disproportionately BIPOC, female, over age 55, and/or have a disabling condition.

Housing Stability:

- Locally-funded rent and utility assistance program that assists Denver residents at or below 80% AMI
- Serves higher proportion of households that are extremely low income, BIPOC, and in neighborhoods vulnerable to displacement

Housing Opportunity:

- metroDPA Social Equity Program helps address historic inequities in homeownership for BIPOC households

2024 Budget Goals

2024 Base Budget Philosophy

- Support those experiencing unsheltered homelessness through micro-communities and hotel/non-congregate shelter operations; make critical improvements to two city-owned congregate shelters
- Resolve experiences of unsheltered homelessness through expanded rapid rehousing
- Provide funding for rent and utility assistance and eviction legal defense to prevent displacement and homelessness
- Continue to create and preserve affordable housing at a range of incomes

2024 Budget Alignment with City Council Priorities



Community Engagement
and Customer Service



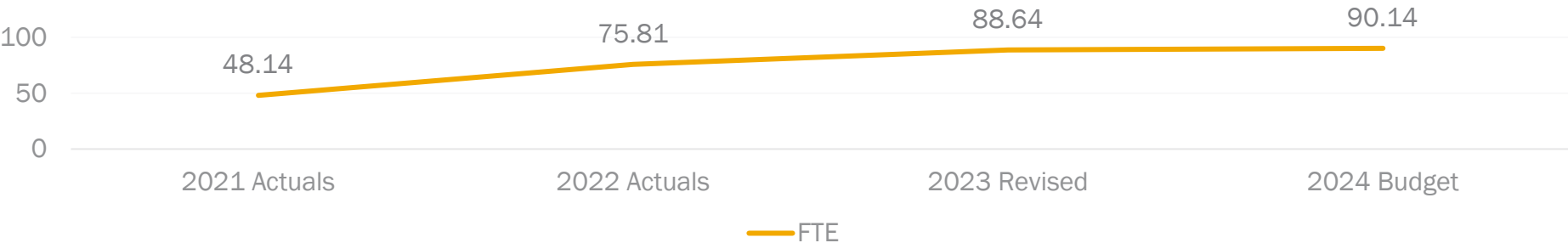
Workforce, Small
Business, and Non-profit
Support



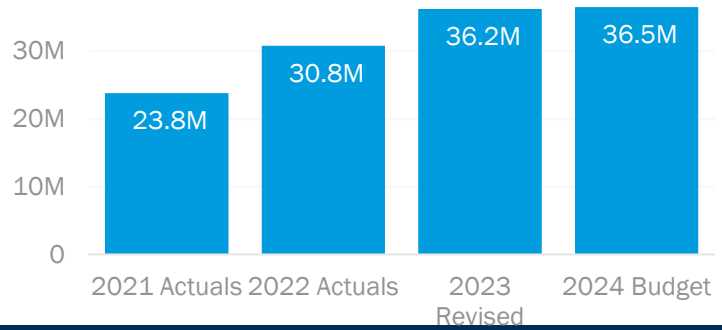
Community Safety and
Wellness

General Fund Expenses, Revenues, and FTEs

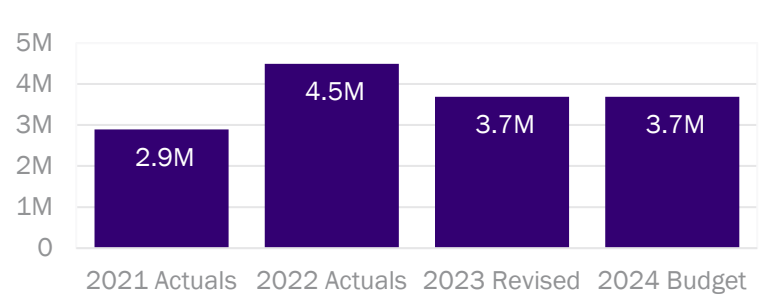
Total FTE



Total Expenses



Total Revenues

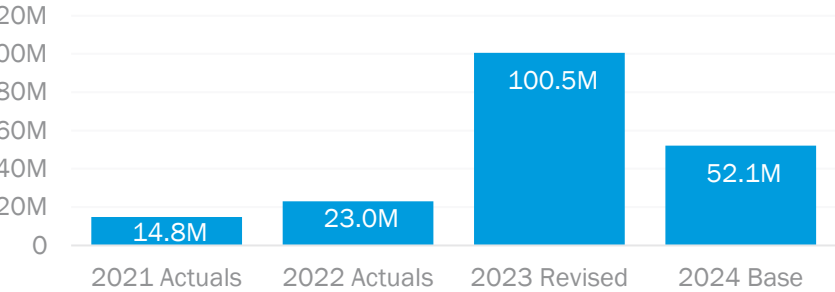


Homelessness Resolution Fund Expenses, Revenues, and FTEs

Total FTE

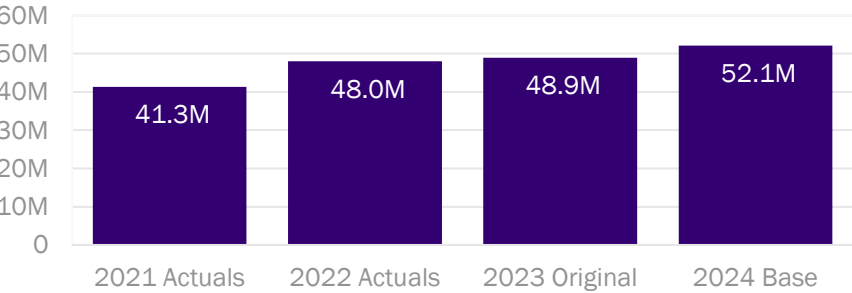


Total Expenses



*2023 revised includes unspent budget that rolled from prior years

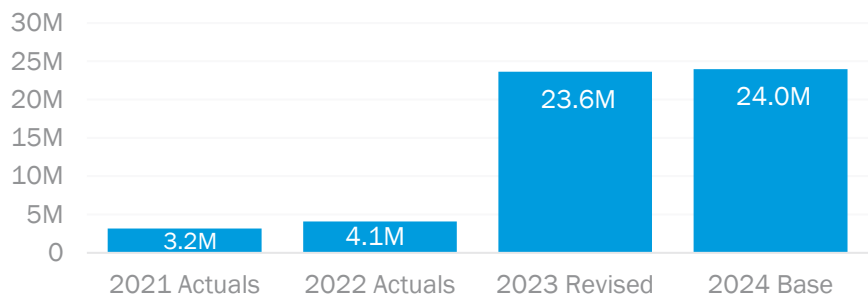
Total Revenues



Affordable Housing Fund (Linkage Fee) Expenses, Revenues, and FTEs

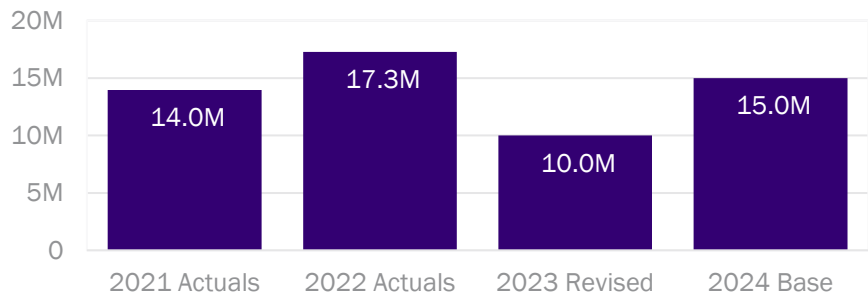
No FTE

Total Expenses



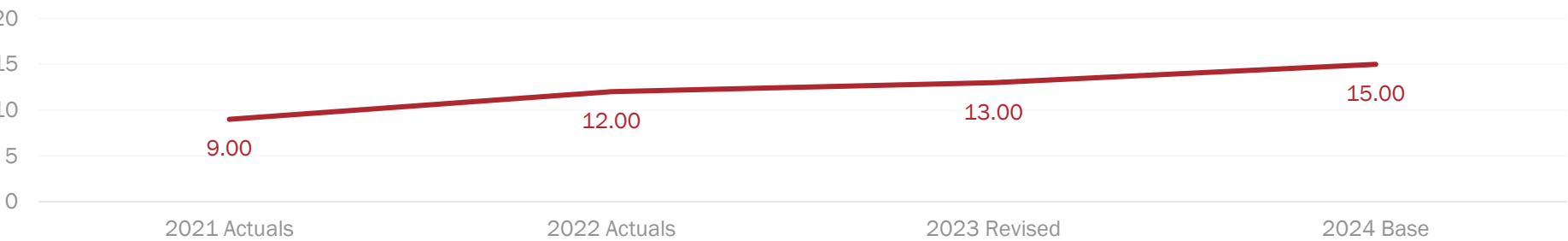
*2023 revised includes unspent budget that rolled from prior years

Total Revenues

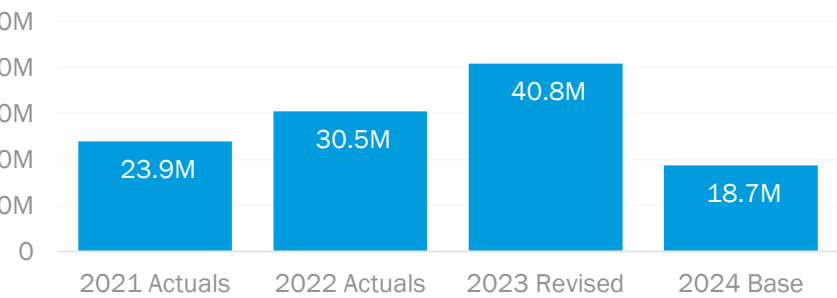


Affordable Housing Fund (Property Tax and Other Local Revenues) Expenses, Revenues, and FTEs

Total FTE

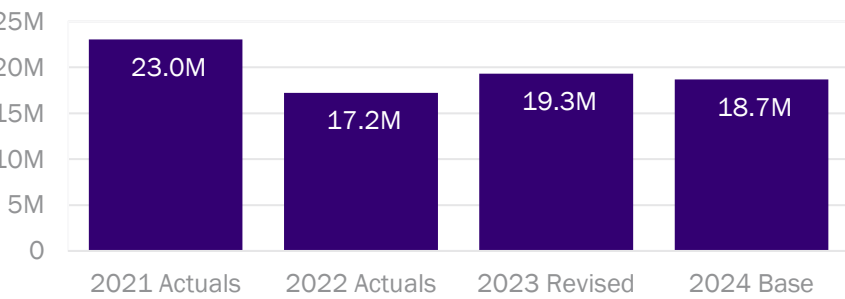


Total Expenses



*2023 revised includes unspent budget that rolled from prior years

Total Revenues



2024 Budget Alignment with City Council Priorities (continued)

Affordable Housing and Support for People Experiencing Homelessness



Homelessness: House 1000 and Rapid Rehousing

- \$26.7M for House 1000 to support micro-community and hotel/non-congregate shelter operations
- \$7.5M for rapid rehousing investment to resolve experiences of homelessness and landlord incentives to leverage existing housing stock

Stabilize Households in Existing Homes and Prevent Homelessness

- \$8.8M in new resources together with existing \$3.8M in HOST budget will **invest total of \$12.6M** in rent and utility assistance
- Existing HOST budget will **invest \$2M in eviction legal defense** to stabilize households and prevent homelessness

Capital Improvements for Those Experiencing Homelessness

- \$5M for capital costs associated with micro-communities
- \$3.9M in capital improvements to 48th avenue shelters

Continue Support for Outreach and Pay for Performance Contracting

- \$156K for 2 Permanent FTE to support public health hot spot outreach
- \$775K for city share of SIPPR pay for performance commitment

Summary of 2024 Budget Expansions – ARPA/FEMA Reimbursements

Strategy	2024 Expansions
House 1000 - Hotels + Micro Communities	\$26,700,000
House 1000 – Rapid Rehousing and Landlord Incentives	\$7,500,000
Temporary Rental and Utility Assistance	\$8,800,000
Total	\$43,000,000

Summary of 2024 Budget Expansions – Capital Improvement Programs

Title/Description	Budget Impact
4600 48 th Avenue Shelter Improvements	\$2,852,100
4330 48 th Avenue Shelter Improvements	\$1,119,800
Micro Communities Implementation	\$5,000,000
Total	\$8,971,900

Summary of 2024 Budget Expansions – General Fund

Account Category	Permanent	One-Time	Total 2024
Personnel	\$156,174	-	\$156,174
Services and Supplies	-	-	-
Capital Equipment	-	-	-
Internal Services (Transfer)	-	\$775,000	\$775,000
Total	\$156,174	\$775,000	\$931,174

Permanent FTE	On-Call/Limited FTE	Total 2024 FTE
2.00	0.00	2.00

2024 Budget Alignment with City Council Priorities (continued)


Strategy	2024 Expansions
House 1000 – Hotels + Micro Communities	\$26,700,000
House 1000 – Capital	\$5,000,000
Rapid Rehousing and Landlord Incentives	\$7,500,000

Budget Equity Framework Summary - Homelessness Resolution

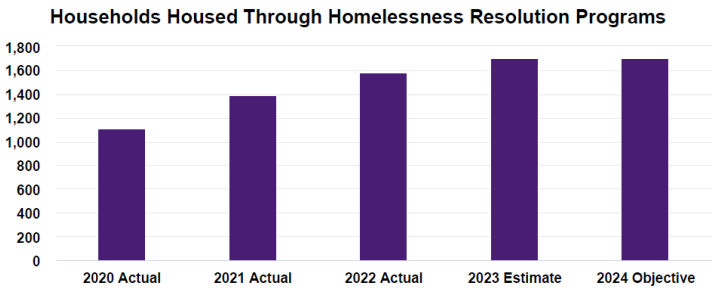
HOST Homelessness Resolution programs disproportionately serve BIPOC households:

- 23% of households served in HOST homelessness resolution programs are Black, compared to 8% of Denver households;
- 26% of households served in HOST homelessness resolution programs are Hispanic/Latin(x)(a)(o) compared to 21% of Denver households.
- 62% of households served in HOST homelessness resolution programs report a disability.

Affordable Housing and Support for People Experiencing Homelessness



- Supports goal to bring 1,000 people indoors
- \$7M in rapid rehousing complements existing budget for this intervention in 2024
- Complements investments in shelter and other rehousing programs



2024 Budget Alignment with City Council Priorities (continued)

Affordable Housing and Support for People Experiencing Homelessness



Strategy	2024 Expansions
4600 48 th Avenue Improvements	\$2,852,100
4330 48 th Avenue Improvements	\$1,119,800

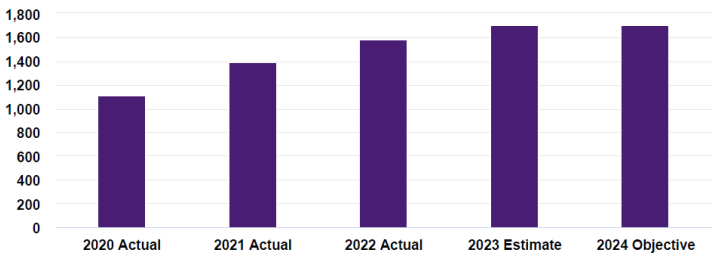
- Provides critical building improvements to two city owned congregate shelters:
 - 4600: men’s shelter capacity up to 450+
 - 4330: women’s shelter capacity up to 270

Budget Equity Framework Summary - Homelessness Resolution

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Households Housed Through Homelessness Resolution Programs



2024 Budget Alignment with City Council Priorities (continued)

Affordable Housing and Support for People Experiencing Homelessness



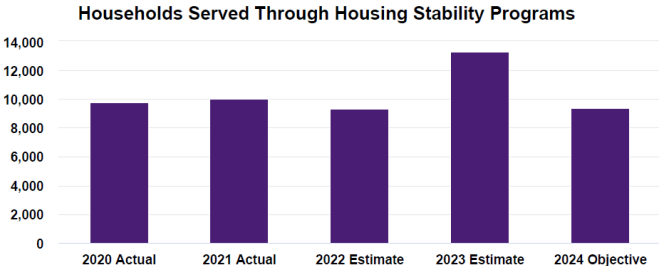
Strategy	2024 Expansions + Existing
Temporary Rental and Utility Assistance (new ARPA)	\$8,800,000
Existing TRUA (existing special revenue funds)	\$3,788,300
Eviction Legal Defense (existing special revenue funds)	\$2,000,000

Budget Equity Framework Summary - Housing Stability

People of color and low/mod-income households disproportionately experience cost-burden and are more likely to have deferred or missed payments, putting them at greater risk of eviction:

1 in 4 BIPOC households pays more than 50% of their income on housing compared with 1 in 8 white households

- Provides support after roll off of federal Emergency Rental Assistance Program
- Aims to prevent displacement and new experiences of homelessness



2024 Budget Alignment with City Council Priorities (continued)

Strategy	2024 Existing
Housing development and preservation	\$78,815,338

Budget Equity Framework Summary - Homelessness Resolution

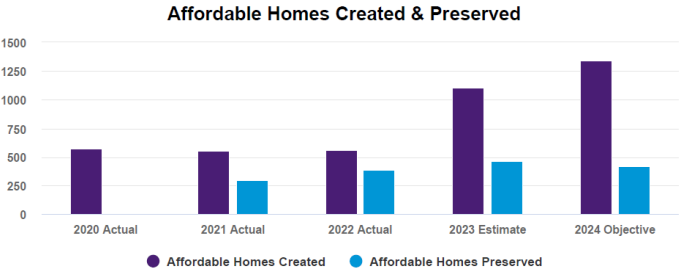
HOST has prioritized focus on deeply affordable units as well as larger, family sized units to meet the needs of Denver's historically marginalized communities.

Housing affordability challenges disproportionately impact BIPOC households: 1 in 4 BIPOC households pays more than 50% of their income on housing compared with 1 in 8 white households

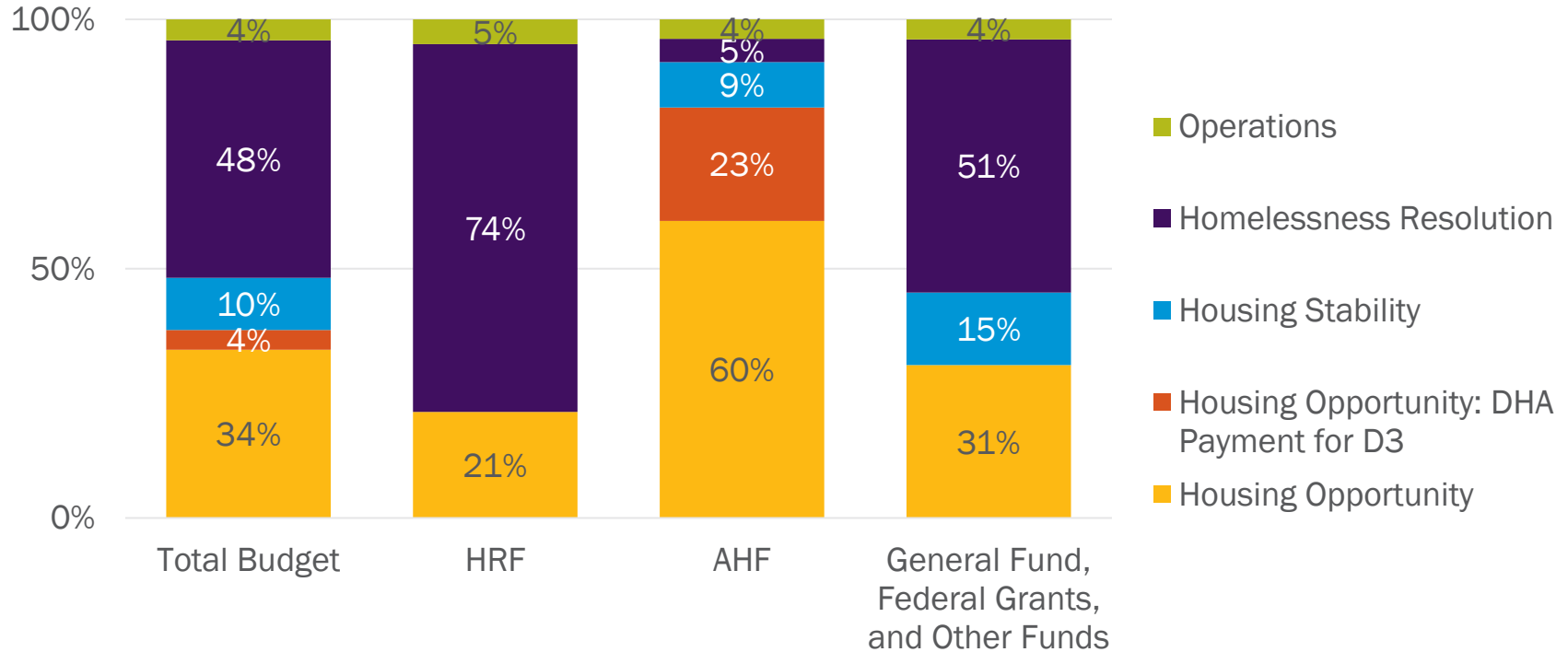
Affordable Housing and Support for People Experiencing Homelessness



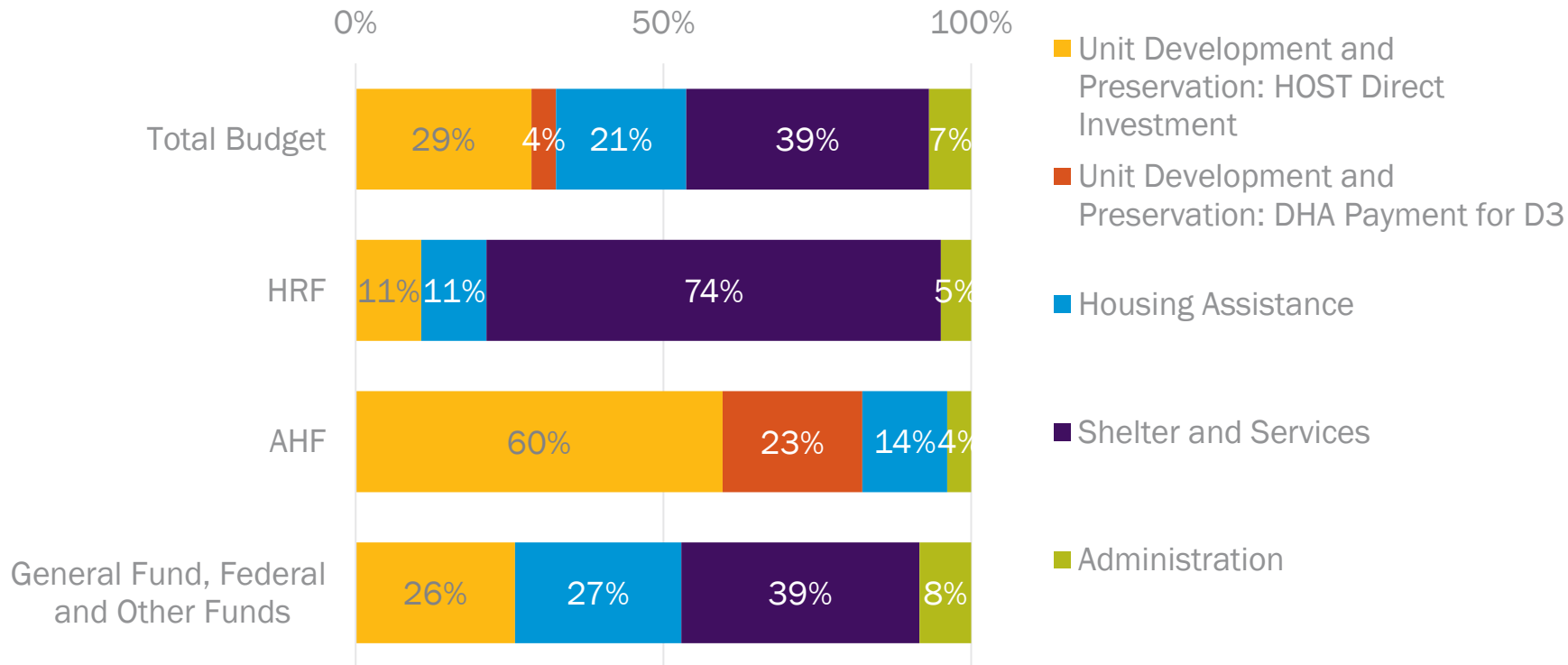
- Helps to create/preserve at least 1,765 units
- Portion are through Mandatory Affordable Housing Ordinance (450 units projected)
- Range of incomes including affordable for-sale and rental housing development



Planned Expenditures by Pillar and Revenue Source, 2024



Planned Expenditures by Investment Type and Revenue Source, 2024



2024 Action Plan

- HOST develops annual action plans to prioritize upcoming work to achieve our Five-Year Strategic Plan goals, which was approved by City Council in November 2021
- We conducted a community survey this Spring to get input on our priorities for 2024.
- The draft 2024 Action Plan will be available for public comment in October, and we will share with Council.
- The Housing Stability Strategic Advisors (HSSA) will vote to adopt the plan in December.



Healthy



Housed



Connected



2024 Budget represent critical steps to stabilize people in current homes and prevent episodes of homelessness, resolve experiences of unsheltered homelessness through housing and shelter in alignment with Mayor's Office House 1000 initiative.

Appendix

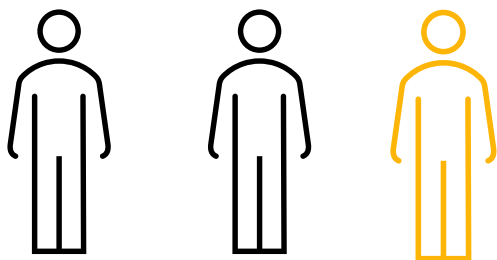
Planned Expenditures by Investment Area: 2023 to 2024 Comparison

	2023 Amount	2024 Amount
Unit Development and Preservation: HOST Direct Investment	\$79,982,728	\$69,123,290
Unit Development and Preservation: DHA Payment for D3	\$8,937,000	\$9,692,048
Housing Assistance	\$42,143,789	\$51,232,318
Shelter and Services	\$101,068,382	\$95,488,748
Administration	\$17,347,968	\$16,626,861
Total	\$249,479,867	\$242,163,265

Housing Cost Burden

1 in 3 Denver households are housing cost burdened.

Most <80% AMI =
\$70k for single, \$99K family of four



Median rent for one-bedroom: \$1,719 per month
Need to make \$5,730 per month (\$68,760 per year)

Rents and mortgages
have doubled,
and incomes are not keeping up

Of 350,000 Denver households,
117,000 spend 1/3+, and
50,000 spend 1/2+
of their income on housing costs

Housing Instability, Involuntary Displacement, and Homelessness

Record evictions filings

- 6,800+ from January to July 2023 alone; more than all 2020
- On track for 12,000 eviction filings this year

Eviction filing rate correlates to homelessness

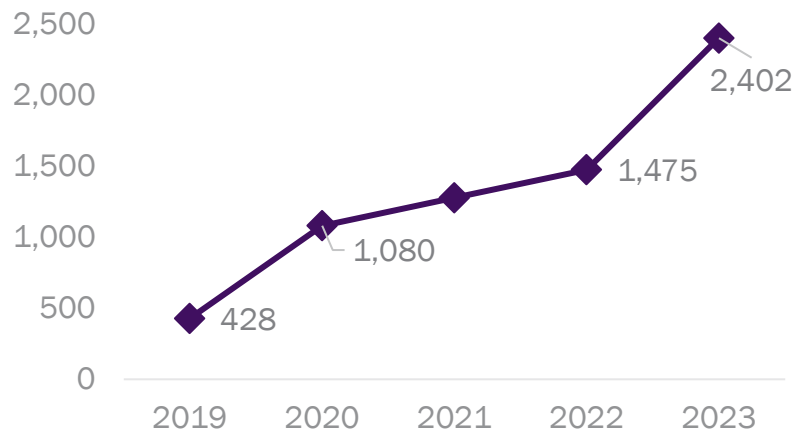
- New homelessness has increased **nearly 6-fold**
- **41%** of people experiencing homelessness were newly homeless in 2023 PIT

Increasing homelessness (2022 to 2023)

- 5,818 people experiencing homelessness: +21%
- 1,423 experiencing unsheltered homelessness: +8.4%

14,000+ migrants arrived in Denver since December 2022 needing shelter and support

Denver Point-in-Time Count: Newly Homeless, 2019 to 2023

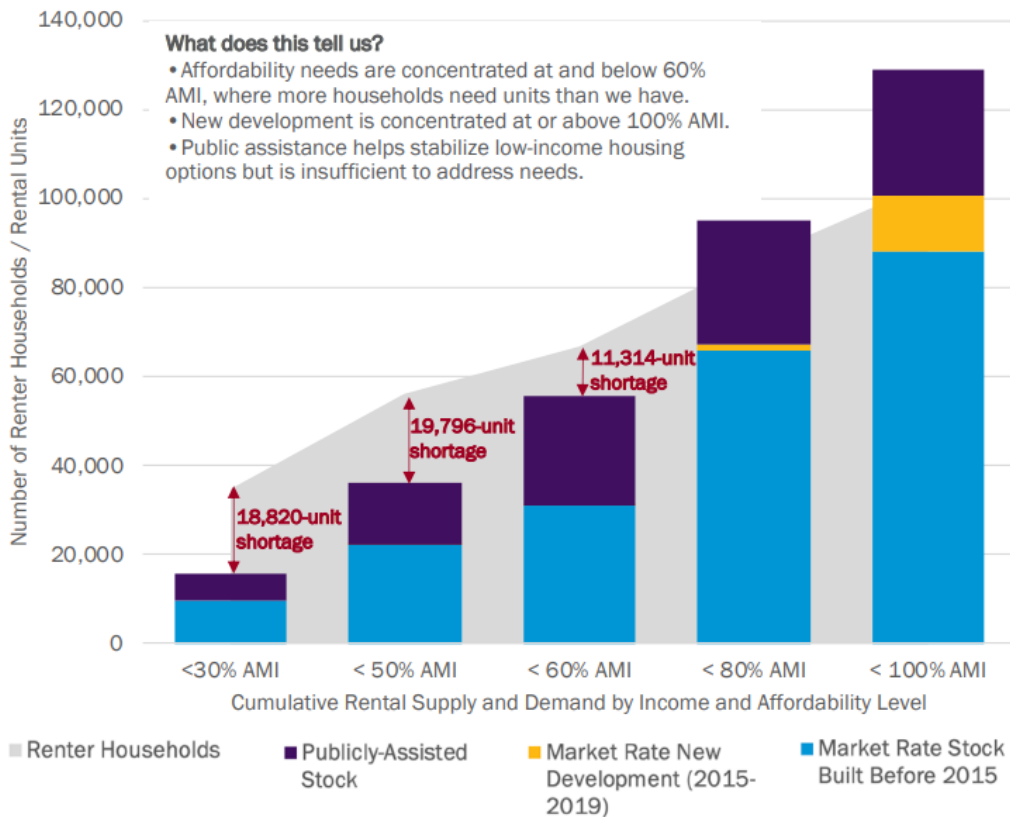


Source: [MDHI PIT Dashboards](#)

Note: Because an unsheltered count was not conducted in 2021, missing 2021 data are imputed as the midpoint between 2020 and 2022

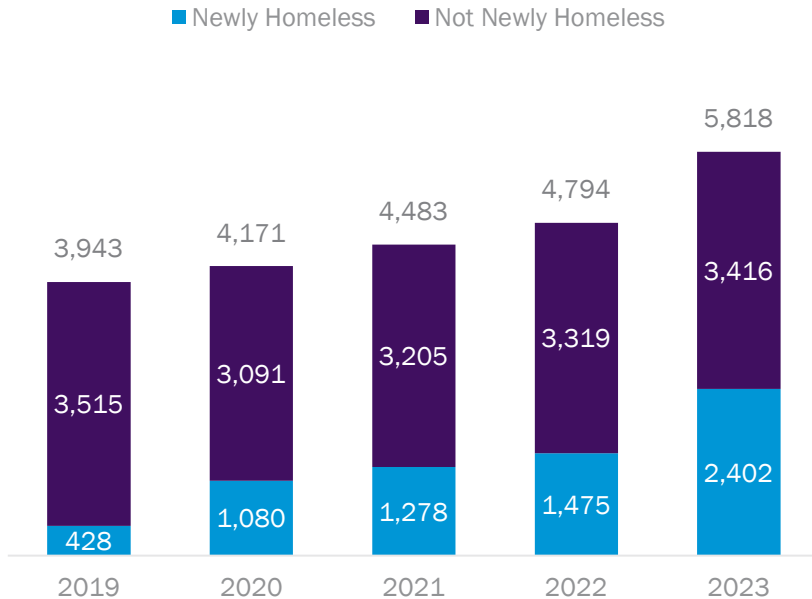
Lack of Affordable Housing

- From 2010-2019, Denver added 34,000 rental units – most for those earning >100% AMI
- 26,000+ income restricted units compared to 130,000 households at or below 80% AMI
- 20,000-unit shortage at or below 50% AMI
- To meet greatest need, HOST focus on deeper affordability

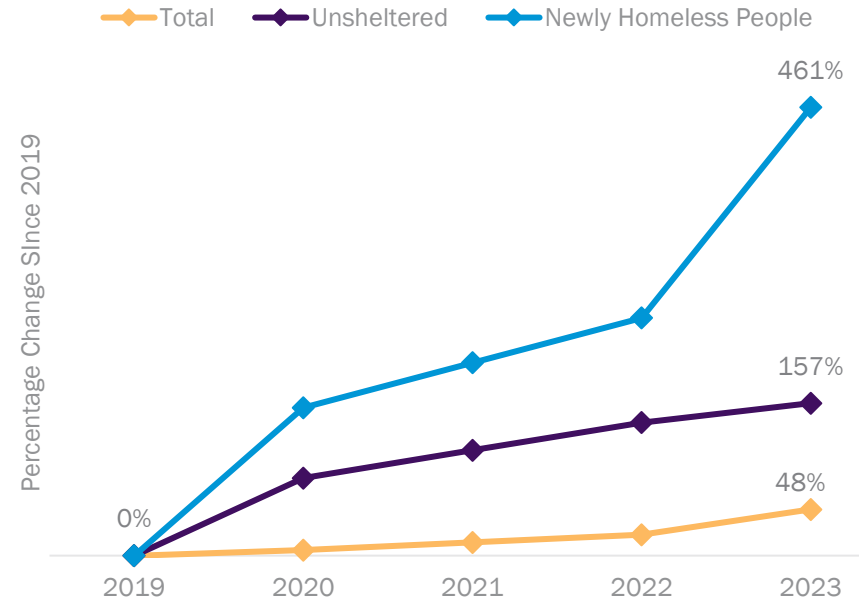


Increasing Inflow: New Homelessness

Denver PIT Count, 2019 to 2023 by Population



Denver PIT Count Percent Change Since 2019

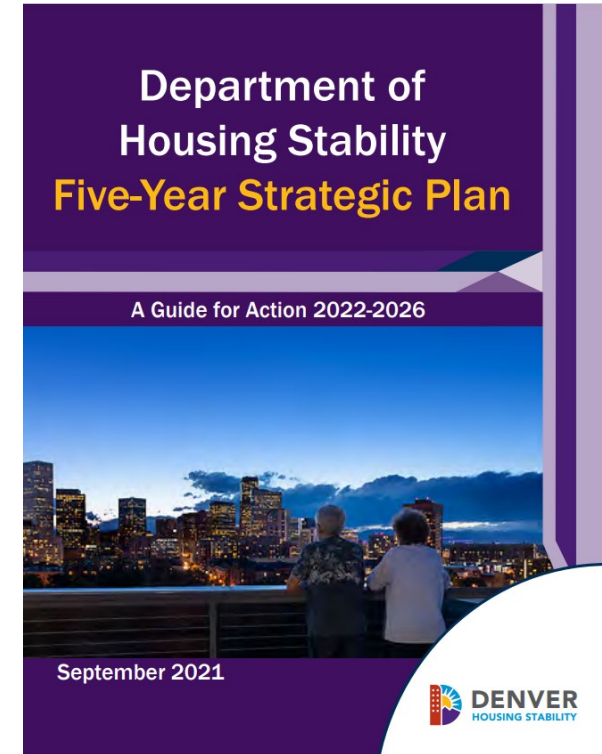


HOST's Five-Year Strategic Plan

- Engaged 1,750 stakeholders
- Adopted by City Council in 2021

Topline Goals:

- Reduce unsheltered homelessness by 50% in five years
- Build 7000 units of affordable housing, including 900 supportive units
- Increase annual households served in rehousing and supportive housing from 1,300 to 1,800



What It Costs

Typical total development cost per unit of new affordable housing: **\$325-\$450K**

- Typical funding HOST provides per unit of affordable rental housing: **\$15-35K**
- Typical funding HOST provides per unit of new homeownership housing: **\$75K**

Typical development cost per unit of supportive housing: **\$325-500K**

- Typical funding HOST provides per unit for supportive housing: **\$45K**

Typical cost per unit of hotel acquisition for conversion to shelter or housing: **\$100-200K**

Typical annual cost per household annually for rent and supportive services in supportive housing: **\$25K annually**

Typical annual cost per bed of 24/7 shelter: **\$25K annually**

Typical annual cost of non-congregate shelter: **\$32K annually**

Typical annual cost per shelter alternative (operations) (ex: SOS, tiny home): **\$15K annually**

Typical cost per household for rent and utility assistance: **\$10K**

Typical cost per household for eviction legal assistance: **\$1K**

Denver Social Impact Bond Findings

When people are in supportive housing, not only do they get the supports they need to successfully stay housed, but we also reduce the social services they would otherwise use:

