

HOST & DHA Supportive Housing Update

Safety, Housing, Education, & Homelessness Committee

May 17, 2023

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Legacy Lofts

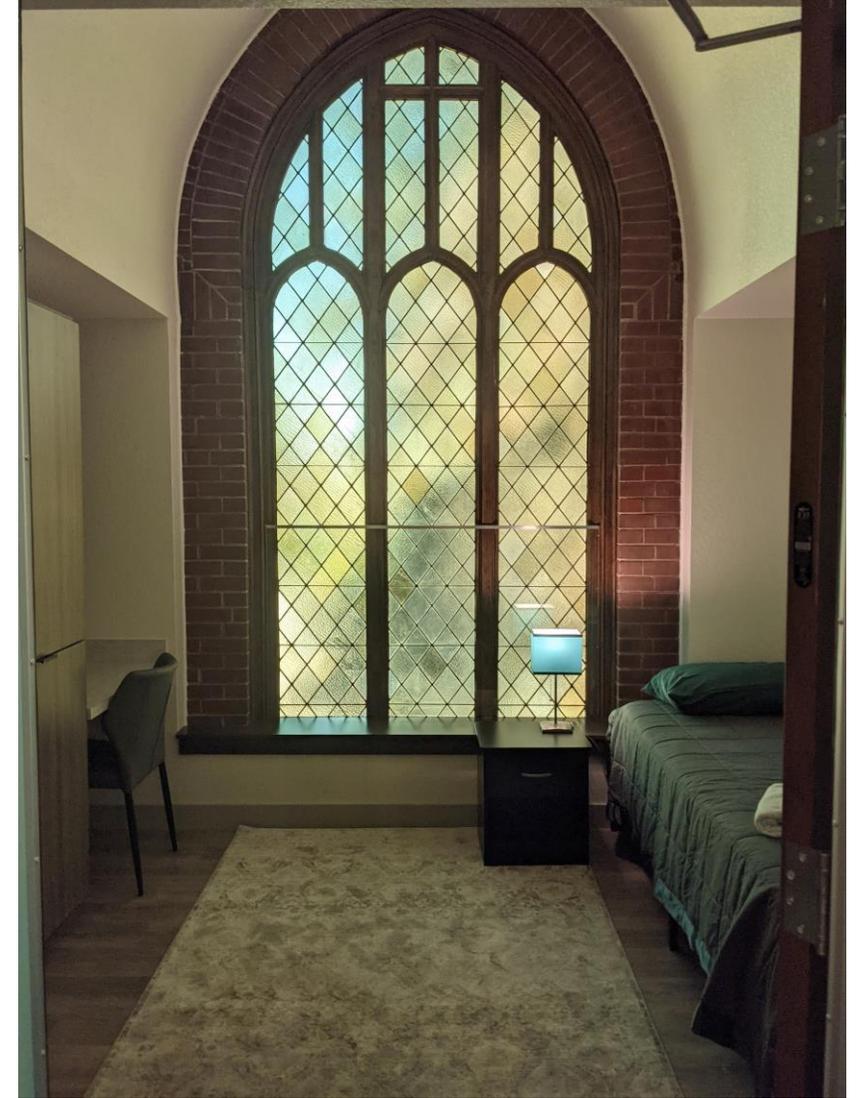


DENVER
HOUSING STABILITY

Supportive Housing Overview



St. Francis Center Warren Residences

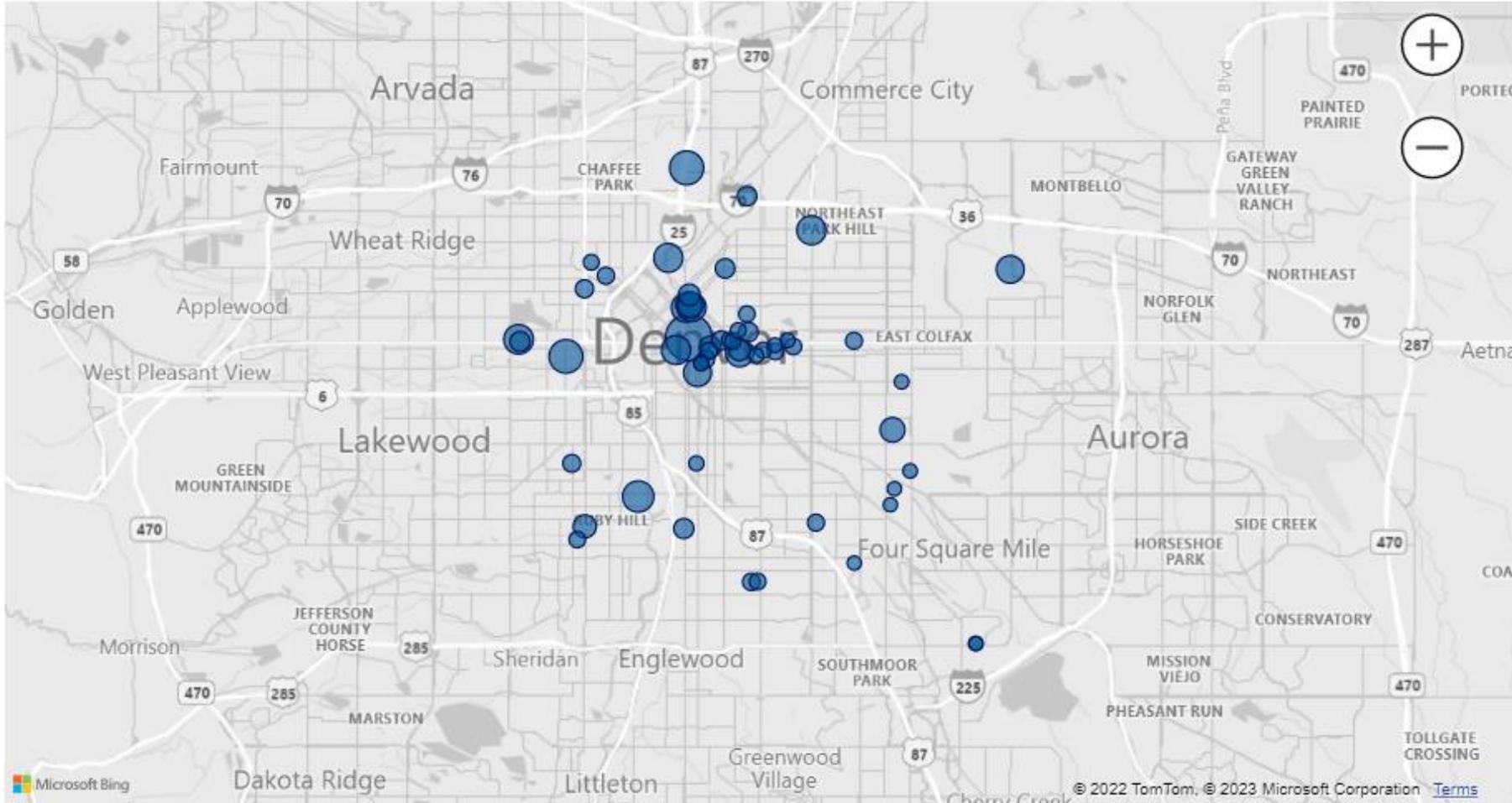


Denver SIB Findings

When people are in supportive housing, they get the supports they need to successfully stay housed, and we also reduce the social services they would otherwise use:



Denver's Supportive Housing Portfolio



- 2,245 supportive housing units operational*
- 164 supportive housing units under construction
- 2,000 units in the pipeline for funding through the end of 2026

*Standards have differed over time

Denver's Pipeline Strategies

- Short-term legacy hotel uses for Non-Congregate Shelter (NCS) and Bridge Housing
- Long-term conversion of hotels to housing
- GO Bond shelter investments
- Shelter upgrades
- D3 acquisitions



Denver Housing Authority (DHA) Delivers for Denver (D3) Program Update



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What is D3?

Denver Housing Authority (DHA) Delivers for Denver

- A partnership and intergovernmental agreement (IGA) between the City and County of Denver and DHA
- In 2019, DHA issued a \$130 million municipal bond backed by city property tax allocations that generated \$120 million in net proceeds
- The purpose of the D3 Program is to guarantee and expedite a pipeline of affordable housing projects

Legacy Lofts



D3 Funding: 2 Parts

DIRECT DEVELOPMENT– 49.9% / \$62MM

- Provides gap funding for DHA's direct development projects.
- Will create 1,300 units of housing
- 7 of 11 projects under construction – 60%
- Must be under construction on all DHA-led projects by 2024

\$62MM turned into a \$680MM investment.

With this funding, DHA was able to compress 10 years of development into 5 years.

We are over halfway there and ahead of schedule!

LAND ACQUISITION (PSH)– 50.1% / \$62.5MM

- Provides funding for the acquisition of land throughout Denver for supportive housing
- DHA uses the funding to acquire land, then issues a Request for Proposals (RFP) or seeks sponsorship for a Development Partner to build, own and operate the project
- Development Partners will build 1,200 units of housing, 600 of which are supportive housing for residents exiting homelessness
- Thus far, DHA has allocated 80% of the funding and 296 units are under construction or leased
- All properties must be under construction within 10 years

D3 PSH Timeline



D3 PSH Land Acquisition Process

Land Acquisition



D3 PSH Site Evaluation Criteria

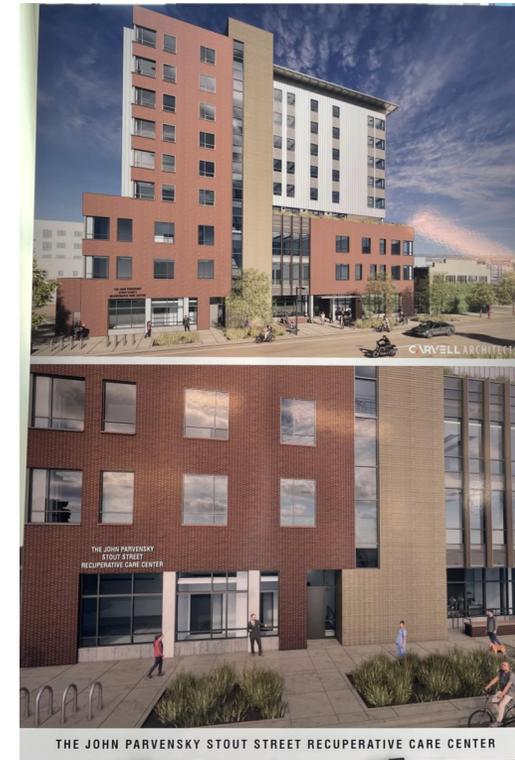
- The **IGA** between the City of Denver and DHA calls for DHA to evaluate prospective D3 PSH sites using the following criteria:
 - ✓ Alignment with geographic priorities of *Housing an Inclusive Denver*
 - ¼ mile from high-frequency bus
 - ½ mile from light rail
 - ✓ Between **0.5 acres and 3 acres in size**
 - ✓ **Distribution across City Council districts**
 - **Min. 6 Council Districts** must be represented
 - **Max. 15% of D3 PSH Funds** in a single Council District
- DHA evaluates D3 PSH sites using the following **additional criteria**:
 - ✓ Approximate DHA investment of **\$55 PSF or \$45,000** per projected unit
 - ✓ **Proximity to neighborhood resources and amenities**:
 - Healthy fresh foods
 - Health care facilities
 - Open space
 - ✓ Current **zoning** and feasibility of rezoning, if necessary
 - ✓ **Environmental remediation** needs
 - ✓ Configuration and **developability of parcel**; feasibility of assemblage to increase developability, if applicable

D3 PSH Project Evaluation Criteria

- The **IGA** between the City of Denver and DHA calls for DHA to evaluate prospective D3 PSH projects using the following criteria:
 - ✓ Restriction of 40% of proposed units for tenants earning <30% of AMI or as Permanent Supportive Housing
 - ✓ Restriction of units as affordable in perpetuity
- **DHA** evaluates D3 PSH projects on basis of the following **additional** criteria:
 - ✓ **Experience and capability** of development team
 - Long-term owner operator of property
 - Lead service provider
 - ✓ **Financial feasibility** of project and readiness to proceed
 - Supportive services staffing budget (\$7,200/unit/year); feasibility of projected sources of funds
 - ✓ **Use of OneHome referral process for 50%+ of PSH units**; DOH-approved tenant selection plan for balance
 - ✓ **Supportive services plan** reviewed and approved by DOH:
 - Services philosophy; reliance on Housing First & Harm reduction principles
 - Staffing plan & tenant : staff ratio (15:1)
 - Tenancy supports and services plan; appropriateness for targeted sub-population
 - Anticipated resident and project outcomes

D3 Supportive Housing Delivery Status

Acquisition Year	Development	Developer	Council District	Total Units	PSH Units	D3 Funding	Current Status
2020	Fusion Studios 3737 N. Quebec St.	Colorado Coalition for the Homeless	8	139	114	\$5,012,795	Occupied
	TBD 901 Navajo St.	Mercy Housing	3	187	94	\$3,957,600	Predevelopment
	4745 N. Federal Blvd.	TBD	1	TBD	TBD	\$11,080,000	Interim Lease to HOST for shelter
	3965 Fox St.	TBD	9	TBD	TBD	\$5,155,292	Q4 2023 RFQ
	Warren Village III 1394 W. Alameda Ave./ 1373 W. Nevada St.	Warren Village/ Urban Ventures	7	89	79	\$1,500,000	Predevelopment
	Warren Residences 1630 E. 14th Ave.	St. Francis Center	10	48	48	\$1,250,000	Occupied
	Renaissance Legacy Lofts	Colorado Coalition for the Homeless	9	98	98	\$5,000,000	Occupied
	TOTAL				561	433	\$32,955,687



Legacy Lofts

D3 Supportive Housing Delivery Status



*Triangolo Hall-
Mosaic Community Campus*

Acquisition Year	Development	Developer	Council District	Total Units	PSH Units	D3 Funding	Current Status
2021	Charity's House 3022 Welton St.	BlueLine Development/ Community Outreach Service Center	9	36	36	\$950,000	Under Construction
	1139 Delaware St	TBD	10	TBD	TBD	\$3,061,123	Q2 2023 RFQ
	1101 & 1123 Delaware St.	TBD	10	TBD	TBD	\$2,850,000	Q2 2023 RFQ
	Mosaic Community Campus 1800 N. Oneida St.	TBD	8	TBD	TBD	\$9,694,990	Q1-Q2 2023 Exploring Potential Partnerships
	TOTAL			36	36	\$16,556,113	

PSH Unit Production



97% of PSH Units serve very low-income households earning at or below 30% AMI

Total Acquisitions: 10 Properties (\$49,511,800)

D3 Supportive Housing Projects

- To date, DHA has funded five supportive housing projects, resulting in the development of 410 total units, 375 of which are PSH
 - Colorado Coalition's Legacy Lofts
 - Blueline Development's Warren Residences
 - Colorado Coalition's Fusion Studios
 - Blueline Development's Charity's House
 - Warren Village & Urban Ventures' Warren Village III



- Additionally, DHA has acquired five parcels of land and will select partners to build, own, and operate housing on the parcels over the coming years
 - RFQ issued and Mercy Housing selected as development partner for 901 Navajo Street
 - Forthcoming RFQs for 1123 Delaware Street Q2 2023 and 3985 Fox Street in Q4 2023

- To implement the program, DHA acquired the underlying land and entered into a long-term ground lease with the Development Partner
 - Restrictive covenant in perpetuity
 - Allocation of project-based vouchers
 - Provision of tax-exemption via SLP participation

D3 Interim Uses & Partnerships

- Because the D3 Program must be implemented over 10 years, the team has found opportunities for partnership through interim uses of D3 sites
- In early 2020, DHA acquired an existing hotel located at the intersection of Federal Boulevard and I-70 in Denver
 - Termination of franchise agreement prior to sale
- Since 2020, the City of Denver has leased the hotel for the provision of non-congregate shelter in response to the COVID-19 pandemic
 - 92 rooms
 - Triple-net lease
 - Operated by City of Denver sheltering partners
- The lease provides DHA the opportunity to select a Development Partner and plan for the redevelopment of a complex site into supportive housing
 - Exploring disposition after feasibility due diligence



Questions?

Thank You!

Appendix:

Denver Social Impact Bond (SIB)

- Launched in 2016 by the City and County of Denver
- Aimed to increase housing stability and decrease jail stays among people who were experiencing chronic homelessness and had frequent interactions with the criminal justice and emergency health systems



Source: Urban Institute

Denver Housing to Health (H2H)

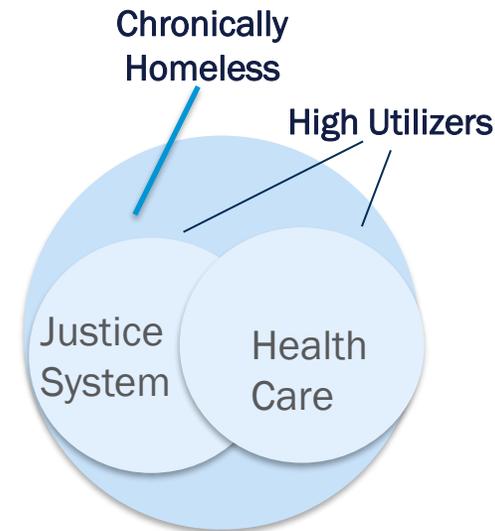
7-year program launched in late 2022



Social Impact Partnerships to Pay for Results Act (SIPPRA)

- Up to \$5,512,000 – health outcomes
- \$826,800 – Independent evaluation

Leveraging the experience of several Social Impact Bond program partners:



New cohort of 125 individuals

- Experiencing homelessness
- Criminal justice record
- At high risk for avoidable high-cost health services paid by Medicaid

Supportive Services Requirements

Intensive case management services must be available to residents of Supportive Housing Units, including the following services:

1. **Access to a multidisciplinary treatment team including:** Nursing care, case management, peer support, individual therapy and group therapy, and psychiatry/medication support.
2. **Housing stabilization:** Contractor must assist in healing from trauma, addiction, mental health issues and homelessness through assessment, treatment planning, benefit acquisition, care coordination, and crisis response. These interventions will support long-term housing stability.
3. **Linkage to community supports:** Contractor must work to develop community supports through engagement, socialization, life skills, peer activities, and vocational programming.

Supportive Services Requirements (continued)

- Providers must have a budget of at least \$7,200 per unit per year exclusive of operating expenses.
- Services must provide for at least one staff person for every 15 supportive housing units. Staff must have the relevant education and experience needed to implement Supportive Services, as determined by the State of Colorado Office of Homeless Initiatives (“OHI”).
- Supportive Services must be offered on a volunteer basis to tenants of Supportive Housing Units. In addition, services are expected to be implemented in a manner reliant on current best practice models, including Housing First, Harm Reduction and Trauma-Informed Care.

Tenant Referrals

- 50% of referrals will originate from the OneHome Coordinated Entry System
- The City is reviewing referrals to facilitate easier sourcing of unsheltered households

Process and Outcome Measures (1) - Income

Income Acquisition Benchmarks:

For Current Participants.

- 80% of Current Participants must increase or maintain income (earned and unearned) and non-cash benefits. Income includes, but is not limited to, mainstream financial benefits (i.e. SSI, SSDI, TANF, AND), income from employment, and non-cash benefits such as SNAP.
- This will be measured as the percentage of households who increase or maintain total income from program entry to most recent assessment.

For Exiting Participants.

- 80% of Exiting Participants must have increased or maintained income (earned and unearned) and non-cash benefits. Income includes, but is not limited to, mainstream financial benefits (i.e. SSI, SSDI, TANF, AND), income from employment, and non-cash benefits such as SNAP.
- This will be measured as the percentage of Exiting Participants who increase total income from program entry to program exit.

Process and Outcome Measures (2) – Permanent Housing

Program Retention and Housing Attainment Benchmarks: For Current Participants.

- Average and median length of Program Enrollment Period, measured in terms of days.
- Number and percentage of Current Participants enrolled in the program for: less than 3 months, 3 to 12 months, and longer than 12 months.

For Exiting Participants.

- 70% of Exiting Participants must exit the program into a Permanent Housing outcome.
- Number and percent of Exiting Participants by Destination at Exit. Destinations at Exit are defined as: Permanent Housing, other stable housing outcomes, and outcomes to other locations (e.g., nightly shelter, street, jail, or unknown destinations).
- Length of stay for Exiting Participants

Process and Outcome Measures (3) – Households Served

Households Served and Household Characteristics

- Number of households served each reporting period.
- Number of Exiting Participants within the reporting period.
- AMIs of each assisted household.
- Number and percent of heads of household by race, ethnicity, and income level at entry