

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Please mark one: ☐ Bill Request or ☒ Resolution Request

Date of Request: 9/20/21

1. Type of Request:

- ☐ Contract/Grant Agreement ☒ Intergovernmental Agreement (IGA) ☐ Rezoning/Text Amendment
- ☐ Dedication/Vacation ☐ Appropriation/Supplemental ☐ DRMC Change
- ☒ Grant Agreement

2. Title: (Start with *approves*, *amends*, *dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Approves a grant agreement (revenue contract) for the Department of Housing Stability (HOST) to receive \$5,512,000 in Social Impact Partnerships to Pay for Results Act funds (SIPPRA) from the U.S. Department of Treasury.

3. Requesting Agency: Department of Finance – Budget and Management Office and Department of Housing Stability

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Angie Nelson	Name: Elvis Rubio / Rachel Bardin
Email: Angela.nelson@denvergov.org	Email: Elvis.Rubio@denvergov.org / Rachel.Bardin@denvergov.org

5. General description or background of proposed request. Attach executive summary if more space needed:

This request accepts a new grant agreement between the Department of Housing Stability and Department of Housing and U.S. Department of Treasury. The grant agreement will provide funding for the Denver Housing to Health (H2H) Pay for Success project.

6. City Attorney assigned to this request (if applicable): Jennifer Welborn

7. City Council District: All

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR21 1107

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): IGA/Grant agreement

Vendor/Contractor Name: U.S. Department of Treasury

Contract control number: HOST 202160100

Location: Citywide

Is this a new contract? ☒ Yes ☐ No **Is this an Amendment?** ☐ Yes ☒ No **If yes, how many?** n/a

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

HOST 202160100 - April 29, 2022 - April 28, 2029

Contract Amount (indicate existing amount, amended amount and new contract total):

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
(A)	(B)	(A+B)
\$5,512,000		\$5,512,000

<i>Current Contract Term</i>	<i>Added Time</i>	<i>New Ending Date</i>
April 29, 2022 - April 28, 2029		

Scope of work:

The United States Department of Treasury will provide Social Impact Partnerships to Pay for Results Act (SIPPRA) funds to the Department of Housing Stability that will provide funding to the Denver Housing to Health (H2H) Pay for Success project. See executive summary.

Was this contractor selected by competitive process? n/a
being provided to HOST from the federal government.

If not, why not? This is a Revenue Grant contract. Funding is

Has this contractor provided these services to the City before? ☐ Yes ☒ No

Source of funds: Social Impact Partnerships to Pay for Results Act (SIPPRA) authorized by Pub. L. No. 115-123, § 2055(a), 132 Stat. 276 (2018) (codified as 42 U.S.C. § 1397n-4(a)).

Is this contract subject to: ☐ W/MBE ☐ DBE ☐ SBE ☐ XO101 ☐ ACDBE ☒ N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): n/a

Who are the subcontractors to this contract? n/a

Executive Summary

The Social Impact Partnerships to Pay for Results Act (SIPPRA) grant from the U.S. Department of Treasury provides grants to states and localities with the intention of improving the effectiveness of certain social services by utilizing a form of Pay For Results model. Ultimately facilitating the creation of public-private partnerships that bundle philanthropic or other private resources with existing public spending to scale up effective social interventions already being implemented by private organizations, nonprofits, charitable organizations, and State and local governments across the country. With the goal of improving the impact and effectiveness of vital social services programs while redirecting inefficient or duplicative spending.

These SIPPRA funds will be utilized to support The Denver Housing to Health (H2H) Pay for Success project. This project will leverage the infrastructure and partnership established for Denver's pay-for-success Social Impact Bond (SIB), which seeks to break the community-to-jail cycle by increasing housing stability and decreasing jail time among individuals who are high users of the city's

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resources and experiencing homelessness. Launched in 2016, the five-year Denver SIB is one of the first supportive housing programs funded through the financing mechanism of a social impact bond. To date, the SIB is demonstrating exceptional results for the clients, the investors and the city. The SIB's service partners—Mental Health Center of Denver (MHCD) and Colorado Coalition for the Homeless (CCH), who are also the partners for the proposed project—provide a combination of permanent supportive housing with wraparound services, such as mental health counseling, to help people improve their stability. The Urban Institute serves as the SIB's external evaluator and is conducting a randomized controlled trial (RCT) to measure participants' housing stability and their days spent in jail compared with people who receive services as usual in the community.

Three years into the five-year project, 85% of the 285 participants remain in housing. After one year in housing, 44% of participants did not return to jail, meaning they had a significantly lower number of jail days than members of the target population had before their referral to the program. Though a large share of individuals in the project still have gone to jail, averaging 34 days per year, the number is significantly lower than the estimated 77 average jail days for this target population in the absence of housing, based on data prior to the SIB. To date, the City has paid a total of \$1,025,968 to its eight private investors based on the program's outcomes (those investors contributed \$8.6 million to the program). Based on these results, the City of Denver committed an additional \$2.4 million in funding to expand the program from serving 250 people to 325 in 2018. The program also uses \$2.7 million in federal Low-Income Housing Tax Credits (\$27 million over 10 years) and over \$3.2 million in gap financing provided by the City and State to fund the newly constructed SIB-designated buildings. Denver expects to save between \$3 million and \$15 million by alleviating the homelessness-jail cycle.

Using this same infrastructure that was built for the Denver SIB, H2H will serve a new target population—homeless individuals who have a record of at least eight arrests over the past three years in Denver County, were experiencing homelessness at the time of their last arrest, and are at high risk for avoidable and high-cost health services paid through Medicaid, including services received at Denver Health and Hospital Authority (Denver Health). H2H's theory of change is that net Medicaid and Medicare expenditures will be reduced by providing this population with supportive housing with a modified assertive community treatment (ACT) model with wraparound support. The intermediate outcome goals of this intervention are:

- Increased housing stability (reduction in homelessness)
- Decreased police contacts (reduced alcohol and drug use, trespassing, panhandling)
- Increased access to health services (mental and physical health care, substance abuse treatment, and preventive, office-based care).

The long-term outcomes of this intervention are:

- Improved health (decreased severity of illness, improved mental and physical health)
- Increased access to health services (resulting in decreased visits to detoxification centers and decreased avoidable emergency room and hospital visits)
- Decreased criminal justice involvement (fewer arrests and jail days).

These goals will lead to the intended program SIPPPA payment outcome of reducing net federal health care expenditures. The Colorado Department of Health Care Policy and Financing, which manages Medicaid for the state, has agreed to partner with this project's applicant, the Denver Department of Finance (DOF), by providing access to the data needed to determine whether this outcome is met (see its attached letter of commitment). H2H's other intended outcomes include decreased arrests and fewer jail days, but payments associated with those outcomes will be covered by the City and County of Denver, similar to the existing SIB.

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