



City & County of Denver Department of Housing Stability

Britta Fisher, Executive Director and
Chief Housing Officer

About Denver



- Population: about 715,000
- Housing: 338,341 units (25,050 income-restricted units)
- Households: 318,445, average of 2.24 persons per household
- Economy/Jobs: 89% Service Providing, 11% Goods Producing
- Median household income: \$75,646
 - Median rent: \$1,683
 - Median sales price: \$720,000 for single family home, \$439,500 for Condo/Townhouse

What is HOST?

- Mayor Hancock formed new department
- Bring housing + homelessness together
- Executive order signed Oct. 23, 2019



Healthy, housed,
and connected.

We invest resources,
create policy, and partner
to provide housing stability,
resolve episodes of
homelessness,
and create housing
opportunities

What is the Social Impact Bond (SIB)?

The Denver Supportive Housing Social Impact Bond Initiative (Denver 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.

Mental Health Center of Denver's
Sanderson Apartments

Source: Urban Institute

SIB Background

“Now is the time to break the cycle from streets, to emergency rooms, to jails and back to the streets, and replace it with a long-term solution.”

*– Mayor Michael B.
Hancock*

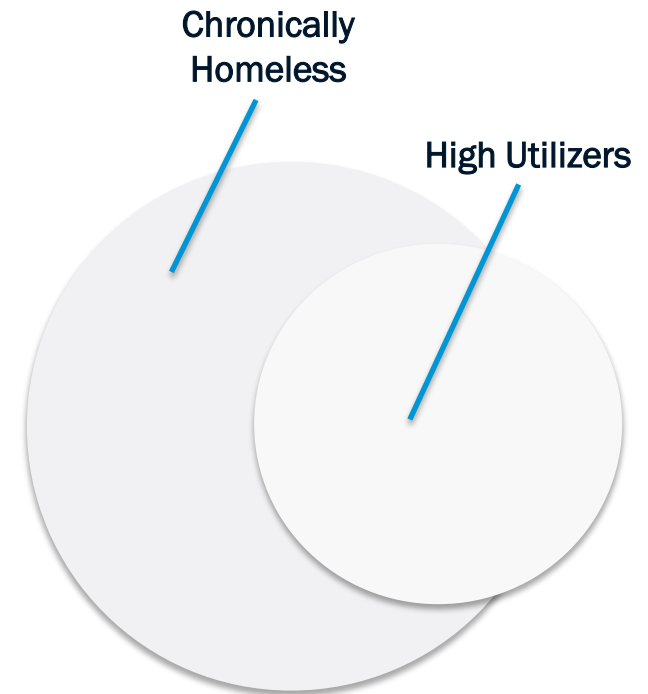


Target Population

Prior to SIB: paying for costly, ineffective emergency and penal services.

High Utilizers (“Front-End Users”):

- Chronically homeless individuals
- frequently in court, jail
- Frequent usage of emergency rooms, detox and ambulatory services
- Frequently arrested, admitted to and discharged from jail for low-level offenses
 - Public nuisance (22%), Alcohol (30%), Panhandling (4%), Trespass (19%), Drugs (11%), Other (14%)



Source: Urban Institute

Top Front-End User Cost Study

Info from Denver Police, Sherriff, and Courts

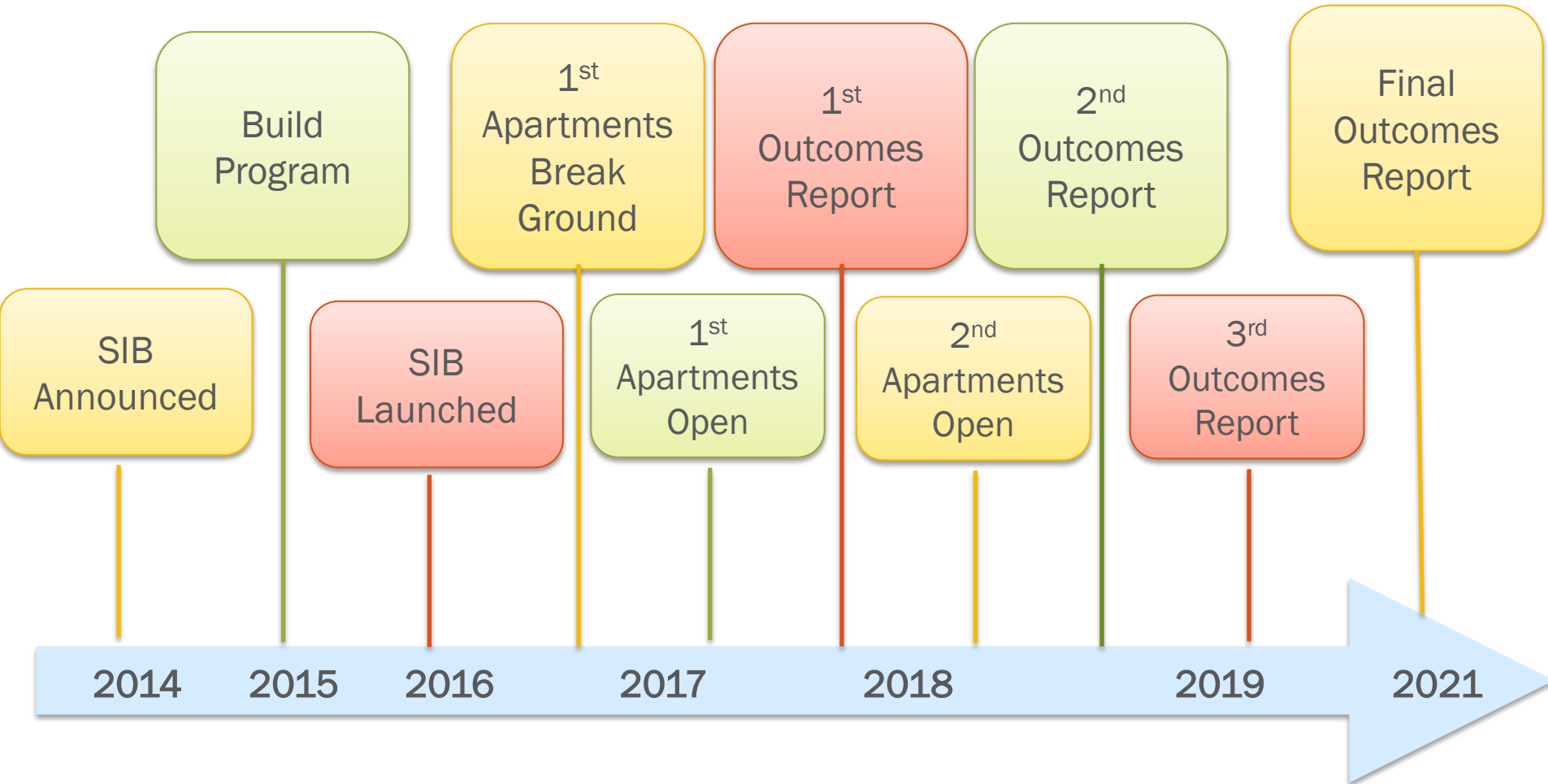
2013 Criminal Justice Costs for Top 299	
Arrest Costs	\$ 1,887,743
Detention Costs	\$ 883,584
Court Costs	\$ 201,558
Total 2013 Criminal Justice Costs	\$ 2,972,886

Info From Denver Health and Hospital Authority

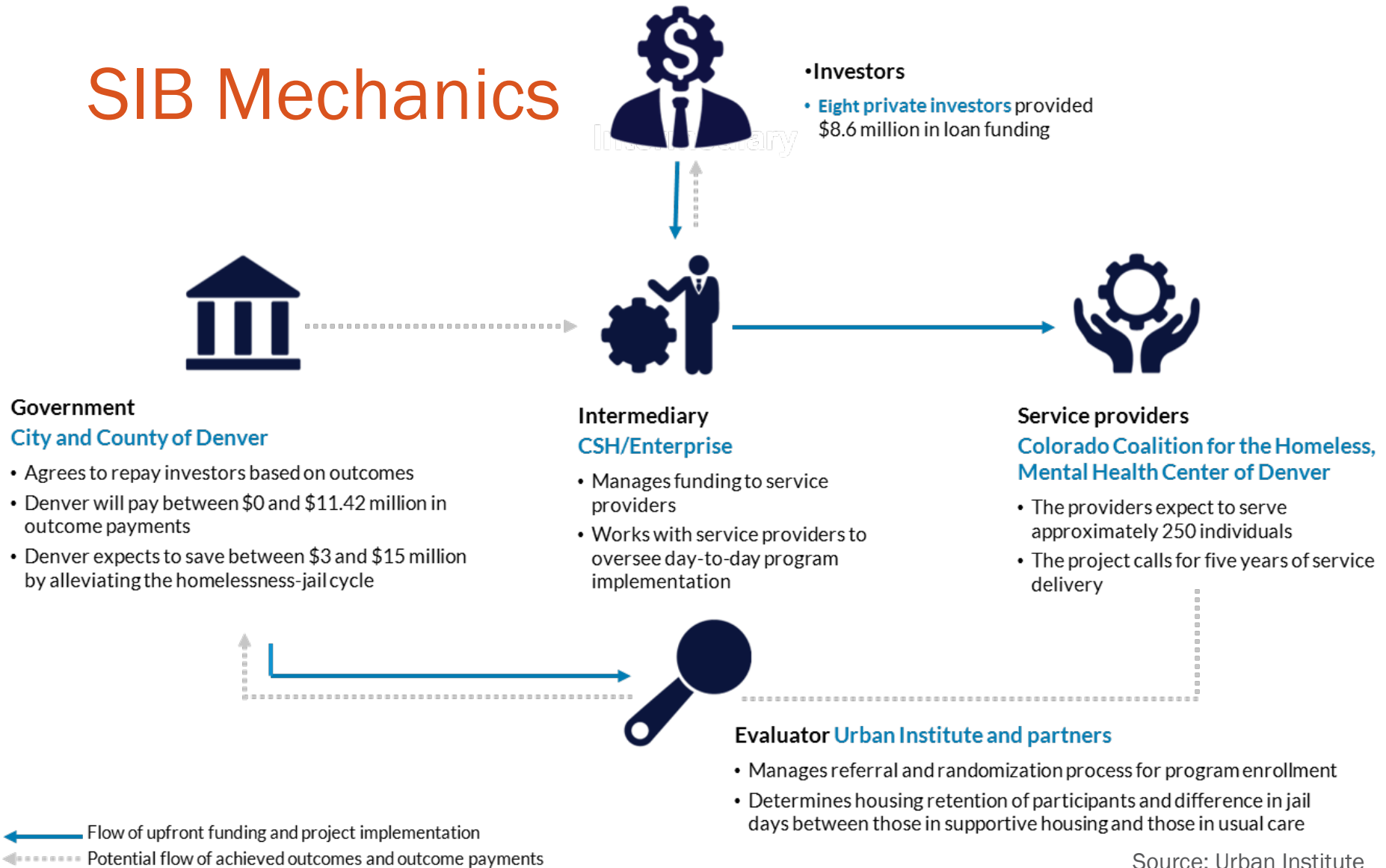
Average number of visits with DHHA for 239 FEU in 2012	Average DHHA Charges for 239 FEU	Total Charges for 239 FEU in 2012	Total Payments Received for 239 FEU in 2012
16	\$33,625	\$8,036,388	\$302,847

Source: DCPCC

High-Level SIB Timeline



SIB Mechanics



- Investors
- **Eight private investors** provided \$8.6 million in loan funding

Government City and County of Denver

- Agrees to repay investors based on outcomes
- Denver will pay between \$0 and \$11.42 million in outcome payments
- Denver expects to save between \$3 and \$15 million by alleviating the homelessness-jail cycle

Intermediary CSH/Enterprise

- Manages funding to service providers
- Works with service providers to oversee day-to-day program implementation

Service providers Colorado Coalition for the Homeless, Mental Health Center of Denver

- The providers expect to serve approximately 250 individuals
- The project calls for five years of service delivery

Evaluator **Urban Institute and partners**

- Manages referral and randomization process for program enrollment
- Determines housing retention of participants and difference in jail days between those in supportive housing and those in usual care

Source: Urban Institute

Pay for Success Model



Denver Paid for Outcomes in Two Areas

(1) Housing Stability

- City only paid if a participant spent at least one year in housing.
- Thereafter, payments made on days in housing minus days spent in jail.
- If participant did not meet one year threshold, they could replace that unit with a new participant.

(2) Jail Bed Day Reduction

- Payments made based upon the percentage reduction seen between participants and non-participants over 5 years.
- No payments made below 20% reduction.
- Maximum payment at 65% reduction.

Source: Urban Institute

Pay for Success Model

FIGURE 2

Summary of Housing Stability Payment Calculation

EQUATION

$(X)-(X)-(X) = \text{TOTAL ADJUSTED DAYS IN HOUSING} * \$15.12/\text{DAY} = \text{TOTAL HOUSING STABILITY PAYMENT FOR PARTICIPANTS MEETING PAYMENT REQUIREMENTS}$

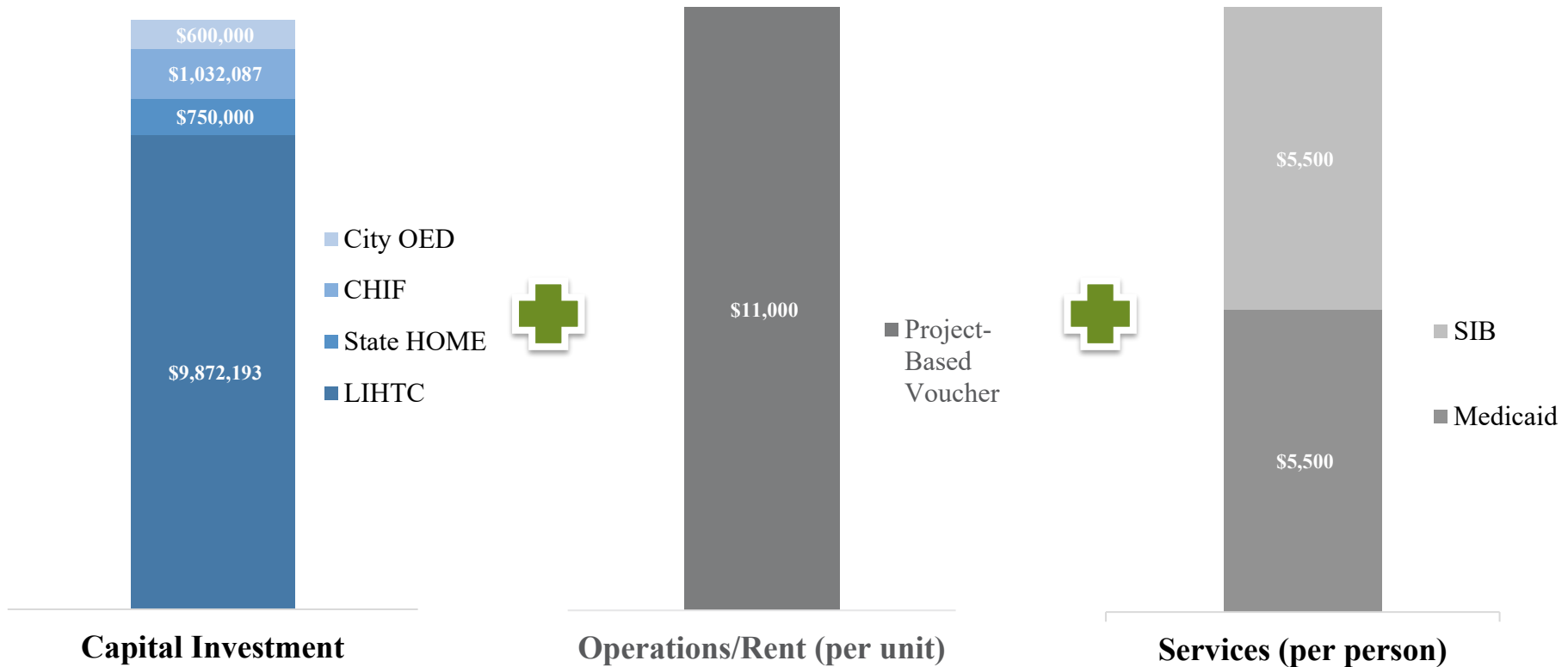
$$\begin{array}{r} \text{NUMBER OF DAYS} \\ \text{IN HOUSING} \end{array} \quad \text{—} \quad \begin{array}{r} \text{NUMBER OF DAYS} \\ \text{IN PILOT PERIOD} \end{array} \quad \text{—} \quad \begin{array}{r} \text{NUMBER OF} \\ \text{DAYS IN JAIL} \end{array} \quad \text{=} \quad \text{—} \\ \hline \text{TOTAL ADJUSTED DAYS IN HOUSING} * \$15.12/\text{DAY} = \text{TOTAL HOUSING} \\ \text{STABILITY PAYMENT FOR PARTICIPANTS MEETING PAYMENT REQUIREMENTS}$$

URBAN INSTITUTE

Note: Calculation of the housing stability success payment is detailed in Article 4, Section 4.02, of the Denver SIB contract dated February 2016.

Source: Urban Institute

How Funding Works (Example: New Construction)



Source: Urban Institute

Investment Structure

RESOURCES LEVERAGED BY SIB INITIATIVE

Capital Construction

- \$2.7 million in Low-Income Housing Tax Credits (\$27 million over 10 years)
- Over \$3.2 million in gap financing provided by City and State

Housing Operations/Rent

- 210 project-based vouchers provided by State Division of Housing and Denver Housing Authority
- Continued efforts to secure tenant-based vouchers

Service Funding

- Medicaid reimbursement for a portion of service costs
- Ongoing work with providers, local managed care organization and State to increase Medicaid billing

Source: Urban Institute

363 individuals referred to supportive housing from January 2016 to December 2017

Of those in treatment, 325 people (89.5%) were located

Average time to location: 49 days

Of those, 299 people (92.0%) engaged in the program

Average time from location to engagement: 13 days

Of those, 286 (95.7%) had housing applications approved

Average time from engagement to application approval: 52 days

Of those, 285 (99.7%) leased up

Average time from application approval to lease-up: 15 days



Paul, Jr. (PJ)
Janitorial Staff, Sanderson Apartments

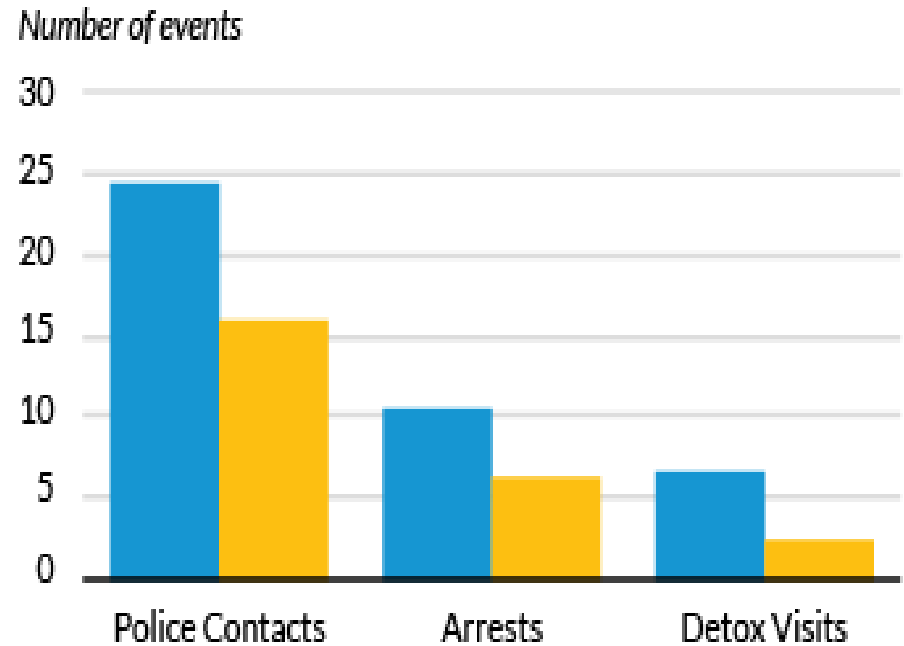
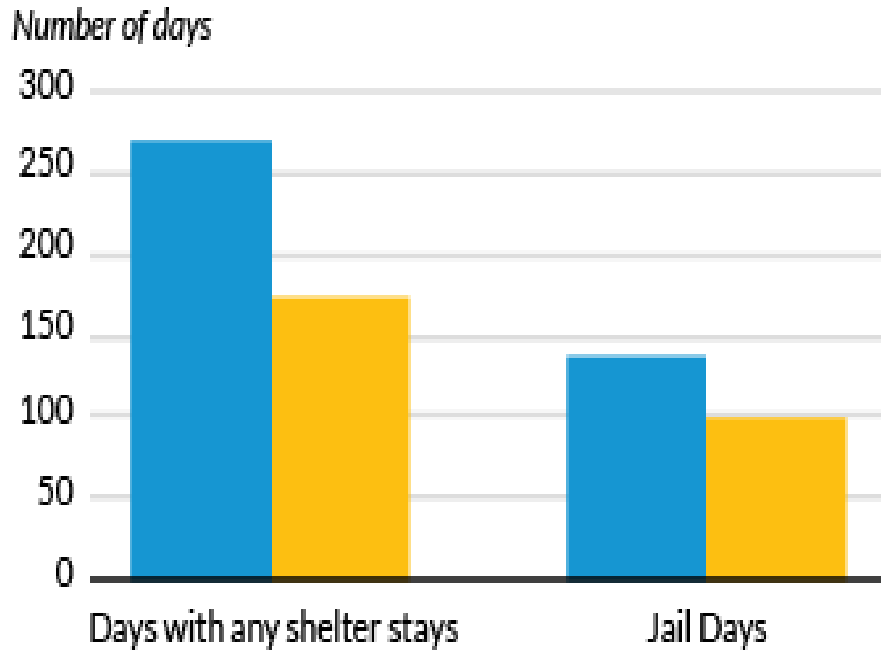


John
Entered SIB
June 2018

Source: Urban Institute

SIB Results

Control group SIB program participants



URBAN INSTITUTE

Source: Urban Institute

Per Unit Cost Breakdown

Annual SIB Cost Per Unit
CCH: \$22,265 MCHD: \$35,770

These per unit costs were spread across multiple levels of government:

Housing assistance payments: \$10,950 annually provided by state housing vouchers (DOLA)

Supportive services: \$9,165 for CCH, \$9,183 for MCHD provided by SIB financing

Medicaid supportive services: \$2,150 for CCH per unit, \$15,637 per unit

SIB Results

Monetarily, more than half of the total per person annual cost of the Denver SIB was offset by cost avoidances in other public services, and almost all of Denver's supportive housing costs were offset.

Source: Urban Institute

Housing + Supports

What we
are doing
is working.

We need
to do
more of it.





Questions?
Thank You!

SIB Results

Credit: Urban Institute

TABLE 7

Housing Retention and Exits

	1 Year after Entering Housing ^a		2 Years after Entering Housing ^b		3 Years after Entering Housing ^c	
	Number	Share	Number	Share	Number	Share
Still in Denver SIB housing	234	83	204	75	165	68
Never exited	227	80	185	68	142	58
Exited and reentered housing	7	2	19	7	23	9
Moved to other permanent housing	0	0	0	0	2	1
Died	11	4	21	8	28	12
Had unplanned exit	45	16	67	25	71	29
Still housed, among living participants	86%		81%		77%	

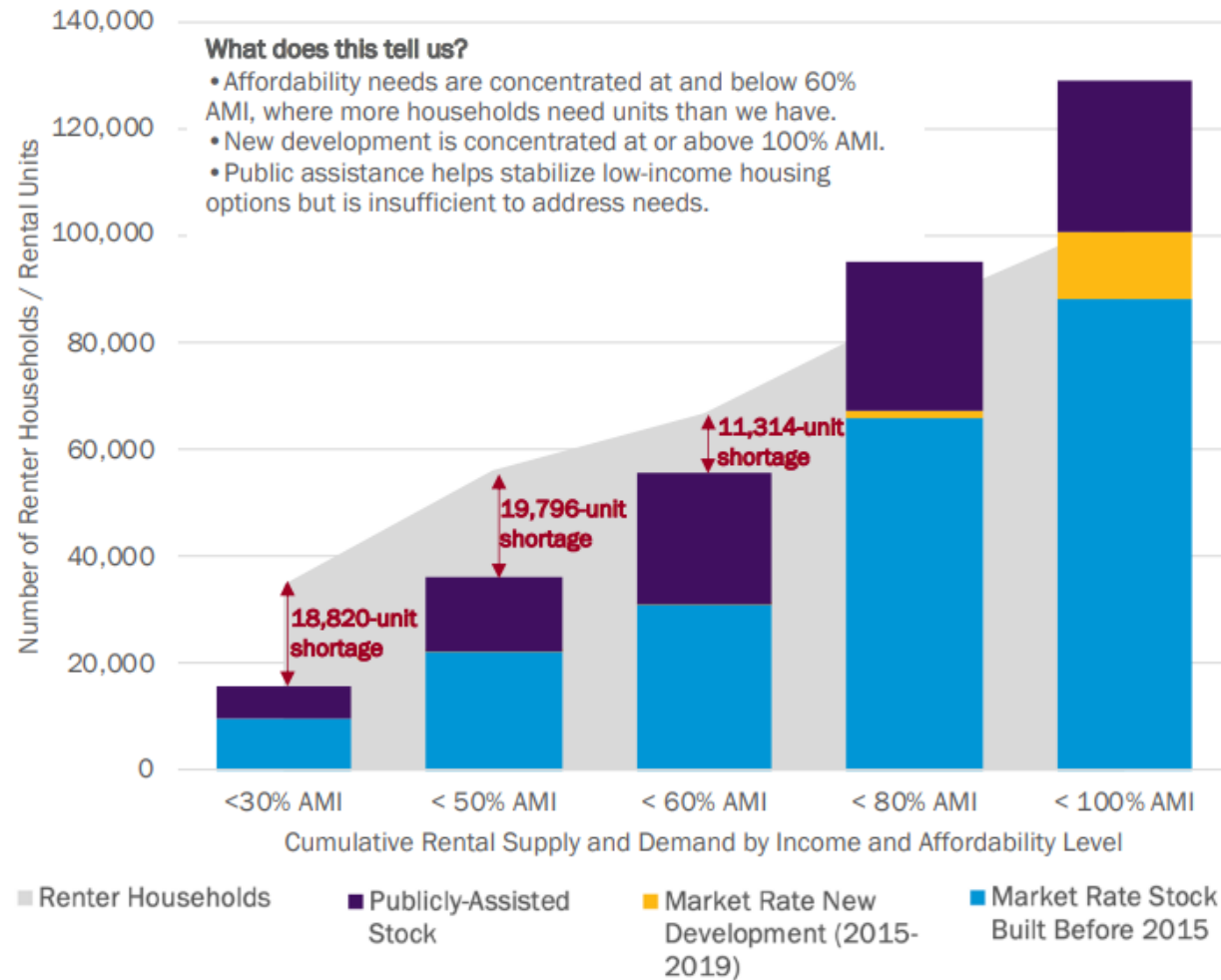
TABLE 12

Denver SIB Housing Program's Impact on Jail Days and Stays Three Years after Randomization

	Intent-to-Treat Regression Adjusted			Treatment-on-the-Treated IV Regression Adjusted		
	Treatment group mean	Control group mean	Difference	Treated mean	Control group mean	Difference
Jail days	100.48	138.34	-37.86*** (10.76)	90.21	138.28	-48.07*** (13.54)
Jail stays	4.09	5.82	-1.73*** (0.33)	3.62	5.81	-2.20*** (0.42)

Housing Stock

Figure 3: Renter Households and Housing Units by Income and Affordability Level



Source: Reproduced with permission from Root Policy Research.⁹ American Community Survey 2019 1-year estimates, HOST Affordable Housing Dashboard, HUD Picture of Subsidized Households, CoStar, and Root Policy Research

Notes: Housing Choice Vouchers are included in Publicly Assisted Inventory; accounts for a 40% estimated overlap in HCVs and other publicly subsidized units (e.g., HCV use in LIHTC). The 2020 HUD AMI for a two-person household of \$80,000 was used.

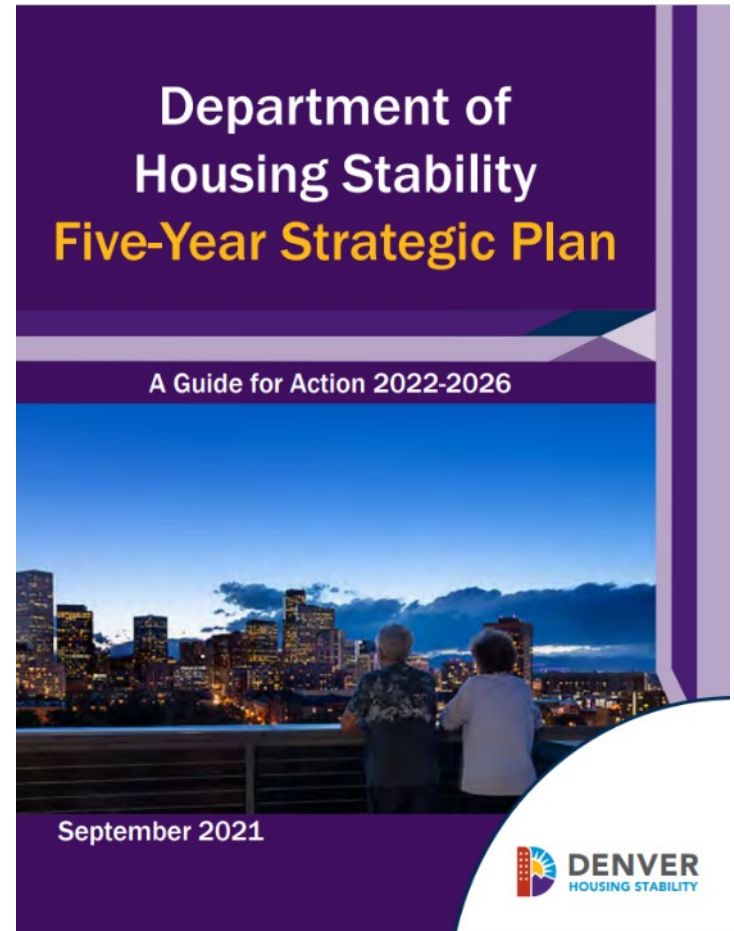
Five-Year Strategic Plan

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 & supportive housing from 1300 to 1800



We Know What's Working

REDUCING BARRIERS

- 24/7 shelter with onsite support services
- Use of hotels and motels as non-congregate shelter
- Safe Outdoor Spaces and parking areas
- Expanded outreach teams

HOUSING + SUPPORTS

- Housing surges
- Building on Social Impact Bond model for supportive housing
- Housing veterans
- 24 sites with 1,136 homes now under construction

BEHAVIORAL HEALTH SERVICES

- STAR program and co-responders
- Solutions Center
- Denver AID Center

Supportive Housing Works

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

Emergency Room Visits
decreased
24% - 34%



Hospital Days
decreased
27% - 29%



Psych Admissions
decreased
82% - 87%



Medicaid Costs
decreased
41% - 67%



Justice Involvement
decreased
42% - 45%



Stable Housing
achieved
79% - 93%



Source: Colorado Department of Local Affairs
"Tenancy Supports for Coloradans Experiencing Long-Term Homelessness"

And We Are Doing More of It

- In past decade, more than 11,000 individuals and families have moved out of homelessness, and we have funded more than 8,000 affordable homes.
- In Denver, 77% of people who were rehoused with support services stayed housed after 3 years, saving millions on expensive jail and emergency interventions. We are expanding this supportive housing model.
- Thanks to Denver voters, we are funding 1,800 affordable homes with supportive services for people exiting homelessness, and construction of two new high-quality shelters that reduce barriers for youth and families.
- The Governor has proposed resources for regional residential recovery for those with substance misuse.