DENVER
HOUSING STABILITY

2022
ANNUAL REPORT

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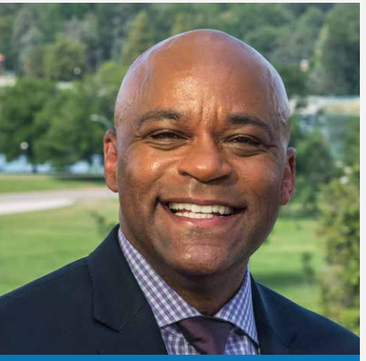
A Letter from **Mayor Michael B. Hancock**



As I reflect on 2022 and everything Denver's Department of Housing Stability (HOST) has done to increase affordability and serve our most vulnerable, I see so much to celebrate. Thousands of people have been able to stay in their homes because of rent and stabilization assistance, more people moved into housing, and opened 945 city-funded affordable homes that increase affordability options in our city.

This year we also took innovative steps to change how Denver addresses episodes of homelessness and housing instability. We helped fund a basic income pilot; launched our Safe Parking program; expanded transportation to and from our shelters and providers; purchased hotels for future shelter and affordable housing, and much more. I'm looking forward to seeing the lasting impact these programs and acquisitions will have on our community.

Denver remains committed to taking all necessary steps to make housing affordable for everyone in our city. I'm pleased to also report we hit a big milestone in 2022: We have created more than 25,000 income-restricted housing units citywide, including rentals and homeownership units. HOST also played a pivotal role in passing two new policies aimed at combating displacement and housing costs: the Affordable Housing Prioritization and Expanding Housing Affordability policies.

Homelessness has been one of the biggest challenges our city has faced over the past several years, and many of the accomplishments I am most proud of stem from to the work we have done to resolve homelessness and provide affordable housing to residents. Since I took office in 2011, we've rehoused more than 13,000 persons experiencing homelessness. We've created or preserved 9,000 affordable homes and delivered hundreds of permanent supportive housing units, which are critical to successfully rehousing those experiencing homelessness. We've expanded our shelter system to operate 24 hours a day, seven days a week, year-round, replacing the previous seasonal- and overnight-only sheltering. Tiny homes and Safe Outdoor Spaces are now proven, successful transition programs and have been expanded. Increased affordable housing is now required in new residential projects, and we are continuing to invest in affordable options, including nearly 2,000 homes that are currently under construction or preservation at 33 different locations.

The expansion and transformation of Denver's homelessness response system to help more people than ever to connect to stable housing is a core part of my legacy. This work would not be possible without the many nonprofit and government partners, community organizations, advocates, and members of the community who have been involved over the last twelve years. I am proud to have worked alongside HOST and our partners in this journey to a healthy, housed, and connected Denver.

Respectfully,

Mayor Michael B. Hancock

A Letter from Chief Housing Officer and HOST Executive Director **Laura Brudzynski**

On behalf of the Hancock administration and the approximately 100 current staff members of the Department of Housing Stability, I am honored to present to the community the 2022 HOST Annual Report. In February 2023, I was appointed to serve as the second HOST Executive Director and Chief Housing Officer for the City and County of Denver. It is a tremendous privilege to serve our community, and to work alongside such a passionate and committed team.

I have dedicated my career to helping individuals and families find stable housing. Every home we build, every dollar we spend to connect people with rent assistance and other services, matters. The hope and satisfaction that comes with a key to a new home or apartment can change a life, and the lives of generations to come. As detailed in the pages to follow, HOST and its partners provided many keys throughout 2022 — and we helped preserve roofs over the heads of countless more Denverites.

The pandemic exacerbated already difficult housing challenges in Denver, and as such our work is more important than ever. We are fortunate to have support from community members and partners such as City Council to address the challenge head on. The surge of recovery resources, including federal American Rescue Plan Act (ARPA) funds, helped us invest over $174M in 2022 to implement our strategic plan. Public engagement showed us that residents prioritized housing and homelessness as one of the most important areas for investing ARPA funds as part of Denver's recovery efforts. ARPA has presented to us a once-in-a-generation opportunity to boost affordable housing, and we're fully leveraging this opportunity.

Local resources are also making an incredible difference. Last year, Denver issued general obligation bonds to support our social infrastructure, including the addition of 188 shelter beds for people experiencing homelessness and the purchase of a 450-bed shelter. 2022 was a significant year for our Affordable Housing Fund (AHF) and Homelessness Resolution Fund (HRF) as well, which invested around $57.5M across sources.

Though much work remains to be done, this report marks the first year of progress toward accomplishment of Denver's 2022-2026 housing and homelessness resolution goals. We're proud to offer an updated snapshot of progress, year-round, through a new dashboard available on the HOST website.

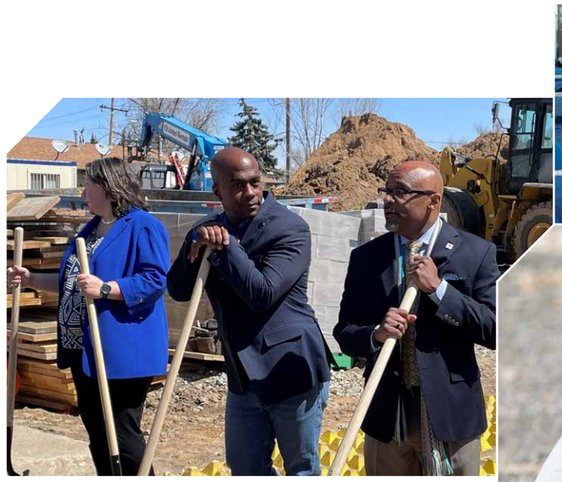
Partnerships are key to the fulfillment of our goals, and we're grateful for our many community members, partners, service providers, developers and other city agencies who continue to roll up their sleeves to house and stabilize our community. Together, we will continue to advance this important work to create a healthy, housed, and connected Denver.

Laura Brudzynski

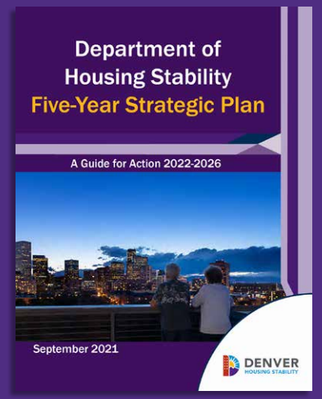
Our **Vision**

While housing prices in Denver have nearly doubled and median rent spiked 78% over the past decade, incomes have not increased as quickly. Denver faces a significant shortage of affordable homes, particularly for those at the lowest income levels. Even with Mayor Michael Hancock and City Council's increase of the minimum wage, more than 117,000 households pay more than the recommended 30% of their income for housing, putting them one unexpected car repair, major medical bill or job loss away from potentially losing their housing. The COVID-19 pandemic exacerbated the housing crisis. Denver saw unemployment quadruple, and requests for rent and utility assistance increased 270%. Today, more than 117,000 of Denver's 350,000 households are cost burdened, paying more than a third of their income toward their housing costs. As a result, homelessness is rising — the last count showed a 15% increase in persons experiencing homelessness compared to just before the pandemic.

HOST's vision is to create a healthy, housed and connected Denver. We do that by investing resources, creating policy, and building partnerships to provide housing stability, resolve episodes of homelessness, and create and preserve affordable housing. Our work is guided by our overarching core value of equity. Our work is person centered, trauma informed, and data driven. HOST invests funds into affordable housing development and preservation, supportive housing, and affordable rental programs. HOST invests resources and partners with other organizations to provide rent and utility assistance, affordable rental housing and homeownership opportunities, tenant and landlord counseling services, eviction and foreclosure assistance, down payment assistance, and other services. HOST contracts with nonprofits that operate shelters, rapid rehousing, diversion programs, and outreach teams who contact persons experiencing homelessness.



HOST's **Five-Year Strategic Plan**



In 2021, the Department of Housing Stability (HOST) published its Five-Year Strategic Plan. The plan is the culmination of two years of community engagement to chart the direction for the department through 2026 in our collective vision to create a healthy, housed and connected Denver.

What is affordable housing?

Affordable housing is typically defined as housing that requires the occupant to pay no more than 30% of their gross income for housing costs (i.e., rent or mortgage payment plus the cost of utilities)[2]. Whether a household's housing is affordable depends on two factors: (1) their income, and (2) how much they pay each month for their rent or mortgage and utilities. Because households' incomes vary, the same set of housing costs may be affordable to one household and not be affordable to another.

To ensure affordable homes go to those who need it, the City places legal requirements on the affordable housing it funds or that it requires through policy. These requirements specify how many units must be rented or sold to households at set income levels and that they must be rented or sold at affordable prices. Those income levels are expressed as a percentage of the area median income to accommodate changes in income over time. This is also called income-restricted affordable housing.

HOST has a priority for deeply affordable homes, which we define as those that are affordable (i.e., require no more than 30% of the household's income) for households earning at or below 30% of the area median income. There are two reasons for our focus on deep affordability. First, households at the lowest income levels are paying more than 30% of their income on housing at the highest rates. Second, the market does not naturally produce units affordable to those households without significant public subsidy as the cost of constructing housing is generally higher than what can be financed from rents collected at these affordable rates. For more information on this, see the Setting the Stage section and Appendix A1 of HOST's Five-Year Strategic Plan.

[1]U.S. Department of Housing and Urban Development. (n.d.). "Glossary of Terms to Affordable Housing." https://archives.hud.gov/local/nv/goodstories/2006-04-06glos.cfm.

What We Hope to Achieve: Summary of Strategic Plan Goals and Targets

In order to achieve our vision of a healthy, housed, and connected Denver, HOST's Five-Year Strategic Plan established desired impact statements for the core overarching value of Equity, the three pillars of the work – Housing Opportunity, Housing Stability, and Homelessness Resolution, and the foundational support of Operations. Through the efforts outlined in the strategic plan and this annual action plan, HOST will help create a Denver where:

Advance Equity	Race no longer predicts outcomes for involuntary displacement, homelessness, homeownership, or cost burden.
Housing Opportunity	Residents have equitable access to housing options that meet their affordability needs and the opportunity to increase wealth through home ownership.
Housing Stability	Residents have the choice in when and under what circumstances they move or remain in their homes and neighborhoods.
Homelessness Resolution	Residents experience homelessness rarely and, if they do, it is brief and one-time.
Operations	Denver residents and partners will receive efficient, timely and transparent support, and have confidence that HOST is measuring what matters and effectively engaging the community.

HOST VISION

Healthy. Housed. Connected.

To this end, the Five-Year Strategic Plan established 14 important, measurable goals, each undergirded by measurable targets and strategies needed to achieve them:

ADVANCE EQUITY

Race no longer predicts outcomes for involuntary displacement, homelessness, homeownership, or cost burden.

HOUSING OPPORTUNITY

Expand access to affordable housing opportunities

Preserve existing affordable homes

Expand homeownership opportunities

HOUSING STABILITY

Help households remain in their home and neighborhood of choice

Reduce evictions

Reduce foreclosures in income-restricted homes

HOMELESSNESS RESOLUTION

Address unsheltered homelessness

Expand pathways to successful rehousing

Complete shelter system transformation toward rehousing

Improve homelessness resolution system for families

OPERATIONS

Expand communications and community engagement

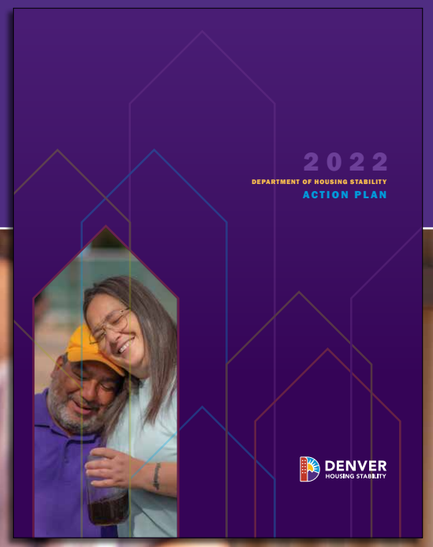
Expand and support partnerships through transparent, efficient, and effective processes

Deepen data infrastructure

Advance citywide and regional approaches, including policy and legislative approaches

2022 **Action Plan**

While the Five-Year Strategic Plan articulates the department's best thinking when it was developed, it was intended to provide strategic vision that would evolve over time as needs change. As such (and described on page 56 of the five-year plan), the department committed to publish annual reports that track progress on our goals, and annual action plans that detail the upcoming year's priorities.



Strategies

In 2022, HOST began to implement many strategies from our five-year plan. Specifically, we committed to:

- Invest recovery funding to **expand housing,** bolster critical investments to **relieve involuntary displacement pressures** and expand housing stability programs, and invest in **shelter and shelter alternatives** (e.g., safe outdoor spaces, tiny homes, and safe parking) to provide safety and stability for residents experiencing homelessness while housing solutions are scaled;
- Create and preserve more than **1,400 affordable rental and for sale homes**, including **185 units of supportive housing** (of the 7,000 units anticipated in the five-year plan);
- Serve more than **6,000 households in stability programs**, including rent and utility assistance and eviction legal defense to prevent evictions;
- House at least **1,400 households experiencing homelessness** through Homelessness Resolution programs;[2]
- Address unsheltered homelessness through **expanded outreach, innovative housing efforts, and support for shelter and alternative options** that meet the diversity of residents' needs and real-time, quality data collection;
- Increase operational support for these efforts by **centering residents with lived experience in communications and engagement efforts**, improving the transparency and effectiveness of contracting, procurement, and financial processes, and establishing data and reporting tools to report plan progress.

[2]Denver will also house 900 households through the regional Coordinated Entry system, OneHome. Because HOST Homelessness Resolution programs use OneHome to fill a portion of their vacancies, some of these households may be duplicated.

2022 **Progress Toward Goals**

As part of the department's core value of being data driven, and its strategies to improve transparency and communication with stakeholders, HOST has developed a public dashboard to track progress toward its Five-Year Strategic Plan goals.

This dashboard features highlights of the department's progress toward the primary goals and detailed reporting on progress toward those goals and targets, which are included here as of Dec. 31, 2022. Current data and additional detailed reporting about the progress within each of our pillars of work (Housing Stability, Homelessness Resolution, Housing Opportunity, and Operations) and our overarching core value of Equity are available in the dashboard on our website, along with a guide to how we calculate our data. We encourage you to explore it!

Highlights *Highlights on progress toward HOST 5-year strategic plan goals from 2022–2026, as of 4/3/23*

Housing Opportunity	**560** Units Created	**385** Units Preserved	**3,903** Households Served in Opportunity Programs	**56** Supportive Housing Units Created
Housing Stability	**9,296** Households Served, stability programs	**1,485** Households Served, eviction programs		
Homelessness	**1,580** Household exits to permanent housing	**1,972** Households served, rehousing and supportive housing annually	**313** Exits to housing from street outreach and shelter alternative programs	
Operations	**50 Days** Average Number of days to fully executed contract (under $500k)	**23 Days** Average working days to procurement decision	**17 Days** Average working days to process invoice	

Progress Toward 5-Year Strategic Plan Targets as of Dec. 31, 2022

Visual Guide

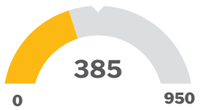
5-Year Targets *Progress toward HOST 5-year strategic plan targets from 2022–2026. Some targets are measured over the course of the 5 years while others are measured annually.*

Housing Opportunity

Increase % of Denver homes that are income restricted from 7% to 8%

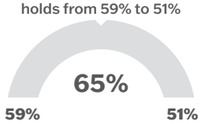
Create 6050 affordable homes

Preserve 950 affordable homes

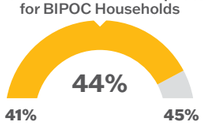


Create & preserve 900 supportive housing units

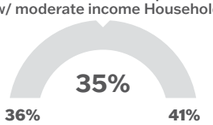
Reduce cost-burden rate for low-moderate income households from 59% to 51%



Increase homeownership rate for BIPOC Households

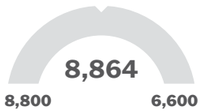


Increase homeownership rate for Low/ moderate income Households

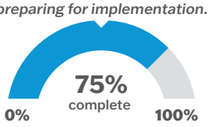


Housing Stability

Reduce evictions from 8,800 to 6,600 annually



Advance prioritization policy*
**Policy passed by City Council, preparing for implementation.*

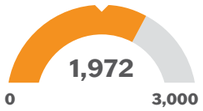


Reduce foreclosure filings among income restricted units from 10 to 0 annually

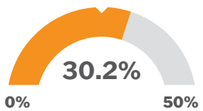
Homelessness

Reduce unsheltered homelessness by 50%

Households served in rehousing and supportive housing annually



Increase family exits from shelter and outreach to housing



Reduce average length of homelessness to 90 days

Operations

Reduce average working days to fully executed contract: **development contracts**

Reduce average working days to fully executed contract: **valued at 500k or more**

Reduce average working days to fully executed contract: **valued at 500k or less**

Reduce average working days to procurement decision

Reduce average invoice processing time

2022 **Policy Achievements, Innovative Programs, and Other Expansions**

In 2022, HOST and partners launched innovative policies and programs that help implement goals of our strategic plan toward equity, mixed-income housing development, and support for those at risk of displacement. We also added new services to our city team through outreach, encampment resolution, and other support for those unsheltered.

Expanding Housing Affordability

In June 2022, City Council voted to approve the historic "Expanding Housing Affordability" policy, a multi-year effort led by the Department of Community Planning and Development and HOST in collaboration with City Council, residents, businesses, housing developers and others. The Expanding Housing Affordability policy aims to increase access to affordable housing across Denver by:

1) **Requiring new residential development of 10 units or more to designate 8% to 12% of the units as affordable, regardless of whether the home is for-rent or for-sale. In higher-cost areas of the city, such as downtown, developers will need to provide 2-3% more affordable units. The policy will provide much-needed workforce housing options in Denver and allows alternatives to construction onsite such as a fee-in-lieu of the affordable units.**

2) **Gradually increasing the "linkage fee," which is a fee on development used to build and preserve affordable housing for people with lower incomes.**

3) **Offering zoning and financial incentives, such as flexible parking requirements, height incentives, and permit fee reductions, or help offset the cost of building affordable units and increase housing supply.**

Prioritization Policy

In September 2022, City Council approved a new affordable housing prioritization policy to help Denver residents at risk of displacement remain in their neighborhoods, and those who have been displaced return to their neighborhoods of choice. The policy requires newly developed or preserved affordable housing projects to set aside 30% of the units for priority access for households at risk of or who have been displaced from Denver. HOST is working to develop a database that will support implementation of the policy starting in 2024.

metroDPA Social Equity Program

The metroDPA Social Equity program was launched in April 2022 to support housing justice through downpayment assistance for home buyers and their direct descendants who can demonstrate residential ties to a historically redlined neighborhood in Denver. The metroDPA Social Equity program aims to support HOST's strategic plan goal of increasing homeownership rates for Black, Indigenous and People of Color (BIPOC) which are lower in Denver than all households and White households. Qualifying households may receive between $15,000 and $25,000 (depending on their income). The program is being expanded in 2023 with support from the federal American Rescue Plan Act (ARPA) funds.

Expanded Outreach and Other Support for Those Unsheltered

HOST's Five-Year Strategic Plan sets a goal of reducing unsheltered homelessness by 50%. To better address the needs of residents experiencing unsheltered homelessness, Denver has:

- **expanded housing-focused outreach, including through the creation of HOST-staffed outreach teams to complement outreach provided through nonprofit partners;**

- **invested in shelter alternatives to reduce harm and support rehousing, including Safe Outdoor Spaces and Safe Parking, which have served nearly 300 households since inception; and**

- **expanded our focus on housing solutions, through an investment in encampment resolution, a model that other cities have used to close encampments through housing.**

The City receives between 100 and 120 calls to 311 per day related to outreach needs. Denver has scaled up outreach efforts to address increased community concern around unsheltered homelessness. HOST both funds a number of outreach teams operated by partners, as well as two direct service teams within the department. HOST-staffed outreach teams include the Early Intervention Team (EIT) and Encampment Response Team (ERT). EIT focuses on connecting residents experiencing homelessness to services and housing outcomes, while also responding to 311 reports. It moved to HOST in January 2022 after being initiated in the Department of Safety and Department of Public Health and Environment in response to pandemic-related increases in unsheltered homelessness. ERT works alongside enforcement efforts during clean-ups to focus on connecting people in encampments to shelter and services. Positions were budgeted for this team in the 2022 budget and the team has been in place since June 2022.

2022 **Financial Landscape**

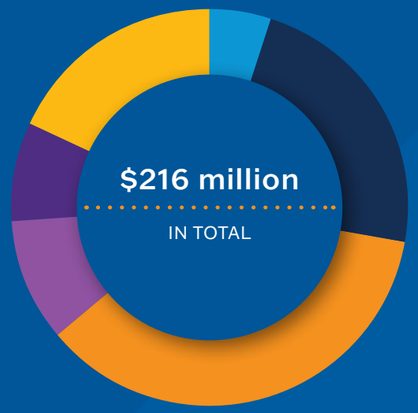
In 2022, HOST prioritized investments consistent with its Five-Year Strategic Plan and 2022 Action Plan. As HOST sought to invest added resources to aid Denver's recovery from the COVID-19 pandemic, we particularly focused on goals to expand access to affordable housing opportunities, prevent eviction, and address unsheltered homelessness. This section describes the revenue streams available to HOST for this work and how the department used those dollars.

In 2022, HOST invested more than $174M into the Denver community to advance housing affordability and resolve homelessness. This includes $34.5M from the Affordable Housing Fund and $23M from the voter-approved Homelessness Resolution Fund. Note that this report reflects expenditures in 2022, representing dollars invoiced by contractors under an approved contract with the City. Additional resources from HOST's 2022 budget are supporting projects that may still be under construction and will expend in future years. For detailed information on expenditures by funding source, see Appendix B.

Use of Recovery Funding to Advance Plan Goals

In 2022 alone, HOST invested $58 million in COVID response and recovery funding, including more than $26 million in funding to support COVID-19 related sheltering for which the city is seeking reimbursement from Federal Emergency Management Agency, $20 million in Emergency Response grant, and $12 million in American Rescue Plan Act funds to help advance Denver's recovery. HOST also made strong progress in committing additional recovery funds to forthcoming projects and programs. HOST has received $216 million in recovery funds so far across multiple budget years.

FIGURE 1: RECOVERY FUNDING FOR HOUSING AND HOMELESSNESS



Recovery Funding for HOST

- **Home American Rescue Plan**
  $10,820,331 | 5%
- **American Rescue Plan Act – Round 1:**
  $50,920,000 | 23%
- **American Rescue Plan Act – Round 2:**
  $77,650,000 | 36%
- **Emergency Rental Assistance Program (ERAP) – Tranche 1:**
  $21,884,992 | 10%
- **Emergency Rental Assistance Program (ERAP) – Tranche 2:**
  $17,046,598 | 8%
- **GO Bond:**
  $38,600,000 | 18%

Some examples of projects funded with recovery funds include:

GENERAL OBLIGATION BOND

The RISE Denver GO Bond is the first general obligation bond program in 45 years to fund a housing and homelessness purpose. The $38 million dedicated to homelessness resolution is the largest GO bond investment toward this purpose in our city's history. It includes:

- **$12.2 million for construction of a new Volunteers of America family shelter to create 52 non-congregate units and a supportive housing project funded through a separate source to offer families alternatives to sheltering and path to long-term stability;**
- **$16 million to support reconstruction of the Urban Peak youth shelter to increase capacity to 136 beds; and**
- **$7.4 million to purchase the existing 24/7 men's shelter at 4600 E. 48th Ave.**

PROTECTIVE ACTION SHELTER

Non-congregate shelter facilities established during the pandemic allowed us to safely shelter guests who were particularly vulnerable to COVID in individual rooms. Throughout the pandemic, Protective Action shelters served more than 578 guests and ¼ exited homeless to housing outcomes.

- **HOST provided Colorado Coalition for the Homeless with $5 million in American Rescue Plan Act funding to acquire a property in September 2022. Plans call for the site to continue providing shelter through at least 2024, with a long-term vision to redevelop the site into approximately 200 units of supportive housing.**

EMERGENCY RENTAL ASSISTANCE PROGRAM (ERAP)

The ERAP program served more than 2,800 unduplicated Denver households by December 2022. Households were able to receive up to 18 months of rental assistance, including rent arrears, current and future rent, as well as security deposits and first month's rent for relocation.

DENVER BASIC INCOME PROJECT

HOST dedicated $2 million in American Rescue Plan Act (ARPA) dollars to contribute funding to the Denver Basic Income Project, a demonstration project providing 820 individuals and families experiencing homelessness with cash payments. Denver Basic Income Project is driven by a culture of inclusiveness, equity, diversity, and justice.

HOUSE AMERICA

To support President Biden's House America effort, Denver exceeded our goal to house at least 500 residents experiencing homelessness and support 144 units of affordable housing. A total of 509 households were rehoused under the initiative, and funds were committed to 277 units of either Permanent Supportive or Extremely Low-Income Housing. These goals were achieved through Emergency Solutions Grant – Coronavirus (ESG-CV) funds ($5.3M), HOME Investment Partnerships Program ARPA funds ($10.8M), Coronavirus Relief Fund (CRF) dollars ($2.5M), and Emergency Housing Vouchers via Denver Housing Authority.

2022 **Actual Expenditure of Funds**

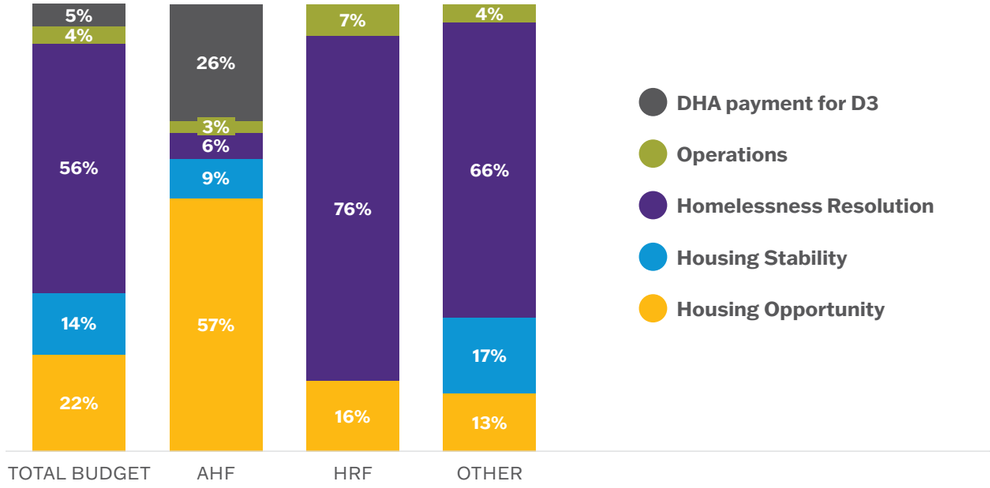
This section describes how dollars expended in 2022 were allocated between HOST's pillars of work (see figure 2) and by its primary investment types (see figure 3).

In 2022, 56% of HOST's expenditures went toward homelessness resolution, which includes both shelter and services and housing programs for households experiencing or exiting homelessness; 22% of expenditures went toward housing opportunity, which helps create and preserve affordable housing and support homeownership; 14% went toward housing stability, which helps people remain in their homes and neighborhoods of choice, prevent eviction, and prevent foreclosure.

In 2022, more than half of HOST's expenditures went toward housing. Specifically, 32% went toward housing assistance and 18% went toward the creation and preservation of affordable homes. An additional 7% supported the Denver Housing Authority (DHA) Delivers for Denver (D3) program, which will create 2,500 units of affordable housing. Expenditures for the Affordable Housing Fund and Homelessness Resolution Fund are consistent with the eligible uses for those funds. Consistent with the City's intergovernmental agreement with DHA for D3, the property tax portion of Denver's Affordable Housing Fund went to support the D3 program, representing 26% of expenditures in that fund in 2022.

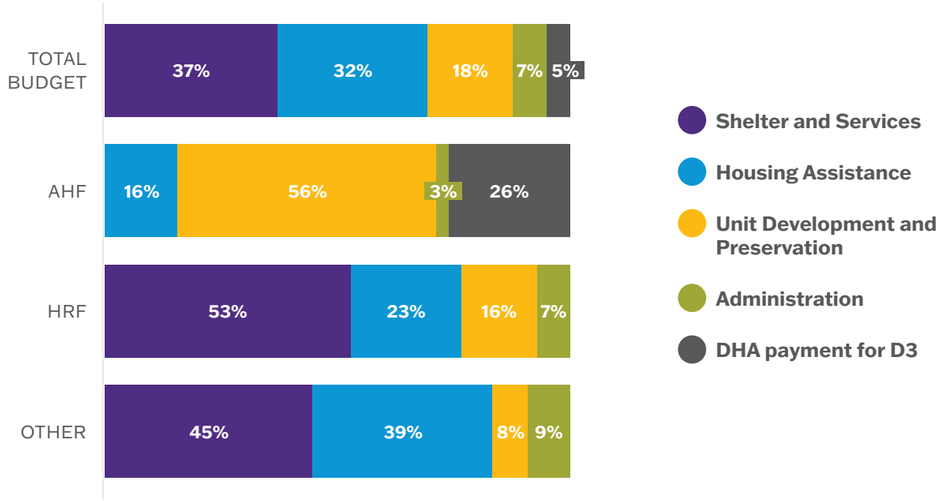
Note, additional housing projects have been supported with resources from the 2022 budget that will expend in future years. Development projects generally cross multiple budget years between funding assignment, contract development, permitting and development.

FIGURE 2: ACTUAL EXPENDITURES BY PILLAR AND REVENUE SOURCE FOR 2022



Note: Other includes all revenue sources that are not in the AHF and HRF including federal grants, other funds, and recovery funds.

FIGURE 3: ACTUAL EXPENDITURES BY PILLAR AND INVESTMENT TYPE FOR 2022



Note: Other includes all revenue sources that are not in the AHF and HRF including federal grants, other funds, and recovery funds.

Conclusion

In its first year implementing its Five-Year Strategic Plan, HOST set out to accomplish ambitious gains toward a healthy, housed and connected Denver.

We invested recovery funding to expand housing, relieve involuntary displacement and expand housing stability programs, and invested in shelter and shelter alternatives (e.g., safe outdoor spaces, tiny homes, and safe parking) to provide safety and stability for residents experiencing homelessness while housing solutions are scaled.

We aimed to create and preserve more than 1,400 affordable rental and for sale homes in 2022, including 185 units of supportive housing (of the 7,000 units anticipated in the five-year plan). We made significant progress in 2022, supporting over 1,000 units, but fell short of the projected goal. We created 560 and preserved 385 affordable homes, plus 56 supportive housing units. The quickly rising cost of construction including materials, labor, and interest rates resulted in multiple projects with bigger gaps than originally anticipated in their funding applications to HOST. As such, HOST supported projects in the pipeline with higher per unit investments to help ensure they could proceed to construction, impacting the total number of projects that could be supported in 2022. In some cases, the rise in costs and need for subsequent funding resulted in project delays that crossed budget years. HOST is making updates to investment terms to align with current funding environment and will consider these rising costs per unit in future action plan projections.

We said we would serve more than 6,000 households in stability programs, including rent and utility assistance and eviction legal defense to prevent evictions, and significantly exceeded that, serving 9,300 households.

We sought to house at least 1,400 households experiencing homelessness through Homelessness Resolution programs, and we served 1,972 in rehousing and supportive housing programs alone.

We worked to address unsheltered homelessness through expanded outreach, innovative housing efforts, and support for shelter and alternative options that meet the diversity of residents' needs and real-time, quality data collection. This resulted in 1,580 households exiting homelessness to permanent housing, including 313 from street outreach and other alternative shelter programs. And 1,900 households were served with rehousing and supportive housing.

And we increased operational support for these efforts by centering residents with lived experience in communications and engagement efforts, improving the transparency and effectiveness of contracting, procurement, and financial processes, and establishing data and reporting tools to report plan progress. We launched a new reporting dashboard on our website, reduced the time for procurement decisions to 23 days, reduced invoice processing and contract execution to 17 days and 50 days, respectively. We also expanded communication channels and frequency, and obtained budget for two dedicated community engagement officers in 2023.

With four years ahead in our Five-Year Strategic Plan, we feel confident we are on track to meet or exceed our goals, and ultimately achieving our vision for all of Denver's residents to be healthy, housed and connected.

Acknowledgements

HOST would like to thank all of those who have been involved in the efforts to date and looks forward to creating a city that is more equitable, modern, and progressive, and where people are healthy, housed, and connected.

DENVER MAYOR

Michael B. Hancock

CITY COUNCIL MEMBERS

Amanda Sandoval
District 1

Kevin Flynn
District 2

Jamie Torres
District 3

Kendra Black
District 4

Amanda Sawyer
District 5

Paul Kashmann
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Appendix A. Glossary of Terms

Affordable Housing is typically defined as housing that requires the occupant to pay no more than 30% of their gross income for housing costs (i.e., rent or mortgage payment plus the cost of utilities).

Affordable housing created refers to units developed through new construction projects.

Affordable housing preserved refers to existing income-restricted or naturally occurring affordable housing when the City has facilitated the extension or maintenance of affordability requirements (e.g., by providing funding for rehabilitation of the property with the condition that the property remain affordable for a longer term).

Accessory Dwelling Unit (ADU) is an acronym used to refer to a smaller, independent residential dwelling unit located on the same lot as a stand-alone (i.e., detached) single-family home. ADUs go by many different names throughout the U.S., including accessory apartments, secondary suites, and granny flats.

Area median income (AMI) is commonly used to generate data about geographic areas and divides households into two equal segments with the first half of households earning less than the median household income and the other half earning more.

Black, Indigenous, and People of Color (BIPOC) is a person-first language term that enables a shift away from terms like "marginalized" and "minority."

Chronic Homelessness has been defined as a single individual (or head of household) with a disabling condition who has either experienced homelessness for longer than a year, during which time the individual may have lived in a shelter, Safe Haven, or a place not meant for human habitation, or experienced homelessness four or more times in the last three years.

The U.S. Department of Housing and Urban Development (HUD) administers the Community Development Block Grant entitlement program and allocates annual grants to larger cities (and urban counties) like Denver to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

Congregate Shelters are shared shelter facilities that house persons experiencing homelessness in common spaces, such as traditional day and overnight shelters. In contrast, non-congregate shelters house persons experiencing homelessness in single or roommate accommodations, such as hotel rooms.

Equity is when everyone, regardless of who they are or where they come from, has the opportunity to thrive and acknowledges that treating every person or place exactly the same may not result in fair opportunities to succeed.

Functional zero for veteran homelessness is a milestone that means a community has fewer veterans experiencing homelessness than it can routinely house in permanent housing in a month. For example, if a community is placing four veterans per month on average in permanent housing, it must have four or fewer veterans experiencing homelessness. This reality must be sustained.

Housing Choice Vouchers (HCV) are the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants can find their own housing, including single-family homes, townhouses, and apartments. Housing choice vouchers are administered locally by public housing agencies (PHAs). The PHAs receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program.

Housing Cost-Burden is defined by HUD as families who pay more than 30% of their income on housing, and may have difficulty affording necessities, such as food, clothing, transportation, and medical care.

Housing First is an approach that offers permanent, affordable housing as quickly as possible for individuals and families experiencing homelessness, and then provides the supportive services and connections to the community-based supports people need to keep their housing and avoid returning to homelessness.

Homeless Management Information System (HMIS) is a HUD-required integrated data system for homeless service providers. Any program that receives HUD funds is required to use HMIS. HOST also requires programs it funds to use HMIS, and, starting in 2020, is getting contract reporting from the HMIS system. Colorado has a statewide HMIS. Metro Denver Homeless Initiative (MDHI) oversees the HMIS system for Metro Denver. MDHI's role includes setting up new programs, site monitoring to ensure standards are met (e.g., data quality, timeliness of entry, compliance with privacy notices and release of information practices), and reporting.

Department of Housing Stability (HOST) is abbreviated as HOST taken from the letters HO in the word housing and ST in the word stability.

Low-Income Housing Tax Credits (LIHTC) is a program for which state and local agencies allocate approximately $8 billion in tax credits for the acquisition, rehabilitation, or new construction of rental housing targeted to lower-income households.

OneHome is the Metro Denver Coordinated Entry System. Coordinated Entry is a national best practice to match households experiencing homelessness with housing in a coordinated way across the community. Communities across the country use this type of coordinated approach to end homelessness. In Denver alone, over 2,000 households are assessed and entered into OneHome annually. OneHome uses the database, Homeless Management Information System (HMIS), to collect data needed for coordinated entry.

Permanent Supportive Housing (PSH) is an intervention that combines affordable housing assistance with voluntary support services to address the needs of chronically homeless people. The services are designed to build independent living and tenancy skills and connect people with community-based health care, treatment, and employment services.

Persons or People Experiencing Homelessness (PEH) is the preferred term for individuals who are unhoused.

Point-in-Time (PIT) Count is a one night count of those experiencing homelessness in the Metro Denver area, administered through the Metro Denver Homeless Initiative.

Redlining is the systematic denial of various services to residents of specific, often racially associated, neighborhoods or communities, either explicitly or through the selective raising of prices.

Registered Neighborhood Organizations (RNO) are groups formed by residents and property owners within a neighborhood who meet regularly and whose organizational and contact information is kept on file with the City's Community Planning and Development Department.

Section 8 is the previous name for the Housing Choice Voucher program. See HCV reference above.

Social Impact Bond programs are a unique type of performance-based contract where private and/or philanthropic lenders loan funds to accomplish a specific objective and are repaid based on whether the program achieves its goals.

Safe Outdoor Spaces (SOS) refers to a new approach for the City and County of Denver creating temporary, sanctioned camp sites with supportive services.

Supportive Housing is an intervention that combines affordable housing assistance with voluntary support services on an as-needed basis. The services are designed to build independent living and tenancy skills and connect people with community-based health care, treatment, and employment services.

Temporary Rental and Utility Assistance (TRUA) programs offer resources to Denver residents who are facing financial hardship to help prevent eviction.

Appendix B. Additional Financial Information

This appendix provides additional information on funding sources available to the Department of Housing Stability (HOST) and funding streams outside of HOST that support housing and homelessness.

Description of Revenue Sources for HOST

This section describes the major revenue sources HOST uses on an ongoing basis to achieve our goals.

City General Fund: The City's General Fund is the largest of the City's operating funds. It includes all resources not restricted legally to a specific use. The major source of revenue for the General Fund is sales and use tax, which accounts for approximately 55% of the fund revenue. The General Fund is allocated to City agencies on an annual basis through the budget process. HOST is one of about 35 agencies receive funding from the General Fund.

Affordable Housing Fund: The Affordable Housing Fund (AHF) is one of HOST's Special Revenue Funds, which is restricted to specific uses and allocated annually. Created in 2016 and doubled in 2018, the Affordable Housing Fund is resourced through property tax, a per square foot fee on new development called a "linkage fee," sales tax on recreational marijuana, and the General Fund. The linkage fee structure was updated through the Expanding Housing Affordability project in 2022. The Affordable Housing Fund is administered by HOST and provides approximately $30 million annually to help address Denver's affordable housing needs. Specific uses of the Affordable Housing Fund are articulated in the Denver Revised Municipal Code and include the production and preservation of rental, homeownership and supportive housing as well as programmatic supports such as homebuyer assistance and other services.

Homelessness Resolution Fund: The Homelessness Resolution Fund (HRF) is HOST's second major Special Revenue Fund and is also allocated annually. Passed by voters in 2020, the Homelessness Resolution Fund is funded by a 0.25% sales tax to support residents experiencing and exiting homelessness. The fund is expected to generate approximately $49 million in 2023, though actual sales tax collection depends on economic factors. As outlined in the Denver Revised Municipal Code, eligible uses of the Homelessness Resolution Fund include capital, operations and as well as programmatic support for housing, shelter and other services for persons experience or exiting homelessness.

Federal grants and other sources: A portion of HOST's budget comes from ongoing federal grants and other funding sources. Federal grants are primarily from the U.S. Department of Housing and Urban Development (HUD) and are allocated annually to Denver based on the HUD budget. Federal funds make up about 5% of HOST's 2023 Projected Budget. Revenue sources in the Other Funds category include one-time donations and smaller funding sources that are replenished when loans are paid back.

Description of COVID Response and Recovery Funding for HOST

Denver has the opportunity to invest a substantial infusion of additional resources to help the City recover from the COVID-19 pandemic. Through RISE Together Denver, the City solicited community input on investment priorities for recovery funding, and housing and homelessness have been consistently named as top priorities.

Federal Emergency Management Agency (FEMA): To support its response to the pandemic, the City has been able to submit emergency response expenses for reimbursement from Federal Emergency Management Agency (FEMA). In the first year of the emergency, the City spent roughly $56.3 million on sheltering support for residents experiencing homelessness and that may be reimbursed by FEMA. These funds helped Denver expand 24/7 sheltering and launch new non-congregate shelter models of service. However, these funds are time and use limited and cannot be fully replaced by HOST's ongoing revenue sources.

American Rescue Plan Act (ARPA) State and Local Funding: ARPA provides state, local, territorial, and Tribal governments with funding to support COVID-19 response efforts, replace lost revenue and strengthen support for public services and jobs, support economic stabilization for households and businesses, and address public health and economic disparities that created inequitable impacts of the pandemic.[27] State and Local ARPA funding must be obligated by December 31, 2024 and spent by December 31, 2026. These funds are being awarded to projects in two tranches. In the first tranche of funding, HOST received $50,270,000. The Mayor's 2023 Budget Book proposes to allocate $78 million to HOST in the second tranche. Uses for these funds support several goals of HOST's Five-Year Strategic Plan, including expanding affordable housing opportunities and addressing unsheltered homelessness.

HOME Investment Partnerships Program (HOME) ARPA grant: ARPA also expanded funding for HUD's HOME program. HOST anticipates receiving a $10.8 million grant from HUD for HOME ARPA. Funds must be spent by September 30, 2030 and can be used for the production and preservation of affordable housing, tenant-based rental assistance, supportive services, homelessness prevention services, and housing counseling, and the purchase and development of non-congregate shelter.[28] HOST has submitted its allocation plan describing how it proposes to use these funds to HUD. Through input during the Five-Year Strategic Planning process, HOST has heard the need for long-term, deeply affordable units and is considering options to help subsidize planned affordable units to serve households at deeper income levels or acquire properties to create more units that are affordable to households earning at or below 30% of the area median income. This supports the five-year goal to expand affordable housing opportunities.

Emergency Rental Assistance Program (ERAP) Tranches 1 and 2: ERAP provides funding to help households who are unable to pay rent or utilities. Funding was awarded in two tranches. The first tranche was enacted in December 2020. Denver's ERAP tranche one funding was contracted to community partners in 2021. The remaining tranche one amount is the portion HOST has retained for administration. The second tranche was enacted in March 2021 and must be spent by September 30, 2025. As a result of the pandemic, more than 175,000 households are behind on rent in Colorado. As Denver recovers from the pandemic and eviction moratoria sunset, the most effective use of ERAP funds is rent and utility assistance to keep people in their homes. HOST has used ERAP primarily for this purpose and advance goals to support household choice and reduce evictions.

General Obligation (GO) Bond: In November 2021, Denver residents voted on a set of ballot measures to allow the City to borrow $450 million through a GO bond to provide additional funding for recovery. Ballot measure 2B was passed and has provided HOST with $38.6 million for housing and sheltering. Those funds must be spent within 10 years of bond issuance. This resource provides $7.4 million for the purchase of the 4600 48th Avenue shelter to support the five-year goal to further shelter system transformation and $30 million in funding for shelter facility acquisition, conversion, construction for non-congregate sheltering to support HOST's sheltering goal and its goal to address unsheltered homelessness. HOST awarded this funding to Urban Peak and Volunteers of America.

Complementary Funding Streams Outside of HOST

While HOST manages a large amount of revenue, many other funders support housing development and programs to bolster housing stability and resolve homelessness. To ensure that these efforts maximize the use of available resources, HOST works with a range of supportive partners. To achieve the goals articulated in this plan, it will be critical for these partnerships to continue and align efforts.

City Partners: HOST coordinates with its partner city agencies in the use of these resources. It works with Denver Economic Development and Opportunity (DEDO) on the use of Community Development Block Grants (CDBG) and HUD grant monitoring and reporting, Denver Human Services (DHS) on supports for families experiencing homelessness and property tax rebate approaches, and the Department of Finance (DOF) on the Social Impact Bond project.

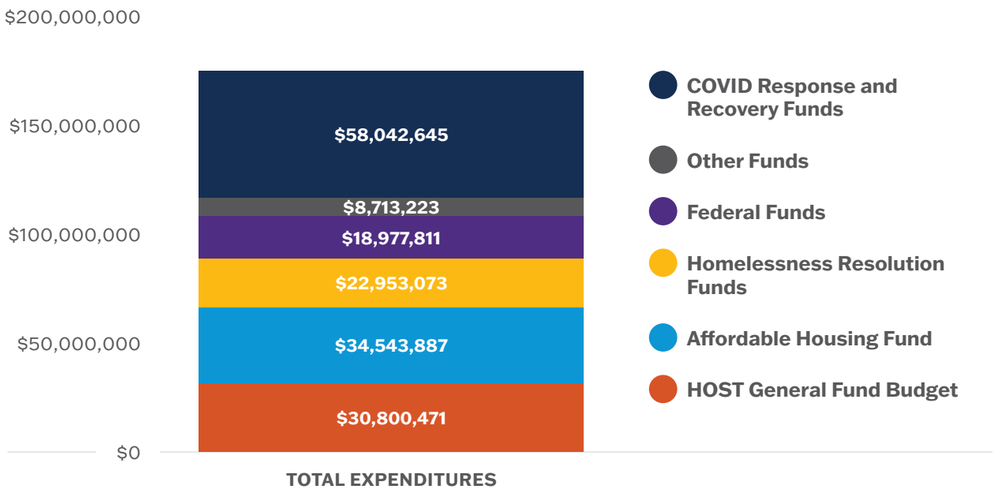
Statewide Partners: HOST also works closely with the Colorado Division of Housing (CDOH) within the Department of Local Affairs (DOLA) and the Colorado Housing and Finance Authority(CHFA). CDOH supports affordable housing development through the allocation of rental assistance vouchers and gap financing, and funds housing stability and homelessness resolution programming. CHFA awards low-income housing tax credits and Private Activity Bonds that are a critical component of an affordable development's capital stack.

Supportive Partners: HOST partners with Denver Housing Authority (DHA) and the development community to create new affordable housing. HOST works with DHA to create innovative solutions for land acquisition to support a strong pipeline of affordable and supportive housing units, including the DHA Delivers for Denver (D3) bond initiative. HOST also works with developers to provide gap financing after the developer has already raised other funds for the majority of their project costs.

Philanthropic Partners: Private funders, foundations, and businesses are also investing in interventions that support HOST's work. A collection of private funders came together in April 2019 to partner with the City and HOST to expand services available in Denver's shelters and bridge housing opportunities to provide more safe, stable places for people to stay while connecting to permanent housing. This also included capital investments in safety and accessibility improvements. In addition, the Caring for Denver Foundation provides an important new resource for mental health and substance misuse services.

Additional Financial Information

FIGURE 4: 2022 ACTUAL EXPENDITURES FOR THE DEPARTMENT OF HOUSING STABILITY – SUMMARY



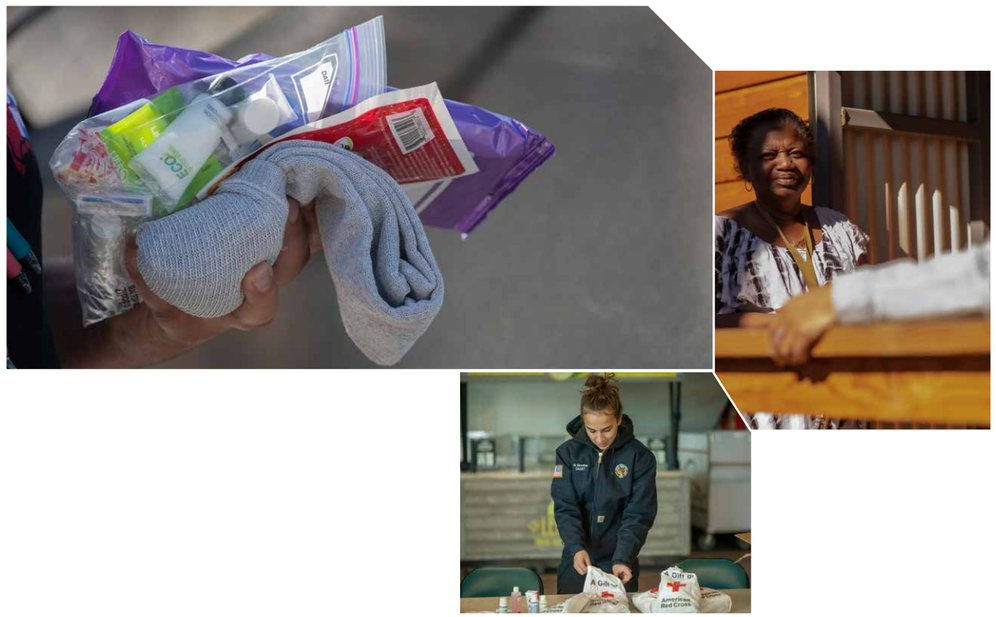


FIGURE 5: 2022 ACTUAL EXPENDITURES FOR THE DEPARTMENT OF HOUSING STABILITY – DETAIL

Funding Source	Amount	Percentage
HOST General Fund Budget	**$30,800,471**	**17.7%**
Affordable Housing Fund	**$34,543,887**	**19.8%**
AHF Carry Forward	$0	0.0%
Property Tax	$30,462,476	17.5%
General Fund/Interest Income	$0	0.0%
Recreational Marijuana Use Tax	$0	0.0%
General Fund Transfer	$0	0.0%
Linkage Fee Projected Revenue	$4,081,411	2.3%
Homelessness Resolution Fund	**$22,953,073**	**13.2%**
Federal Funds	**$18,977,811**	**10.9%**
Community Development Block Grant (CDBG)	$498,377	0.3%
Continuum of Care (COC)	$1,961,473	1.1%
Denver Public Schools Motel Grant	$54,180	0.0%
Edward Byrne Memorial Justice Assistance Grant	$103,708	0.1%
Emergency Solutions Grant (ESG)	$7,856,298	4.5%
HOME Investment Partnerships Program	$4,097,404	2.4%
Homeless Shelter Utility Support	$142,543	0.1%
Housing Opportunities for People with AIDS	$3,963,828	2.3%
Housing for the Mentally Ill	$300,000	0.2%
Neighborhood Stabilization Program II	$0	0.0%
Other Funds	**$8,713,223**	**5.0%**
Affordable Housing Fund	$636,845	0.4%
Affordable Housing Incentive Fee Fund	$0	0.0%
Community Development – Donation	$7,798	0.0%
HMLS Donations	$31,391	0.0%
Homeless Services Fund	$1,080,023	0.6%
Housing Stability Private Grants Fund	$1,511,361	0.9%
Inclusionary Housing Ordinance	$248,404	0.1%
Mandatory Affordable Housing Fee-In-Lieu Fund	$0	0.0%
Metro Mortgage Assistance	$1,978,729	1.1%
Performance Contracts (SIB) (GF Transfer)	$3,165,896	
Rental Rehabilitation	$0	0.0%
Revolving Affordable Housing Loan Fund	$0	0.0%
SIPPRA (GF Transfer)	$52,775	0.0%
Skyline Housing	$0	0.0%
COVID Response and Recovery Funds	**$58,042,645**	**33.4%**
American Rescue Plan Act	$11,625,002	6.7%
Federal Emergency Management Agency	$26,022,465	15.0%
Emergency Rental Assistance Program	$20,395,178	11.7%
Total	**$174,031,110**	**100.0%**

FIGURE 6: ACTUAL EXPENDITURES BY PILLAR AND REVENUE SOURCE FOR 2022 (DOLLAR AMOUNTS)

	Total Budget	AHF	HRF	General, Federal, Recovery, and Other Funds
Total Budget	**$174,031,110**	**$34,543,886**	**$22,953,074**	**$116,534,150**
Housing Opportunity	$38,135,787	$19,589,714	$3,779,461	$14,766,612
DHA payment for D3	$8,953,160	$8,953,160	$0	$0
Housing Stability	$23,552,807	$3,184,502	$0	$20,368,305
Homelessness Resolution	$96,601,920	$1,924,794	$17,543,472	$77,133,654
Operations	$6,787,436	$891,716	$1,630,141	$4,265,579

Notes: AHF stands for Affordable Housing Fund; HRF stands for Homelessness Resolution Fund. These funds are broken out separately from other funds in order to provide greater transparency into how HOST plans to expend locally-generated, dedicated funding sources for housing and homelessness. Similar to HOST's expenditures in Housing Opportunity, HOST's payment to DHA for the D3 Initiative supports the development of affordable housing units in Denver. Because dollars paid to DHA for the D3 Initiative are not available to be directly invested by HOST, it is categorized separately. Operations is a division of HOST that includes staff for communications and engagement, finance, contracting and procurement, data systems administration and reporting, policy and strategic planning, and executive support.

FIGURE 7: ACTUAL EXPENDITURES BY INVESTMENT TYPE AND REVENUE SOURCE FOR 2022 (DOLLAR AMOUNTS)

	Total Budget	AHF	HRF	General, Federal, Recovery, and Other Funds
Total Budget	**$174,031,110**	**$34,543,887**	**$22,953,073**	**$116,534,150**
Housing	$96,938,751	$33,563,921	$9,151,140	$54,223,690
Housing Assistance	$56,091,593	$5,387,939	$5,371,679	$45,331,975
Unit Development & Preservation	$31,893,998	$19,222,822	$3,779,461	$8,891,715
Unit Development & Preservation: DHA payment for D3	$8,953,160	$8,953,160	$0	$0
Shelter & Services	$64,163,562	$0	$12,114,128	$52,049,434
Administration	$12,928,798	$979,966	$1,687,805	$10,261,027

Notes: AHF stands for Affordable Housing Fund; HRF stands for Homelessness Resolution Fund. These funds are broken out separately from other funds in order to provide greater transparency into how HOST plans to expend locally-generated, dedicated funding sources for housing and homelessness. Similar to HOST's expenditures in unit development and preservation, HOST's payment to DHA for the D3 Initiative supports the development of affordable housing units in Denver. Because dollars paid to DHA for the D3 Initiative are not available to be directly invested by HOST, it is categorized separately. Administration includes planned expenditures on staffing across HOST as well as planned spending on professional services, data systems investments, staff training, etc.