Permanent Supportive Housing Project Pipeline
Housing and Homeless Working Group
April 27, 2017
City defines “supportive housing” as stable, long term housing for individuals experiencing homelessness that includes, but is not limited to supportive services such as case management, health care and/or workforce training.
Alongside investment into units, City piloted Social Impact Bonds as an innovative approach to funding case management and mental/behavioral health services in supportive housing projects

- *Over 100 individuals have been housed* and are receiving comprehensive services.
- The remaining 150 individuals will be housed by late summer/early fall.
- The program is *reaching a very vulnerable population*, those with intense co-occurring needs such as mental health disorders, severe substance use, and unmanaged chronic illness.
- Participants have scored very high on our region’s vulnerability tool, the VI-SPDAT
- Both MHCD and CCH are continuing to develop strategies to *best leverage Medicaid funding* in order to develop long-term sustainability for the program.
The City of Denver has partnered with the State of Colorado to fund the Toolkit of Permanent Supportive Housing

- 2015/2016 toolkit resulted in three supportive housing projects that are currently under construction
- 2016/2017 toolkit included five projects in various stages of the housing pipeline
  - Senior Support Services
  - Volunteers of America
  - Second Chance Center
  - Denver Indian Family Resource Center
  - Urban Peak Denver
• City organizes pipeline of affordable housing requests into tiers based on project readiness:

  – Tier 1: projects with site control, financing and project design
  – Tier 2: projects that may have site control but are in planning phase
  – Tier 3: projects that are in concept phase
Current CHALLENGES for projects in the affordable housing pipeline (including PSH):

1) Since land prices have substantially increased citywide, **availability and cost of land** is a challenge for affordable development.

2) With rising interest rates and a decline in tax credit pricing, developers are seeing an **increased need for gap financing for vertical construction**.

3) Goal of investment in housing across variety of neighborhoods to deconcentrate poverty but **may face financial, site capacity and other barriers**.
What Are the Challenges

Current CHALLENGES for projects in the SUPPORTIVE housing pipeline:

1) Since supportive housing includes on-site services, some sites may have **challenges with site design, development capacity and zoning** to accommodate the mix of uses

2) **Supportive services represent an additional operating cost** for developers with limited subsidies available

3) There are a number of **different subpopulations within supportive housing with unique service needs**
Current OPPORTUNITIES for projects in the supportive housing pipeline:

- **Land:**
  - Dedicated Housing Fund and federal resources for land/property acquisition
  - Updated Executive Order to prioritize affordable housing when disposing of owned-owned land
  - Partnerships with public/quasi-public partners with landholdings

- **Vertical Construction:**
  - Dedicated housing fund and federal resources for gap financing alongside tax credits and/or direct rehabilitation

*Note: These challenges apply to affordable housing generally*
Current OPPORTUNITIES for projects in the supportive housing pipeline:

- Pipeline:
  - Improve synchronization of project priorities between State, CHFA and City
  - Improve outreach and communication with developers/service providers in the PSH pipeline

- Funding:
  - Operating - Connect existing resources among DHS (including Medicaid and TANF), DRH, BHS and OED for operating subsidies
  - Operating - Finalize structure for Dedicated Housing Fund, and $16M in Marijuana Funds investments into supportive services
  - Capital - Co-Convene Meeting with Colorado Health Foundation, and Colorado Coalition for the Homeless to consider development of PSH Revolving Loan Fund (Land Acquisition)
Where Are We Headed

• *Refining* and implement a strategy for connecting program resources of housing, services and workforce training

• *Synchronizing* funds to make impact investments across the scale of affordable housing, including PSH Projects

• *Identifying* alternative funding sources to LIHTC to widen the pool of resources for all Affordable Housing projects, including PSH

• *Improving coordination with PSH Toolkit to understand the specific needs of projects and create Action Plans to move projects through the pipeline*
  
  – Convene service providers to provide input on the structure of supportive service resources from the Dedicated Housing Fund