

IN THE CITIES: DENVER CITY COUNCIL APPROVES REINVESTMENT STRATEGY TO USE COST SAVINGS FOR NEW HOUSING INVESTMENT TO END CHRONIC HOMELESSNESS

DENVER, COLORADO. The Denver City Council gave final approval this week to an investment of up to \$1.5 million a year for the next 20 years from city resources to develop more than 200 units of permanent supportive housing for people who are chronically homeless to achieve further results in ending chronic homelessness under *Denver's Road Home*, the city's 10 Year Plan. The City and County of Denver's new investment is based on documented annual cost savings from the reduction of chronic homelessness and the use of expensive public systems, with those savings married to targeted housing resources to create long-term housing solutions in five sites.

"It is a good day for *Denver's Road Home* and - while there is much more work to be done - there are also many people to thank for the support of this initiative that will bring us closer to ending homelessness in Denver," said Jamie van Leeuwen, Denver's 10 Year Plan manager for Mayor John Hickenlooper. "Homeless providers, business and foundation leaders, neighborhood advocates, and homeless individuals filled the Denver City Council chamber for this important dialogue about solutions, and together they underscored that, three years later, as *Denver's Road Home* moves forward, support for the ten year plan remains strong. Through the leverage of \$1.5 million annually in public dollars for these projects, we will create over \$82 million in new housing!"

Responding to the investment news, United States Interagency Council on Homelessness Executive Director Philip Mangano indicated: "Under Mayor Hickenlooper's leadership - and with an exemplary and expansive partnership of the public and private sectors in *Denver's Road Home* - Denver and the nation have benefited from the city's commitment through its jurisdictionally-led, community-based, business- oriented 10 Year Plan to End Homelessness and the plan's publicly reported progress to date in reducing chronic homelessness." He added: "Through *Denver's Road Home*, documentation of cost savings from the success of Denver's earlier Housing First initiatives - including its 2003 federally-funded pilot - has shown the economic benefit to taxpayers of adopting this field- tested, evidence-based innovation that makes common sense and dollars and sense."

Denver's Road Home, with a goal of reducing chronic homelessness 75% by July 2010, produced over 500 housing units for chronically homeless individuals in its first three years. As a result, the use of costly municipal services has been substantially reduced, with detox admissions for the most frequent users of these services declining 84%. Jail incarcerations for homeless individuals were reduced 22%. Future efforts will target reductions in emergency room and hospital admissions. These municipal cost savings are being applied to the new housing solutions to further the reduction in chronic homelessness.

The community goals for developing the new permanent supportive housing included: offering new units in locations outside the core downtown, creating mixed-income communities, ensuring neighborhood support by adopting Good Neighbor Policies for each development, and green built design standards. To achieve these

goals, a site selection committee comprised of neighborhood and business leaders, city staff, and homeless advocates identified the development criteria and recommended sites to City Council for approval.

The 208 permanent supportive housing units are included in five separate affordable housing mixed income housing developments. These five apartment complexes will offer a total of 447 affordable units. The city's financial commitment is an upfront commitment which will leverage investments of Low Income Housing Tax Credits and other federal and state housing grants. The city's financial commitment will ensure the feasibility of rental income, no long term debt, and supportive services.

Permanent financing will be secured by each developer within the next 18 months. Denver will execute annual Service Agreements not to exceed the total of \$1.5 million per year. The final contribution to each housing development will be based on the rates and terms of permanent financing and other federal rental subsidies.

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