

Increasing the Supply of Supportive Housing in Colorado



**A REPORT ON NEEDS AND GOALS FOR A JOINT EFFORT
BY THE GOVERNOR'S OFFICE, DOH, CHFA, AND OTHER
STATE AGENCIES**

Topics Covered in Report



- Needs for supportive housing
- Baseline: average year-over-year increases in supportive housing units (2009-2013)
- Goals for “net new” supportive housing units going forward
 - Addition of rent vouchers combined with services
 - Addition of new units in projects funded by DOH and CHFA
- Resources needed
 - Primarily, more rent vouchers and “soft” gap funding from state and local housing agencies
- Policies and Procedures of DOH and CHFA

Needs for Supportive Housing



**COUNTS OF HOMELESS PEOPLE UNSHELTERED
OR IN EMERGENCY SHELTERS (WORST-CASE)**

PREVALENCE BY REGIONS OF THE STATE

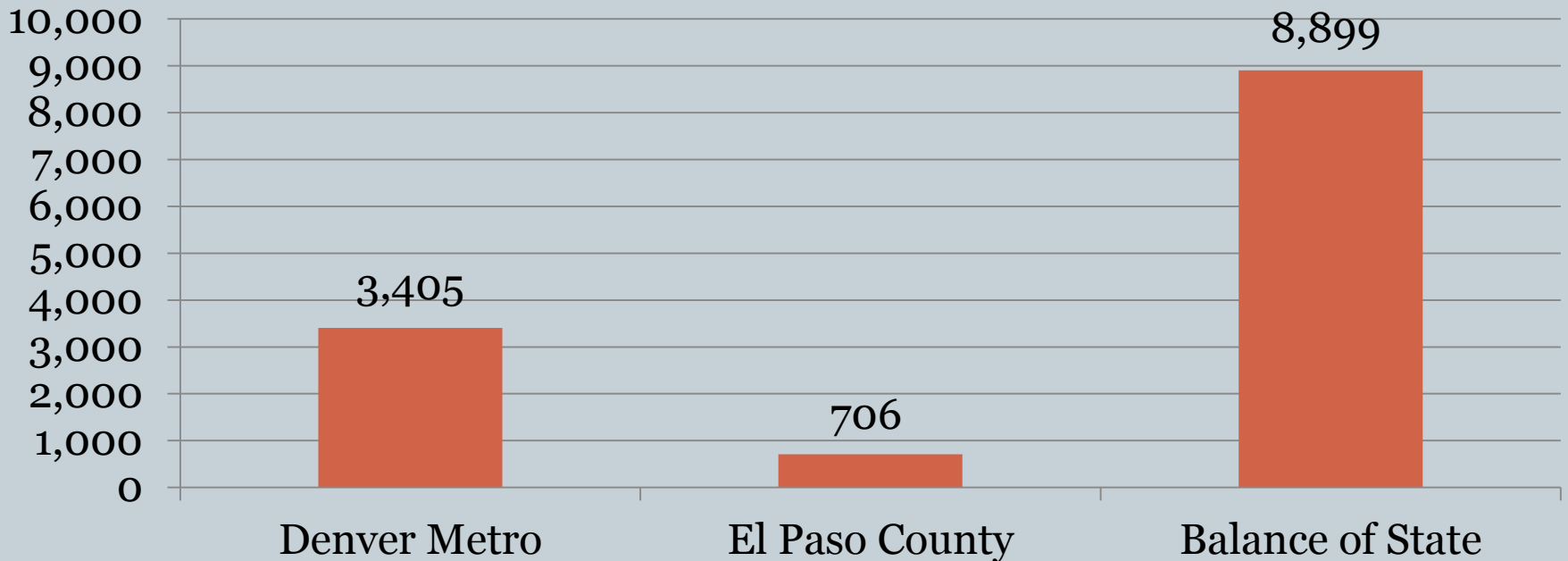
**COUNTS BY HOUSEHOLDS, INDICATING
HOUSING UNITS NEEDED**

**COUNTS OF CHRONICALLY HOMELESS AND
OTHER SUBPOPULATIONS**

Worst-Case Homelessness: Regional Differences



Persons Unsheltered & in Emergency Shelters Statewide Total in 2012: Total 13,010

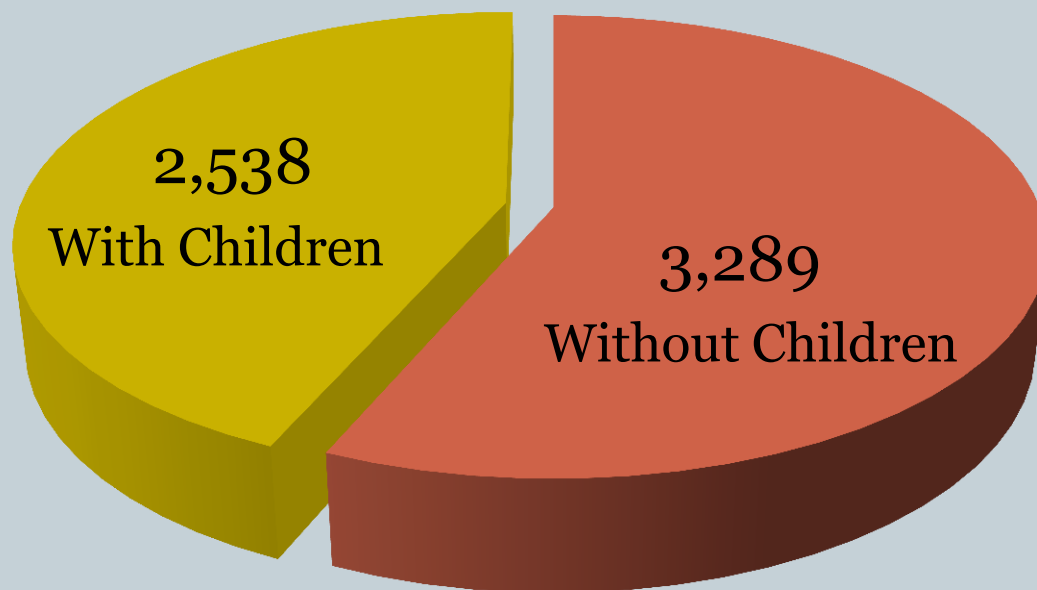


Source: Point in Time Survey, 2012; Another 2,258 persons were in transitional housing, bringing the total count of homeless people to 15,268 (HUD definition)

5,827 Worst-Case Homeless Households Not in Supportive Housing, Statewide (2012*)

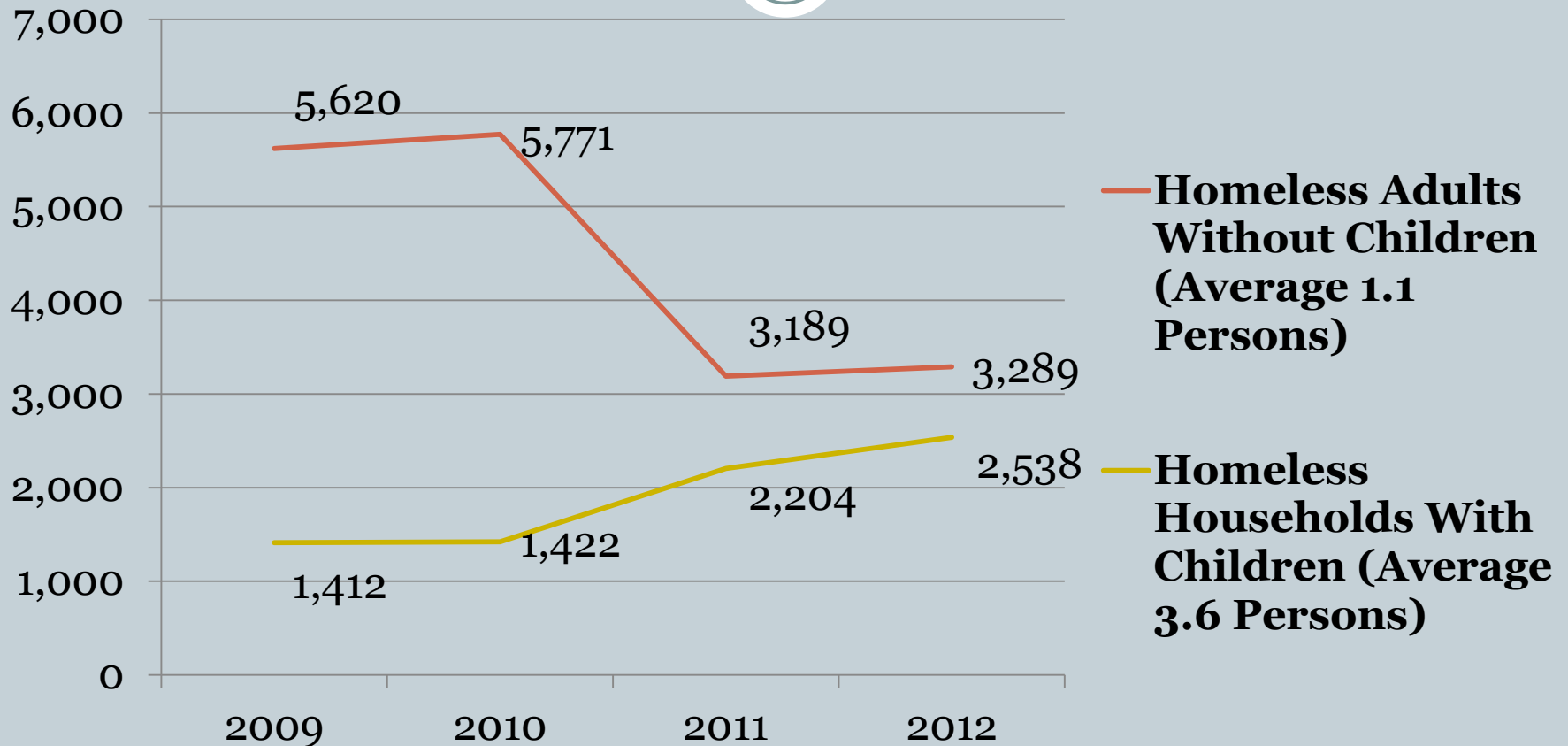


Homeless Households Unsheltered or in Emergency Shelters



*From the 2012 Point in Time Survey (2013 data included some unexplained anomalies); Another 1,751 homeless households were in transitional housing, for a total of 7,578

More Homeless Families, Fewer Adult individuals

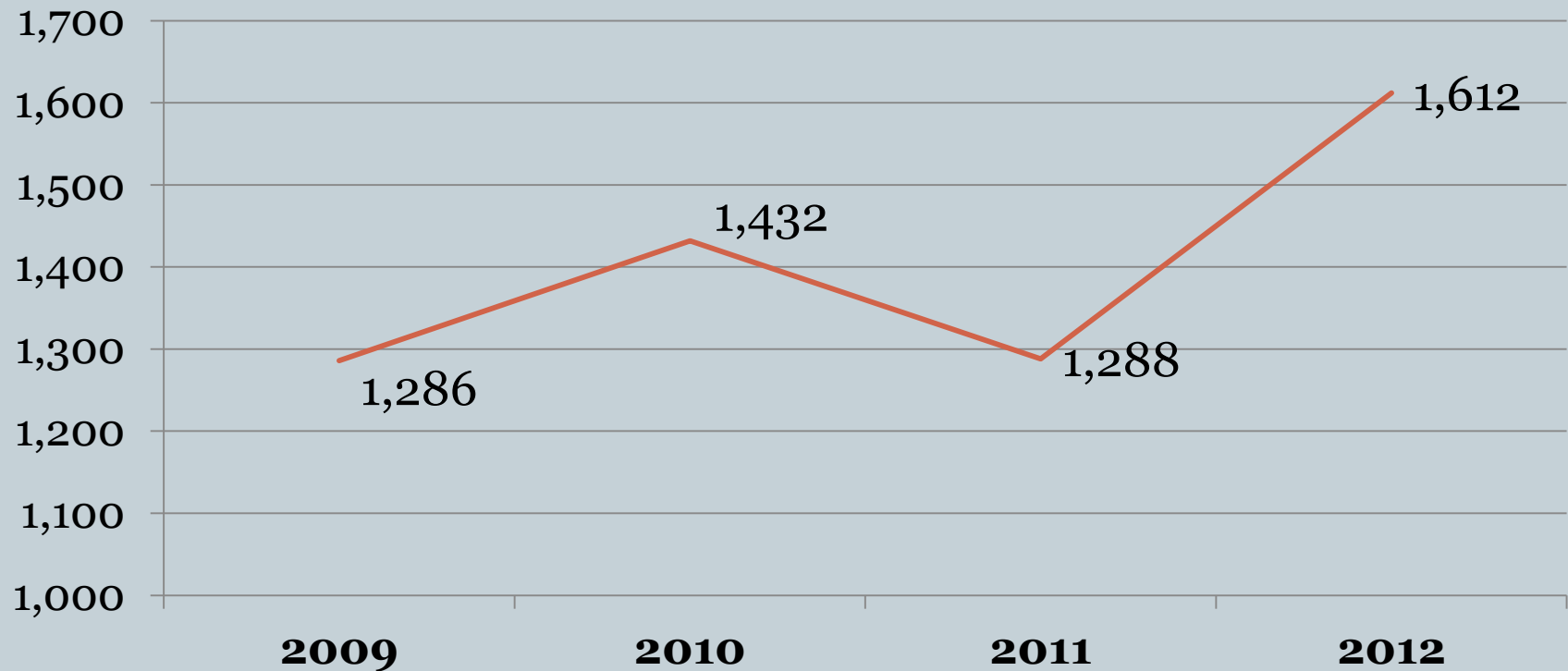


Estimates based on persons statewide counted as unsheltered or in emergency shelters in the 2012 Point In Time survey

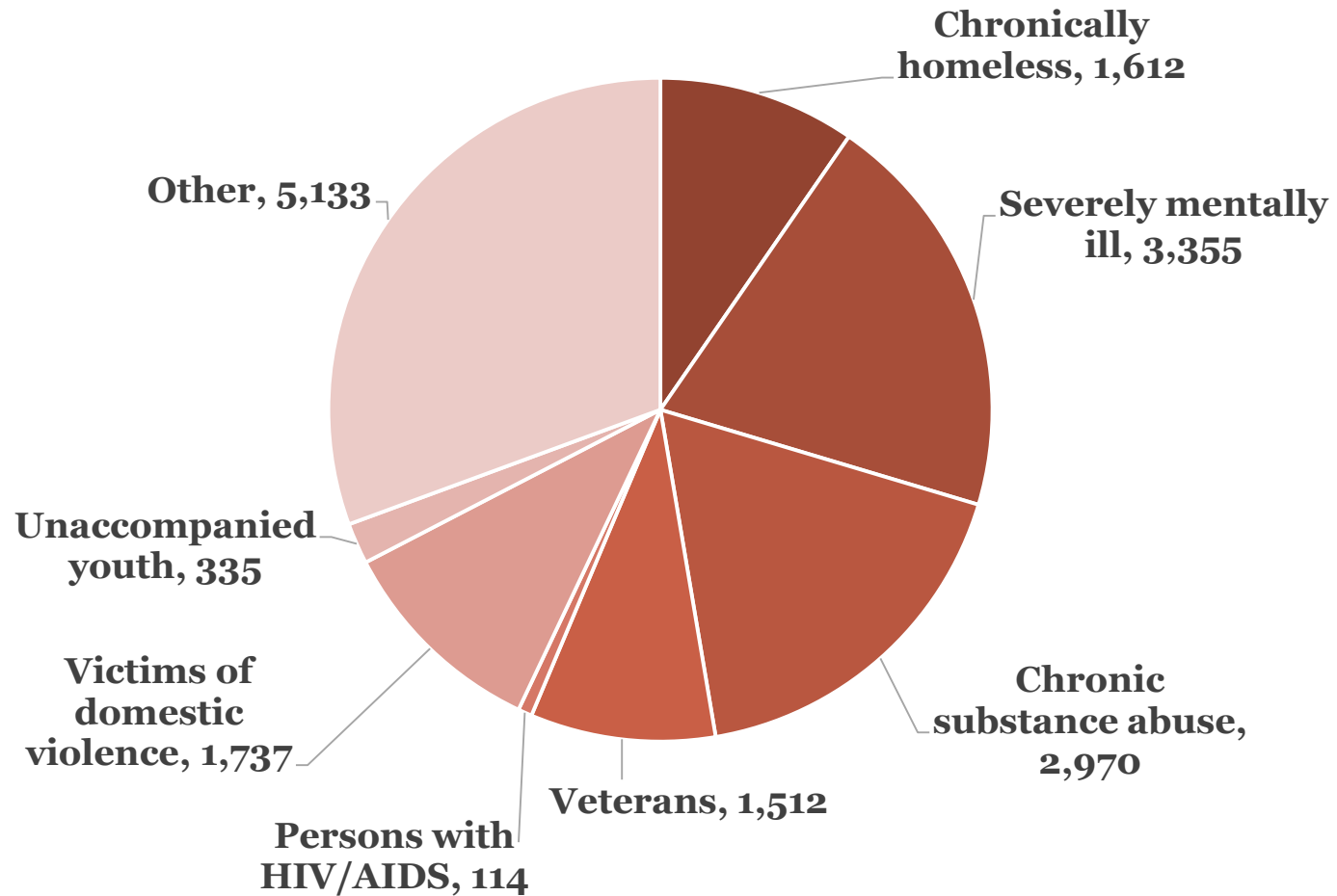
Increase: chronic homelessness



Growth In Number of Chronically Homeless Persons, 2009-2012



Homeless Sub-Populations, 2012



Baselines for Annual Increases in Supportive Housing



**INCREASE IN TRANSITIONAL AND PERMANENT
SUPPORTIVE HOUSING BEDS AND UNITS OVERALL**

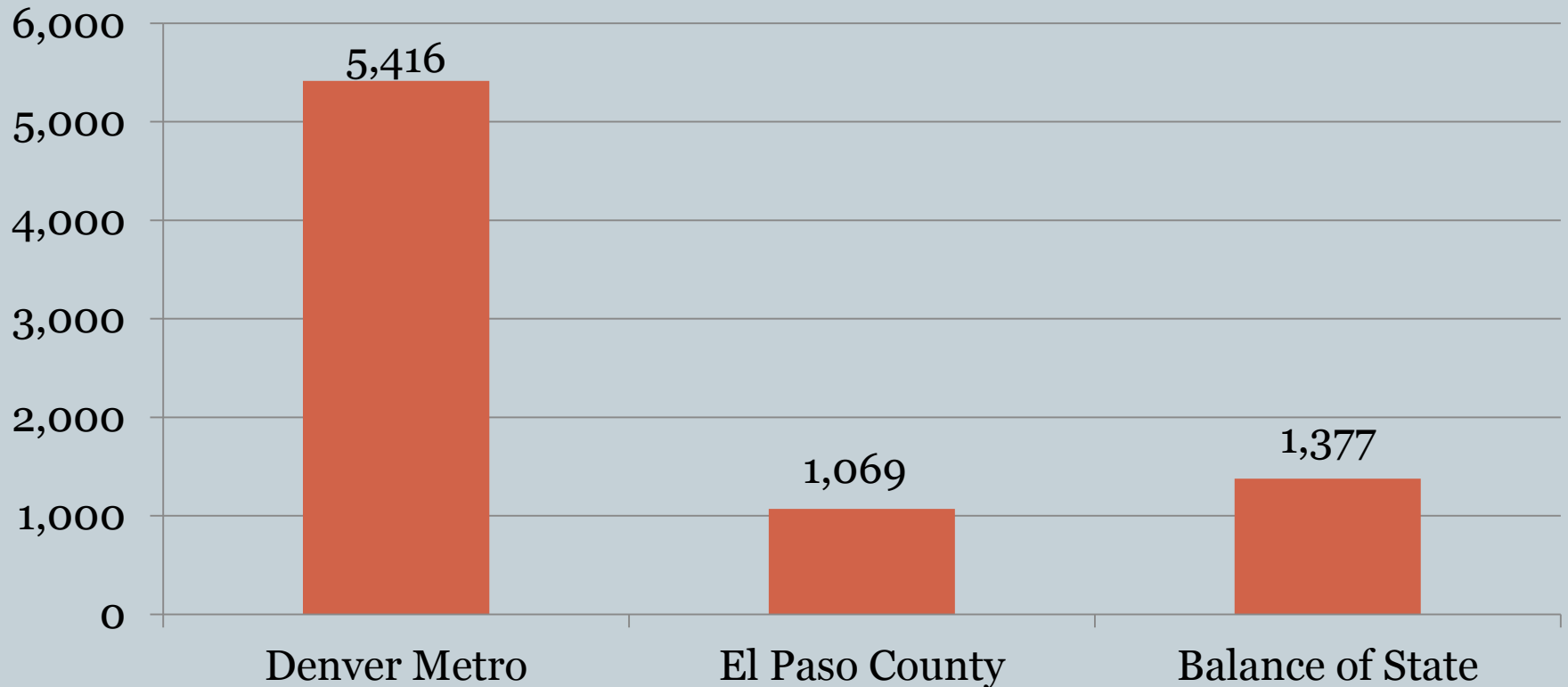
**TRENDS IN “NET NEW” SUPPORTIVE HOUSING
UNITS FUNDED BY DOH AND CHFA**

**TRANSLATION TO BASELINE NUMBERS,
FOR SETTING FUTURE GOALS**

Supportive Housing Inventory, 2013



Transitional and Permanent Supportive Housing Beds in Place – Total 7,862

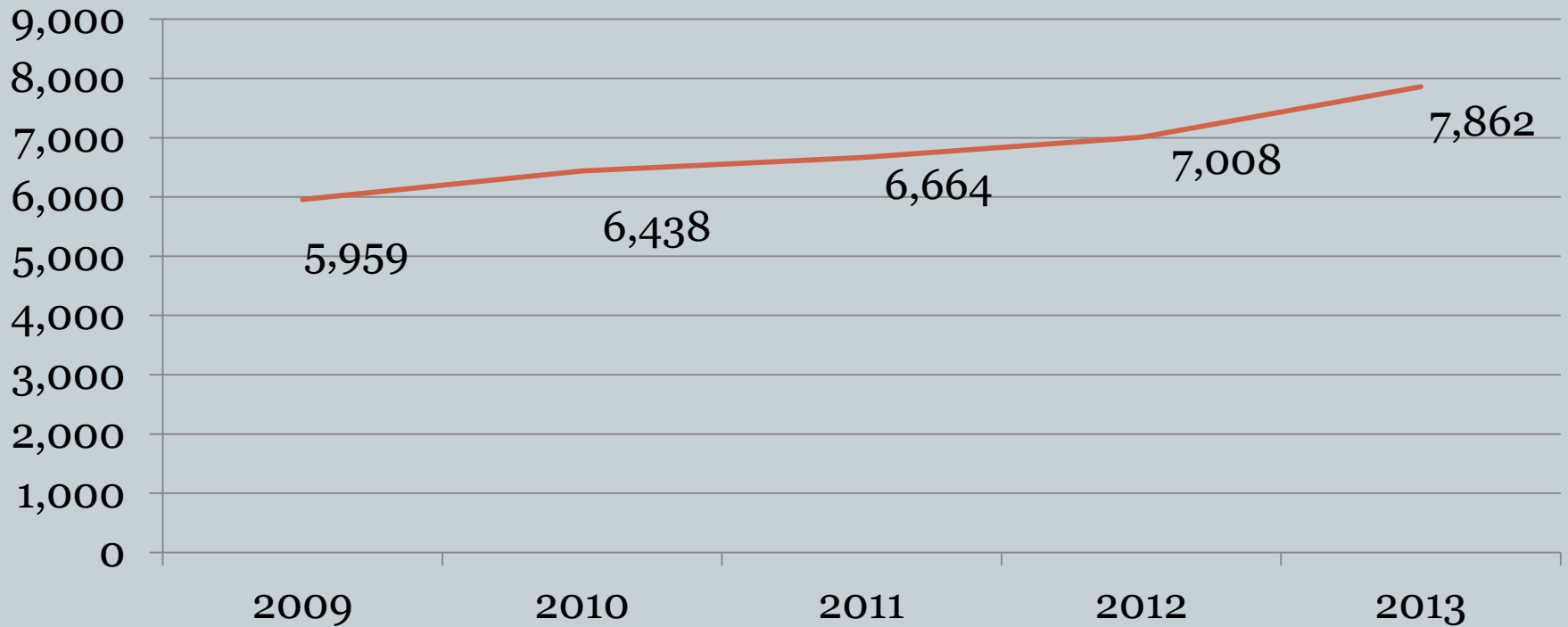


Source: 2013 Point In Time survey

Inventory Is Increasing



**Total transitional & permanent supportive housing:
A 4-year increase of 1,903 beds**

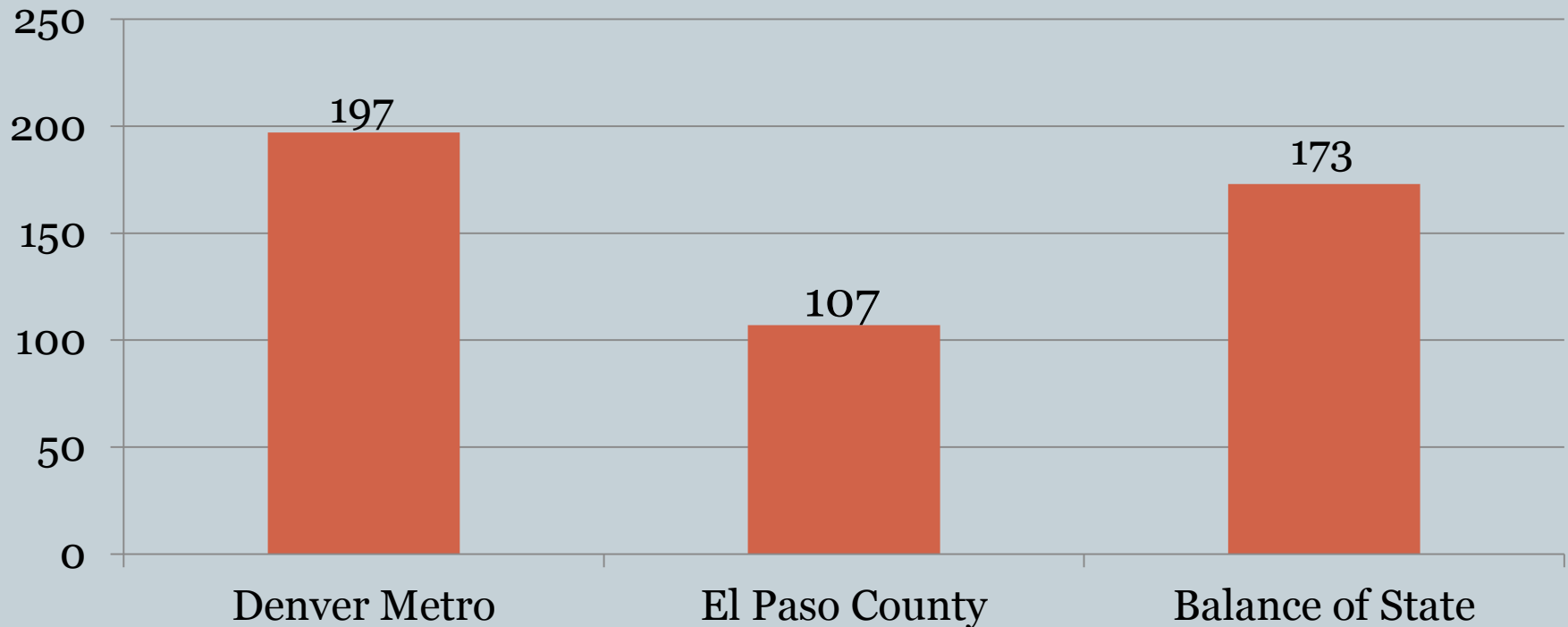


Source: 2009-2013 Point In Time surveys

Average Annual Increases – Regional Baselines



2009-2013 average annual increase in transitional & permanent supportive housing beds – Averages a total 477 beds added/year



Source: 2009-2013 Point In Time surveys

Baseline of Added Supportive Housing Units



- We estimate that about 250 supportive housing units have been added, on average, from 2009 to 2013
 - Based on a rough assumption of 2 persons (beds) per supportive housing unit
 - Represents about 125 transitional and 125 permanent supportive housing units
- CHFA and DOH have financed, on average, 111 supportive housing units per year
 - The vast majority were permanent supportive housing units—88% of units funded by these state agencies
- The remaining 139 annual baseline units resulted from rent subsidies and locally-funded production
 - Production was predominantly transitional housing; rent subsidies from DOH and others were combined with supportive services

Baseline Annual Production: DOH/CHFA



Statistics on “Net New” units	5 Years Units Added	Average Units Per Year Added	Average Per Project
Supportive housing projects	15	3	-
Total units in those projects	707	140	47
Total supportive units	554	111	31
Of which, transitional units*	29	6	2
Of which, permanent supportive housing units*	525	105	35
Of which, units reserved for families (remainder are for individuals or multiple adults)	65	13	4

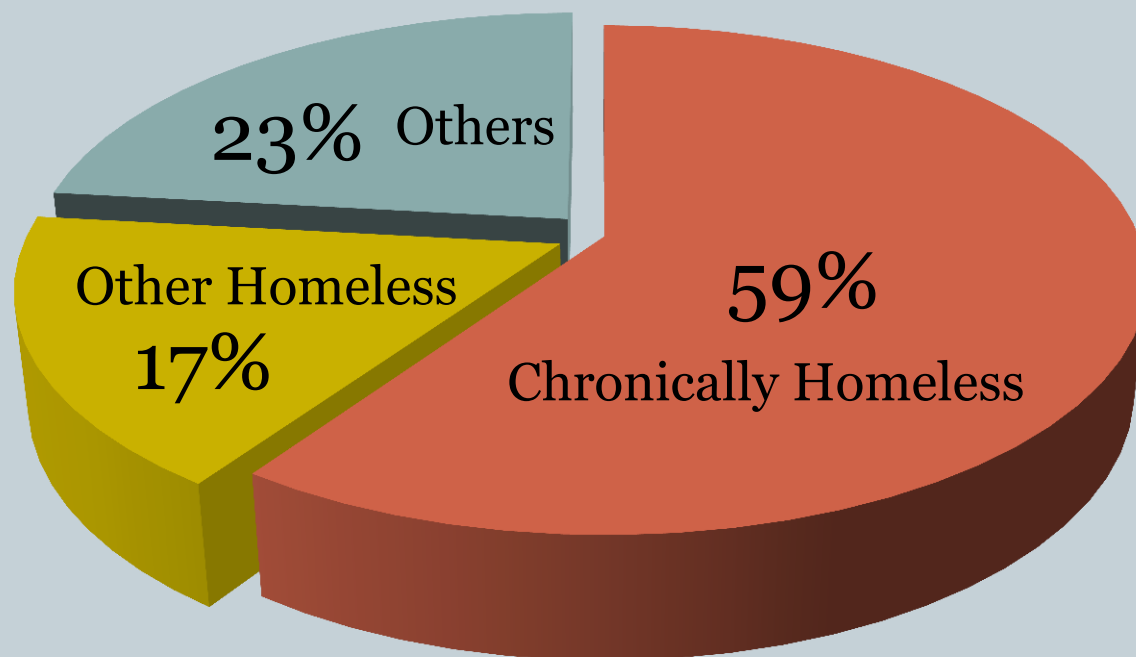
Source: Data from 15 projects surveyed by the Governor’s Office, Werwath Associates, and LeBeau Development.

*Numbers with asterisks are maximum possible expected occupancy. Minimum expected occupancy was also estimated by program managers.

111 Baseline Supportive Housing Units per Year: Occupancy



Supportive Units Have Been Earmarked For:



Source: Survey of DOH & CHFA-funded supportive housing projects by the Governor's Office, Werwath Associates, and LeBeau Development

Goals and Resources Needed Going Forward



**GOALS FOR RENT SUBSIDIES AND
PRODUCTION**

POTENTIAL SOURCES OF RENT SUBSIDIES

POTENTIAL SOURCES OF PROJECT FUNDING

POTENTIAL SOURCES OF SERVICES FUNDING

Goals for Rent Subsidies and Production



During the next 12 months:

- The Governor's Office has set a goal to add 550 supportive housing units by August 2015 through:
 - 308 added rent subsidies with attached supportive services*
 - Completing construction/occupancy of 270 units in projects already funded by DOH and CHFA*

*Potential from these two strategies totals 578 units, leaving a cushion of 28 units

In 2015-2016

- Fund qualified proposals for 300 additional units in new permanent supportive housing projects
 - 150 units per year funded versus the baseline of 111 per year

Potential Sources of Rent Subsidies



Objectives	Agency	Number
Deploy new VASH vouchers recently awarded	DOH	101
Deploy new “Front End User” vouchers	City of Denver	30
Apply for more VASH vouchers	DOH	77
Apply for more Shelter Plus Care vouchers	MDHI	50
Propose more state-funded vouchers	DOH/ Legislature	50
	Total	308

Potential Sources of Project Funding, Modeled for 150 Units of Annual Production



Potential Sources	Source	Estimated Annual Requirements
Low Income Housing Tax Credit equity investments	CHFA	\$21.7 million
Amortizing permanent loans	CHFA, Others	\$5.3 million
“Soft” debt plus grants—matched by local jurisdictions with entitlements for HUD grants	DOH, Local	\$5.6 million
Project-based rent vouchers—matched by local housing authorities	State, Local	135 vouchers
Bridge funding for case managers, pending approval for use of Medicaid funds (est. annual need for 150 units)	State, Local	\$600,000/year
Continuum of Care funding for case managers (50 units)	HUD	Variable

Potential Sources of Services Funding



- Continued additions of supportive housing units will face limitations in grants for services from HUD
 - Continuum of Care funding is the major source, but its nationwide funding by Congress isn't expected to increase substantially
- The numbers are daunting
 - 150 added units require at least \$600,000 a year for case management--\$12 million over 20 years
- The Governor's office has set a goal of filling the gap with Medicaid funding
- Case/care management funding is crucial
 - Most other services are provided in-kind from medical and services agencies funded by federal government and Colorado

DOH and CHFA Policies and Procedures



**DEFINING FUNDING REQUIREMENTS FOR
“HOMELESS AND SPECIAL NEEDS HOUSING”
AND OTHER TECHNICAL POLICY CHANGES**

UNDERWRITING PROJECTS JOINTLY

CONTINUED SUPPORT FOR CAPACITY BUILDING

Defining Funding Requirements for “Homeless and Special Needs Housing”



- Tighter language has been proposed for the 2015 Qualified Allocation Plan (QAP) for tax credits, which would:
 - Define “supportive services” more specifically
 - Require services plans and budgets with applications
 - Require pledges to continue services and report outcomes
 - Assume DOH & CHFA use the same standards for joint-funded projects
- More formalized joint underwriting is proposed for projects funded by DOH and CHFA
- Other more minor technical recommendations have been suggested for the 2015 QAP

Support of Capacity Building



- “Toolkit” training and technical assistance is making progress in building capacity
 - Existing and potential project sponsors are receiving training in developing projects and delivering services effectively
- Goals for coming year:
 - Build the capacity of at least 14 supportive housing providers
 - Expected results: 4 to 6 funding applications in 2015 for a minimum of 100 permanent supportive housing units; adding to other applications expected from experienced developers