Denver Social Impact Bond (SIB) Initiative

Housing Colorado Now
Friday October 11, 2019
8:30 - 9:30am
Welcome & Introductions
What is Pay for Success?

Pay for Success
(a.k.a. social impact “bonds”)

Upfront Working Capital

Pay for Success Contracts
Why consider PFS?

- Expand and improve outcomes for vulnerable populations
- Shift government’s focus to measuring and paying for outcomes, not just activities
- Leverage new financial resources to directly fund an evidence-based intervention
- Provide an opportunity to bring together diverse stakeholders focused on meeting the needs of a vulnerable population
How it began in Denver...

Regina “Regi” Huerter, former executive director of Denver's Office of Behavioral Health Strategies, played a crucial role in laying the groundwork for the Denver Supportive Housing Social Impact Bond. She discovered that the same population of people experiencing chronic homelessness frequently interacted with the criminal justice system and cost the city millions each year. But no social services were effectively tracking these people to help them get out of this cycle. The list she created of these high utilizers came to be known as “Regi’s list.”

From Urban Institute’s Feature Story on the SIB: Starting with Stability: How Denver Is Breaking the Homelessness-Jail Cycle
Political Will & Action

Project Timeline Highlights:

- **Denver Office of Strategic Partnerships** successfully receives grant from Harvard Kennedy School Social Impact Bond Lab (Jan. 2013)
- Denver receives the **most SIB Request for Information** responses of any jurisdiction to date (Oct. 2013)
- Mayor Hancock and Deputy Mayor Kennedy announce Denver’s commitment to implementing a Social Impact Bond around homelessness at the **Clinton Global Initiative** (Jun. 2014)
- **Program partners** selected (Oct. 2014)
- Program Launch February 2016
Denver SIB Project Overview

- Provides housing and supportive case management services to 250 homeless individuals who frequently use the city’s emergency services, including police, jail, the courts and emergency rooms.

- Addresses the underlying causes of homelessness, including mental illness and substance abuse, while also reducing costs in the criminal justice and emergency health systems in the City of Denver.

- 5-year term ending in 2021

- Evaluation: Randomized Control Trial

- Focuses on two primary outcomes:
  - Increased housing stability
  - Reduced jail bed days
Denver SIB Target Population

- Front-end frequent users that drive up public service costs and cycle in and out of jail, detox, and emergency medical services.

- The project targets individuals who have at least 8 arrests over three years and identified as transient (having no address or providing the address of a shelter) at the time of arrest.

- Arrest data from 2012-2014 made the original sample size approximately 1,400 individuals.
  - List refresh adds an additional participants each year— the full list is now approximately 3900
Why this group?

- Each year, 250 chronically homeless individuals account for:
  - 14,000 days in jail
  - 2,200 visits to detox
  - 1,500 arrests
  - 500 emergency room visits

- Each year, the average cost to taxpayers per individual is $29,000, resulting from jail days, police encounters, court costs, detox, ER and other medical visits.

- Each year, the City spends approximately $7 million on 250 individuals to cover the expenses above.
Denver SIB Project Structure

Independent Evaluator

100% Performance-Based Contract

Investors

Co-Intermediary - SPV

Providers

Possible Return

Performance-Based Investment

Enterprise

CSH

Operating Funds

Possible Return

Performance-Based Investment

Enterprise

CSH

Operating Funds

Enterprise

CSH

Possible Return

Performance-Based Investment

Enterprise

CSH

Operating Funds

Enterprise

CSH

Possible Return

Performance-Based Investment

Enterprise

CSH

Operating Funds
Leveraging Model

- **New Construction – 2 x LIHTC**
  - Project-Based Vouchers from both State and City Public Housing Authorities
- **Scattered-site CoC vouchers**
- **Medicaid**
  - Decreasing provider budgets over time
Housing First In Practice - Day-to-Day Program
Operations

Housing

Services

(no current placements, but potential for future placements)

Sanderson

MHCD
Mental Health Center of Denver
Enriching Lives and Minds
Heathcare + Housing + Supportive Services + Advocacy
## Our History

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>Colorado Coalition for the Homeless was established as a 501(c)(3) non-profit corporation</td>
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<tr>
<td>1985</td>
<td>Stout Street Clinic opens</td>
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<tr>
<td>1988</td>
<td>First transitional housing opens for women and children</td>
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<tr>
<td>1990</td>
<td>CCH begins embarking on creating an affordable housing community with support services</td>
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<tr>
<td>1990 - 2000</td>
<td>472 units of housing were built or acquired</td>
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<tr>
<td>2000</td>
<td>CCH expands rural initiatives</td>
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<tr>
<td>2002</td>
<td>Began integrating housing and healthcare, and opens first affordable housing rental property</td>
</tr>
<tr>
<td>2012</td>
<td>Offered integrated medical health, behavioral health and social services accompanied by housing</td>
</tr>
<tr>
<td>2013</td>
<td>CCH launches Fort Lyon recovery program</td>
</tr>
<tr>
<td>2014</td>
<td>Stout Street Health Center opens</td>
</tr>
<tr>
<td>2016</td>
<td>CCH collaborates with the City and developers to launch SIL</td>
</tr>
<tr>
<td>2017</td>
<td>Renaissance Downtown Lofts opens</td>
</tr>
<tr>
<td>2018</td>
<td>CCH breaks ground on Fitzsimons project for veterans</td>
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</table>
Housing Intake & Placement + Assertive Community Treatment

*Finding the Flow - Homeless to Home*

Interdisciplinary Team of professionals who provide intensive wrap around treatment including:

**HIPS&HCD**
- Initial Outreach and Engagement
- Eligibility Assessment
- Housing subsidy paperwork
- Vital Documents
- Health Insurance
- Clinical Services
- Goal setting
- Specialized Housing Navigation & Placement
- Continued Housing Support
- Bridge/Transfer to ACT Long Term Services

**SIB ACT TEAM**
- Case Management
- Mental Health Care
- Substance treatment Services
- Nursing care
- Psychiatric Treatment & Medications
- Educational and Vocational Services
- Benefits Acquisition
- Peer Mentoring and Support
- Long-term ongoing care
Assertive Community Treatment (ACT)

• 75% of services provided occur out in the community.

• **Team approach**—staff work with all clients.

• Goal is to support an individual's **ability to live successfully** in the community.

• **Harm Reduction**—reducing the overall negative consequences associated with substance use.
SIB Process
• **Names randomized to CCH**
  • Street Outreach
  • Network
  • GIS Maps
  • Jail/Court Records

• **Client Found**
  • Eligibility Screen
  • Basic Needs
  • Rapport

• **Intake & Placement**
  • Client choice
  • Comprehensive Assessment
  • Voucher Requirements
  • Life skills
  • Voucher Issuance
  • Housing Navigation

• **Long Term Care**
  • Warm Handoff

**Reporting back to Partners**
Renaissance Downtown Lofts

100 units of supportive housing apartments dedicated to SIB Program

- Ideal location
- Supportive services
  - Behavioral Health Care
  - Primary Care
- Access to Basic Needs
- Eviction Prevention Committee
- Resident Services Coordinator
- Community

**ACTIVITIES**

- Cooking classes
- Outdoor events
- Birthday celebrations
- Book club
- Social outings
- Arts and Crafts
- Computer Skills classes

**GROUPS**

- Wellness
- Addiction Recovery
- Communication Skills
- Healthy Relationships
- Budgeting Skills
- Mindfulness
Interim Outcomes
SIB Referrals: Demographics

533 people referred to supportive housing from January 2016 to December 2018

- white 41%
- black 16%
- Hispanic 26%
- Native American 6%

- 86% male
- 14% female

Median age: 44 years
SIB Referrals: Criminal Justice History

**ARREST HISTORY BETWEEN 2013 AND 2019**

19 arrests on average

- 8 noncustodial arrests
- 11 custodial arrests

**ONE MONTH BEFORE REFERRAL**

- 44% of participants had a police contact
- 20% of participants had a noncustodial arrest
- 7% of participants had a custodial arrest
- 50% of participants had no contacts or arrests
Conditional Engagement Analysis

533 individuals referred to supportive housing from January 2016 to December 2018

Of those in treatment, 408 people (77%) were located
Average time to location: 34 days

Of those, 375 people (92%) engaged in the program
Average time from location to engagement: 4 days

Of those, 301 (80%) had housing applications approved
Average time from engagement to application approval: 12 days

Of those, 288 (96%) leased up
Average time from application approval to lease-up: 5 days
## Housing Retention and Exits

<table>
<thead>
<tr>
<th></th>
<th>6 months after lease-up</th>
<th>1 year after lease-up</th>
<th>2 years after lease-up</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( N )</td>
<td>Share</td>
<td>( N )</td>
</tr>
<tr>
<td><strong>Still housed at milestone</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exiting housing</td>
<td>302</td>
<td>92%</td>
<td>240</td>
</tr>
<tr>
<td>Planned exits</td>
<td>29</td>
<td>9%</td>
<td>52</td>
</tr>
<tr>
<td>Unplanned exits</td>
<td>9</td>
<td>3%</td>
<td>12</td>
</tr>
<tr>
<td>Reentered housing</td>
<td>20</td>
<td>6%</td>
<td>40</td>
</tr>
<tr>
<td><strong>Reentered housing</strong></td>
<td>1</td>
<td>0%</td>
<td>8</td>
</tr>
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</table>
## Jail Stays

<table>
<thead>
<tr>
<th></th>
<th>6 months after lease-up</th>
<th>1 year after lease-up</th>
<th>2 years after lease-up</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Share</td>
<td>N</td>
</tr>
<tr>
<td>No jail stays</td>
<td>176</td>
<td>53%</td>
<td>108</td>
</tr>
<tr>
<td>Any jail stays</td>
<td>154</td>
<td>47%</td>
<td>176</td>
</tr>
<tr>
<td>1 stay</td>
<td>85</td>
<td>26%</td>
<td>80</td>
</tr>
<tr>
<td>2 stays</td>
<td>38</td>
<td>12%</td>
<td>41</td>
</tr>
<tr>
<td>3 stays</td>
<td>22</td>
<td>7%</td>
<td>24</td>
</tr>
<tr>
<td>4+ stays</td>
<td>9</td>
<td>3%</td>
<td>31</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>330</td>
<td></td>
<td>284</td>
</tr>
</tbody>
</table>
Strategies for Maintaining Housing Stability while Navigating the Criminal Justice System

- Establishing relationships with and educating key actors in the criminal justice system

- Advocating for and accompanying SIB participants within the criminal justice system
Leadership

“Our innovative SIB program is proving that when people experiencing long-term homelessness are supported with the stability of housing coupled with the health services they need, they will thrive,” Mayor Michael B. Hancock said. “We appreciate the investment our partners are making into our city and our residents, and look forward to watching this important effort continue to transform lives and lift people up.”
Beyond the SIB...

- SIB Expansion (SIB 2.0)
  - Direct Performance Based Contract with CCH
  - 75 additional participants

- SIPRRA Application
  - 100 additional participants
  - Additional Health Outcome
    - Reduction in Medicaid healthcare spending

- City of Denver’s Affordable Housing Fund
  - Funds Doubled

- DHA Bonds
  - D3 Pipeline

- New Department of HOST
Questions?
Thank you!