

ARTICLE VII. - HOMELESSNESS RESOLUTION PROGRAM

Sec. 27-189. - Legislative declaration.

(a) The city council finds, determines, and declares:

- (1) According to the 2020 Point in Time ("PIT") study by the Metro Denver Homeless Initiative, there are more than four thousand (4,000) people experiencing homelessness in the city—up six (6) percent from 2019—including one thousand two hundred (1,200) people experiencing chronic homelessness;
- (2) According to the Colorado Department of Education, there were one thousand seven hundred sixty-two (1,762) children experiencing homelessness in the city's K-12 schools during the 2018-2019 school year;
- (3) The 2020 PIT survey counted nine hundred ninety-six (996) unsheltered people in Denver on one (1) night in January, a growth over previous years averaging around five hundred thirty (530) unsheltered people on one (1) night in January between 2014 and 2019. According to findings from the PIT survey, challenges also exist regarding shelter access for certain populations;
- (4) According to the National Low Income Housing Coalition, there is a deficit of homes for the lowest-income families in the Denver metro area, with only thirty (30) affordable homes available for every one hundred (100) households in need, and among the lowest-income families who are housed, seventy-four (74) percent are cost burdened;
- (5) Denver City Council approved an affordable housing fund in 2016 that was doubled in 2018 and is estimated to create or preserve six thousand (6,000) affordable homes for low- to moderate-income families in approximately five (5) years, but the affordable housing fund is charged with expanding affordable housing across the full income spectrum and the need for housing among those experiencing homelessness far exceeds the portion of the fund that is available for this population, and there is currently no dedicated source of local funding that can be used to fund shelter or services unconnected to housing;
- (6) An increase in housing, shelter, and service options for Denver's most vulnerable populations are priorities identified in Denver's Comprehensive Plan 2040, adopted by Denver City Council in May of 2019, and investments in these areas will advance the plan's goals for a healthy, safe, and equitable, affordable and inclusive city;
- (7) Denver's Three-Year Shelter Expansion Plan identifies five (5) areas of needed investment—permanent housing expansion, coordinated entry, shelter and services funding, crisis service operations, and real estate and capital expenditures—and new funding is needed to enable implementation of the plan;
- (8) Denver's Social Impact Bond program has demonstrated that supportive services can be provided in a housing setting for approximately thirteen thousand four hundred dollars (\$13,400.00) per person annually, compared to an average yearly cost to taxpayers of twenty-nine thousand dollars (\$29,000.00) per individual experiencing homelessness for medical care, incarceration, detox services, and shelter services, with a typical retention rate around eighty (80) percent, and more investment into this form of cost-effective and successful housing is needed in Denver;
- (9) The need for dedicated, additional funding to address homelessness has become more acute due to the COVID-19 pandemic, with tens of thousands of Denver residents vulnerable to eviction due to rent

burden and risk of unemployment, and modeling based on correlations between unemployment and homelessness in the past by economists with Columbia University predicts a steep rise in homelessness nationwide as a result of the economic fallout from the virus;

- (10) Denver's response to the pandemic required establishment of auxiliary shelter for up to seven hundred sixty-five (765) men and three hundred (300) women and more than eight hundred (800) motel/hotel rooms, along with reduced capacity and conversion of existing shelters to 24-hour, seven-days-a-week operations, to provide for social distancing and/or isolation of people with symptoms who were experiencing homelessness, all of which have been heavily-utilized and funded through time-limited, one-time emergency funding sources, which risks leaving hundreds of people without shelter or housing options when emergency funds are no longer available;
 - (11) A dedicated, additional funding source to address housing, shelter, and services for those experiencing homelessness is necessary to protect the health and safety of the City and County of Denver.
- (b) Therefore, the city council has determined that the question of whether the city shall be authorized to impose a one-quarter (0.25) percent sales tax for the purposes and in the manner set forth in this ordinance should be submitted to the registered electors of the city at the special municipal election to be conducted in coordination with the state general election on November 3, 2020.

(Ord. No. 782-20, § 6, 8-24-20)

Sec. 27-190. - Permitted uses of revenue in the homelessness resolution fund.

- (a) All monies derived from the sales and use taxes in the homelessness resolution fund must be expended on housing, shelter, and services for those experiencing or having exited from homelessness, including, but not limited to:
 - (1) Capital improvements, operations and maintenance, and services;
 - (2) New or renovated housing, rental assistance, or supportive services;
 - (3) New or existing shelter capacity, improvement, operations, services and accessibility for those experiencing homelessness including underserved populations; and
 - (4) Other services or supports for those experiencing homelessness, including for those who are unsheltered.
- (b) *Cap on administrative costs.* Monies in the homelessness resolution fund may be expended to pay the costs incurred by the city associated directly with the administration of the funds; except that, in no event may the amount expended from the funds for city administrative expenses in any year exceed eight (8) percent of the amount of revenue received in the fund in that year.
- (c) *Fund earnings.* Any interest earned on the balance of the fund accrues to the fund.
- (d) *Administration of funds.* The executive director of the department of housing stability will manage the homelessness resolution fund.
- (e) *Permanency.* If the monies in the fund are not expended at the end of the fiscal year, such monies must remain in the fund to be expended in subsequent fiscal years.
- (f) *Maintenance of effort.* All monies in the fund must be used in accordance with this section and may not replace nor supplant any general fund appropriations allocated each year to the department of housing

stability.

- (g) *Rulemaking.* The executive director of the department of housing stability may promulgate any rules necessary for the proper administration of this section.
- (h) *Planning.* No later than January 31, 2021, the department of housing stability shall prepare, and the housing stability strategic advisors shall take public input on, review, and recommend, a first year-plan for use of the funds in 2021. Subsequently, intended uses of the fund shall be included in annual action plans and three- to five-year strategic plans for city housing and homeless expenditures which include requirements for public input and consideration of equity as outlined in section 27-164 of the D.R.M.C.
- (i) *Reporting.* Providing publicly accessible reports on actual uses of the homelessness resolution fund, outcomes, and evaluation compared to the relevant goals outlined in annual or strategic plans shall be incorporated into annual progress reports and intermittent reports on housing and homelessness provided by the executive director of the department of housing stability to the housing stability strategic advisors and the city council pursuant to section 27-164(c) of the D.R.M.C.

(Ord. No. 782-20, § 6, 8-24-20)