

## City Master Leasing Housing Budget Proposal 2023

### **What:**

The City of Denver will master lease apartments and then lease these apartments to houseless people who will pay  $\frac{1}{3}$  of their income to cover part of the rent costs.

### **Why:**

139 elderly, sick and disabled people were just kicked out of their rooms at the Quality putting 49 of them on the streets, shelters, cars, or temporary unstable hotel stays. These are just some of the most vulnerable houseless people in our City who desperately need housing. These people face many barriers to securing housing. By the City doing the work to secure units and offset costs so that residents can afford the housing based on their income, housing can be secured faster and cheaper than most other avenues. Long term, the City or other public entities owning the housing and renting at real costs is the most cost effective, stable, and accessible housing method, but in the meantime before that is secured master leasing is the fastest and cheapest way to secure housing.

### **Where:**

The City of Denver will lease apartments that are open on the market anywhere within Denver. Locations should be within a few blocks from a bus stop, near grocery stores, near medical facilities, and near other services. No neighborhood of Denver can exempt themselves from leasing housing through this program.

### **Who:**

Apartments will be rented to people who are currently houseless with priority given first to displaced residents from Quality Inn or other protective action hotels which have shut down. After these displaced hotel residents have secured housing, priority will be given to houseless families, and marginalized communities including Black people, Indigenous people, Immigrants, people with disabilities, and LGBTQA people.

### **How:**

HOST will administer the program: securing the units, taking applications from houseless people, administering income based charges for rent and taking rent payments from residents, and otherwise overseeing the master leasing and tenant leasing of the apartments.

**\*Supports:** Organizations will be contracted to provide residents with needed supports such as benefits assistance, employment opportunities, mental health support, community connections, and the like. These supports will be provided through a network of providers and community.

### **Funding:**

\$5mil shall be moved from Police Department and Shelters to this housing

### **Costs:**

\$5million will cover the cost of the City paying \$1,500 per apartment per month for 200 apartments, totaling \$3,600,000 a year - leaving \$1,400,000 left for administration and support services.

The closure of Quality Inn kicked 90 elderly, sick, and disabled people out who did not have housing secured (including folks moved to other Protective Action Hotels). With federal funding for these hotels ending, the housing these hotels provided for elderly, sick, disabled, and other vulnerable people must be replaced. Currently, there is no secure plan to keep Aloft open past December 31st which could mean another roughly 130 very sick, elderly, disabled people being kicked to the shelters and streets this winter. More properties must be acquired to be transformed into no-income and very low-income housing for people who would be living at these protective action hotels. The funding included in the budget for more hotel acquisitions is much needed and well used (though more acquisition is needed than three properties). However, as has been stated, buying and converting properties takes time and in this time people who need this housing are suffering and even dying on the streets and shelters. In order to secure safe housing for these people right away, the City must master lease apartments and lease them to these houseless people at 30% of their income.

We recently surveyed over 800 houseless people about housing. One of the questions asked, "Do you think families, disabled people, or seniors should get priority access to housing opportunities?" 77% of survey respondents said YES. Following this direction from the large majority of houseless people, we are proposing these housing opportunities be given first to displaced Quality Inn or other displaced protective action hotel residents who are elderly and disabled, and also to families. Furthermore, given the disparities of houselessness among BIPOC, LGBTQA, immigrants, and other marginalized communities, this proposal gives priority to these communities for these housing opportunities.

This has been done before. In 2017, Denver started a program called "Live Denver" where the City master leased luxury apartments which poor people then rented at 1/3 of their income. This program at one time had 1,000 apartments secured. At the time the program was run by the Office of Economic Development. While the master leasing program being proposed here is different in some ways, it has the same process of the City securing the housing units through contract and then the City subsidizing the tenant's rent.

In 2019 when a similar proposal was being discussed in Council, comments from council people were that it is too expensive to rent apartments in the market and that landlords won't rent to poor or houseless people. These comments are particularly ironic as these are the same problems houseless people face! If the housing were not too expensive than houseless people could afford to rent! And landlord discrimination against poor and houseless people is a constraint barrier to securing housing as people turn in countless applications and are turned down again and again. Given this reality causing and perpetuating mass houselessness, it is time the City experiences this for themselves until they buy/build housing off the market kept affordable and public.

Support services for residents are included in this master leasing program. Residents will be offered support which they can use or not based on their own needs and desires. The supports this proposal includes are based on the direction of displaced Quality Inn residents needing this housing, as well as from our survey of over 800 houseless people on supports needed in

housing. In our Housing Survey, when asked, "What support would you need, if any, to stay in housing?" The number one answer was financial with 60% of respondents asking for this. The number two response was partner/family/friends able to stay or visit freely with 34% putting this as a top support need. Other top support needs were help with paperwork/dealing with bureaucracy, legal assistance, and mental health experts. These support needs should be top priority for residents of this housing.

The 15mil spent running the Quality Inn Protective Acton hotel for 2 ½ years could pay for over 200 apartments for houseless people to live in for a year. If the City were paying \$1,500 per apartment per month for 200 apartments this would cost \$3,600,000 a year - leaving \$1,400,000 left for administration and support services. This calculator assumes roughly a total rent and utilities cost of \$1,800 a month (the current average) with the resident paying roughly \$300 as ⅓ of their income. Some residents will have more income and some less but this is an estimated average. Rents could also be found at lower cost which would decrease this as well.

Shifting money to directly secure housing for low income people is the best way we as a City can start addressing the housing inaccessibility in Denver which is the top priority of Denverites.