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FOR IMMEDIATE RELEASE

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## **Mayor Hancock Announces Social Impact Bonds to Serve First 25 Participants at North Colorado Station**

**DENVER** – Mayor Michael B. Hancock today announced the first major project to realize the city’s new Social Impact Bond program, which will provide permanent housing and supportive services to at least 250 chronically homeless individuals across Denver. The opening of the Renaissance at North Colorado Station in Northeast Denver will house the first 25 Social Impact Bond participants and will be run by the Colorado Coalition for the Homeless.

“Denver’s new Social Impact Bond program allows us to serve our most vulnerable population better by getting these individuals out of a cycle of jail and hospital visits and into permanent housing and supportive services,” Mayor Hancock said. “This program will not only measurably improve the lives of people most in need while lowering the city’s costs, but it also will act as a blueprint for other cities across the country that face similar challenges with homelessness.”

Social Impact Bonds are an innovative financing tool that will allow Denver to use funds from private investors to house and serve 250 chronically homeless individuals who frequently use expensive emergency services – police, jail, the courts and emergency rooms – at a cost of approximately \$7 million per year. The savings and benefits from reduced costs in the criminal justice system will be captured by the city and used to repay lenders for their upfront investment to cover the cost of the program.

The city will pay for specific performance outcomes, which if achieved, will provide better lives for participants and generate reduced costs to the criminal justice and health systems. The total private investment of the program is expected to be nearly \$8.7 million, while an additional \$15 million in federal resources will be leveraged over the next five years. Repayment to investors is contingent upon the achievement of the program’s outcome targets. Based upon previous studies, the expected outcomes of 35 to 40 percent reduction in jail bed days and 83 percent increase in housing stability among the target population would result in a payment near \$9.5 million. The repayment will be less if outcomes are not achieved.

“Enterprise Community Partners and the Corporation for Supportive Housing are eager to work with our partners to ensure this innovation ends the costly cycle of homelessness,” said Melinda Pollack, Vice

President, Enterprise, and Deborah De Santis, President and CEO of the CSH, two key partners in this program that work on similar projects across the country. “Because it provides stability, supportive housing improves health outcomes, decreases the need for crisis services and therefore lowers costs. Thanks to the collaboration and commitment made by the public, private and nonprofit sectors, we have the expertise and resources in place to improve the lives of these residents.”

“We believe public-private partnerships can create sustainable change and are pleased to contribute to our second Social Impact Bond,” said Connie Lindsey, Northern Trust Head of Corporate Social Responsibility and Global Diversity & Inclusion. “This effort reflects Northern Trust’s commitment to help maximize the use of capital to positively influence our communities and help address some of our most prominent social challenges.”

“We are pleased to be partnering with the City of Denver as one of the housing and service providers on the project,” said John Parvensky, President of the Colorado Coalition for the Homeless. “The Social Impact Bond initiative is one piece of the puzzle to address homelessness, but it’s an important one, because it’s a down payment to immediately house up to 250 people, keep them housed and to demonstrate the effectiveness of the Housing First approach. This expansion helps bring our housing first program to scale to meet the increased need in Denver.”

“We are all working together to make Denver stronger and having access to safe, affordable housing is essential for the well-being of our community,” said Carl Clark, MD, president and CEO of the Mental Health Center of Denver. “The Mental Health Center of Denver is honored to partner with the City of Denver on this innovative solution to provide stable and supportive housing to help end chronic homelessness.”

“The Social Innovation Fund is tremendously proud to have supported the development of this innovative project through its Pay for Success transaction structuring grant to Nonprofit Finance Fund,” said Damian Thorman, Director of the Social Innovation Fund, a program of the Corporation for National and Community Service. “By deploying permanent supportive housing to 250 of Denver’s residents most in need, and the city only paying for outcomes, this project presents a unique opportunity to at once implement evidence-based solutions to improve outcomes, and at the same time, be the best possible stewards of taxpayer dollars.”

The partners involved in this program include:

- Colorado Coalition for the Homeless (Service Provider)
- Corporation for Supportive Housing (Project Manager)
- Enterprise Community Partners, Inc. (Fiscal Agent)
- Mental Health Center for Denver (Service Provider)
- Social Impact Solutions (Project Development)
- Urban Institute with local partners University of Colorado Denver and the Burnes Institute (Independent Evaluators)
- Colorado Access (Managed Care Organization)

The investors involved in this contract include:

- The Denver Foundation
- The Piton Foundation
- The Ben and Lucy Ana Walton Fund of the Walton Family Foundation
- Laura and John Arnold Foundation

- Living Cities Blended Catalyst Fund LLC
- Nonprofit Finance Fund
- The Colorado Health Foundation
- The Northern Trust Company

Additional Support Provided by:

- Harvard Kennedy School Government Performance Lab
- Colorado Division of Housing and Colorado Governor's Office
- Colorado Housing Finance Authority
- Denver Housing Authority
- Denver Crime Prevention and Control Commission
- *Feasibility Grants:* The Piton Foundation, Kaiser Permanente, The Denver Foundation, The Colorado Health Foundation, and the Rose Community Foundation
- *Transaction Structuring Grant:* Nonprofit Finance Fund and the Social Innovation Fund at the Corporation for National and Community Service

Additional information about the program can be found in the attached summary.

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