

*Everything starts at home.*

**\$39M**

## Strategic investments in housing and services

**\$19.5M** for the Minnesota Housing Finance Agency and  
**\$19.5M** for the Department of Human Services

### Statewide Need

- 1 in 8 Minnesota households pay half or more of their income toward housing. When housing costs consume this much of a household's income, people often struggle to meet all of their basic needs.
- An estimated 14,000 Minnesotans are homeless on any given night.
  - Children and youth 21 and under make up half of the homeless population.
  - Over 13,000 public school students were identified as homeless or highly mobile in 2013-14.
  - Seniors are one of the fastest growing groups of homeless people.
- Housing instability contributes to poorer health, educational, and workforce outcomes. Housing shortages can stifle economic development.

### Request

Funds are administered by state departments and are paired with local, private, and nonprofit resources to:

- ☑ **REDUCE HOUSING SHORTAGES IN GREATER MINNESOTA AND EXPAND AFFORDABLE RENTAL OPTIONS** across the state through housing development, rehab, and rental assistance.
- ☑ **REDUCE PUBLIC COST OF HOMELESSNESS** through family homelessness prevention and housing with coordinated services for households who have been homeless long-term.
- ☑ **PROMOTE ECONOMIC DEVELOPMENT** through housing development and single family home rehab for seniors, families with children, and workers with low incomes.
- ☑ **PROMOTE HEALTH AND EDUCATIONAL ACHIEVEMENT** through services for homeless youth, transitional housing, rental assistance for families, and assistance for low-income adults living with serious mental illness.
- ☑ **EXPAND QUALITY HOUSING OPTIONS** for renters and homeowners to strengthen families and communities.



*New homeowners bought a rehabbed home in the Twin Cities' northern suburbs with help from Habitat for Humanity*

### Return on Investments

Investment of \$39 million would serve communities across the state:

- Help reduce chronic homelessness, which lowers expenditures on jails, emergency rooms, shelter, and detox facilities. Every public dollar invested in supportive housing returns \$1.44.
- Prevent and end homelessness for an additional 4,836 households and develop or rehabilitate over 280 apartments and single family homes.
- Improve educational outcomes for students without stable housing.

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## 2015 Homes for All Legislative Agenda

MHFA Programs	Purpose	14-15 Funding	16-17 Funding	Proposed 16-17 Increase	16-17 Total Recommended	Estimated Additional Served
<b>Family Homeless Prevention Assistance Program (FHPAP)</b>	Direct assistance and services to households at risk of losing housing and transitioning out of homelessness	\$15.724M	\$17.038M	\$4M	\$21.038M	4,836 additional households
<b>Housing Trust Fund</b>	Rental assistance for households previously homeless	\$23.552M	\$22.942M	\$8M*	\$30.942M	730 additional households
<b>Challenge Fund</b>	Financing for affordable and workforce housing development statewide	\$28.406M	\$25.85M	\$4.75M**	\$30.6M	236 additional units
<b>Single Family Rehab</b>	Rehabs single family homes when low-income owners' safety, habitability, energy efficiency, or accessibility is affected	\$5.5M	\$5.5M	\$1M	\$6.5M	50 additional households
<b>Bridges</b>	Rental assistance for persons with serious mental illness who are Section 8 eligible/waitlisted	\$5.676M	\$5.676M	\$1.5M	\$7.176M	114 additional households
<b>Capacity Building</b>	Regional coordination for Continuums of Care, leverages federal funding, and support for organizations to expand services and development	\$750,000	\$750,000	\$250,000	\$1M	
*\$5M to base; \$2M for Highly Mobile Student Pilot; \$1M for Ex-Offender Pilot; **Governor's Initiative				<b>TOTAL FOR MHFA: \$19.5M proposed increases</b>		

DHS Programs	Purpose	14-15 Funding	16-17 Funding	Proposed 16-17 Increase	16-17 Total Recommended	Estimated Additional Served
<b>Long Term Homeless Supportive Services Fund</b>	Coordinated services to maintain housing and improve self-sufficiency for Minnesotans experiencing long-term homelessness	11.7M	11.7M	\$6.5M	\$18.2M	300 additional households
<b>Homeless Youth Act</b>	Housing and services for youth who are homeless or at-risk	\$4.238M/ \$5.238M	\$6.238M	\$4M	\$10.238M	
<b>Housing with Supports for Adults with Serious Mental Illness</b>	Grant program for housing developers, county mental health authorities and tribes to increase the availability of supportive housing options	\$3M	\$3M	\$5M	\$8M	1,000 additional households
<b>Transitional Housing Program</b>	Time-limited housing and services for families and individuals who have been homeless	\$6.5M	\$6.5M	\$3M	\$9.5M	400 additional households
<b>Emergency Services Program</b>	Services and emergency shelter for homeless Minnesotans	\$1.188M	\$1.188M	\$1M	\$2.188M	2,000 additional individuals
				<b>TOTAL FOR DHS: \$19.5M proposed increases</b>		

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Hearth Connection manages a service delivery network spread over 34 Minnesota counties to end long-term homelessness. Hearth Connection deliberately seeks out and enrolls families, individuals and unaccompanied youth who have experienced long-term homelessness and who have the most barriers to housing. Hearth Connection serves over 800 households including over 500 children.

**Legislative Proposal Statewide Service Expansion:**

Hearth Connection is proposing an increase to the base funding for the Long Term Homeless Supportive Services Fund (LTHSSF) to help address gaps existing in capacity statewide by: restoring funds cut during the recession, expanding capacity to better serve tribes and families in the Northeast, Central and West Central regions, adding clustered housing support service capacity for capital projects, adding LTHSSF support specifically targeting families, and to cover inflationary costs.

Long Term Homeless Supportive Services Funding			
Fiscal Year	Base Allocation	One Time Additional	Total LTHSSF
2010-11	\$9,820,000	\$3,000,000	\$12,820,000
2012-13	\$9,820,000	\$1,000,000	\$10,820,000
2014-15	\$10,820,000	\$1,000,000	\$11,820,000
2015-16 Proposed	\$18,210,000		\$18,210,000

**Northeast Expansion:** Additional resources are needed in the Northeast region to help in the rural and frontier areas of the State including Tribal Nations and addresses disparities in the disproportionate number of American Indians experiencing long-term homelessness.

**Central Region Expansion:** The expansion of the model should be funded to include counties and Tribal Nations in the Central and West Central region. Wilder’s 2012 homeless survey finds 617 people who fit the criteria of long-term homelessness, currently left unserved by the LTHSSF. The proposed expansion would cover the entire area currently unserved East to West.

**Clustered Housing Support:** Funding would add critical support services for some housed through affordable housing projects in rural areas where existing service providers lack capacity.

**Family Focused Services:** Additional funding is needed to focus specifically on long term homeless families. Housing stability is critical to building family security, better health care management and structure from which adults and their children have a better chance to thrive. Homeless children suffer educationally and emotionally from the lack of stability, frequent moves and lack of educational continuity.

**Projected Outcomes:** The increased funding would serve an estimated 300 households across Minnesota, including an estimated 350 children under the age of 18.



# THE HOMELESS YOUTH ACT 2015

An additional \$4 million investment in the Homeless Youth Act (HYA) to address homelessness for youth in Minnesota as they transition to adulthood will help prevent long-term homelessness, reduce risk of youth's exploitation and involvement in the criminal justice system, and support future taxpayers and members of the workforce.

## FACTS ABOUT THE HYA

- HYA funding was awarded in FY13 and FY14 to 13 organizations in Greater MN, and 17 in the Metro (5 specifically serving suburban areas), supporting 72 emergency shelter beds and 250 youth in transitional living and supportive housing, and myriad more youth through street outreach and drop-in centers.
- The HYA serves unaccompanied youth statewide through: street outreach, emergency shelter, drop-in centers, transitional, and supportive housing services.
- The HYA leverages other critical federal, local, and private philanthropic funds serving young people.

## IN 2013, THE DEPARTMENT OF HUMAN SERVICES ISSUED A HYA RFP FOR \$4.238 MILLION:

- DHS received applications for over \$20 million from 51 organizations statewide.
- Applications requesting \$10 million in funding were assessed as viable proposals that should/could have received HYA funds and would have created significant impact.
- Funding for new services in greater Minnesota or other areas lacking service was available to initiate service. Additional investment is needed to fully implement in these areas.

## LONG-TERM IMPACT (WILDER, 2012)

- Society receives a return of over 4:1 for every dollar invested in supportive services for homeless youth.
- A high school graduate's lifetime earnings are \$476,000 higher than a dropout's.

## FACTS ABOUT YOUTH HOMELESSNESS (WILDER, 2012)

- 25% of homeless adults reported that their first experience of homelessness, either with their parents or on their own, was at age 17 or younger.
- 30% of youth surveyed had stayed in an abusive situation because they had no other housing options.
- 42% have experienced physical abuse, 34% have experienced parental neglect, and 27% have been sexually abused.

## THE REQUEST: SF 548/HF 581

An additional \$4 million investment in the Homeless Youth Act will help build a solid foundation for expanding services statewide that can support vulnerable young people to achieve stability, connections, and successful adulthoods. Changing the age limits of the MN HYA from 16-21 to youth "24 years of age or younger" will align with Federal law, creating administrative efficiency for providers.

## CONTACT:

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## THE ISSUE

**On any given night, an estimated 4,080 Minnesota youth experience homelessness.** This estimate, higher than previous years, is the result of new methods available to include youth who haven't even accessed the shelter system. Wilder believes these numbers are still conservative estimates; the actual number of unaccompanied youth is likely even higher. (Wilder, 2012) These young people remain invisible, often in informal shelter arrangements such as couch hopping due to extremely limited options in housing or services for youth.

## SUPPORTERS

Ain Dah Yung Center  
Avenues for Homeless Youth  
Booth Brown House  
The Bridge for Youth  
Catholic Charities of St. Paul & Minneapolis  
Children's Law Center  
Face to Face  
Family Alternatives  
Heading Home MN  
Kulture Klub  
Life House  
The Link  
Lutheran Advocacy - Minnesota  
Lutheran Social Service  
Minnesota Council of Child Caring Agencies  
Oasis for Youth  
StreetWorks Collaborative  
Teens Alone  
Wilder Foundation  
YMCA Twin Cities  
YouthLink

## YOUTH MOVING FORWARD'S MISSION STATEMENT

*Working together to ensure stability, opportunity and connection Youth Moving Forward is a voice for homeless youth and youth at risk of homelessness. Engaging legislators, policy makers, community members, and with strong involvement from youth, we work together to ensure stability in housing, opportunities for education, and healthy transitions from foster care to adulthood.*





## **Mental Health Priorities in Housing**

The 2012 Minnesota Homeless Study (Wilder Research, 2013) identified 3,452 adults living with serious mental illnesses who represent 55% of the adults who are homeless. People cannot begin the process of recovery without stable housing. NAMI Minnesota urges you to support the increases in the Governor's budget for these two housing programs that help people with serious mental illnesses.

### **Housing Supports for Adults with Serious Mental Illnesses (HSASMI)**

This program helps persons living with serious mental illnesses that are homeless, have experienced long term homelessness, or are exiting institutions and who have complex needs and also face high barriers to obtaining and maintaining housing.

In 2013 there were 420 households served by HSASMI. This proposal will serve an additional 840 households for a total of 1260 households.

Housing supports for adults with serious mental illnesses include:

- Budgeting and life skills assistance
- Tenancy education and tenancy mediation assistance to resolve landlord/tenancy issues.
- Community building activities to foster social skill development and community integration, like communal meals.
- Activities that facilitate tenant safety, including front desks or security.
- Other population specific supports designed to stabilize their housing situation

### **Bridges Housing Program**

Bridges provides rental assistance and support services for households in which at least one adult is living with a mental illness. Households receiving assistance from Bridges must be eligible for section 8 Housing and have incomes below 50% of the average median income.

Bridges currently serves over 500 households per year. There are an estimated 1366 households on the waiting list for Bridges as of 2013. The actual demand is likely greater and this figure doesn't account for areas without access to Bridges. While the 2013 Legislature increased funding for Bridges by \$400,000 there was over \$1.4 million in requests for those funds. This increase will allow the Minnesota Housing Finance Agency to serve an estimated 200 additional households for the biennium.

*Please support increases in the Governor's budget for housing and housing supports.*

#### **NAMI Minnesota**

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# TRANSITIONAL HOUSING PROGRAM

Transitional Housing Program (THP) provides rental subsidies and supportive services to families and individuals experiencing homelessness to attain and maintain permanent housing.

Support services include self-sufficiency case management, assistance to access permanent housing, child care, employment counseling, job placement, transportation, or other services needed to stabilize housing.

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## THP Overview

- Began in 1984, administered by the Office of Economic Opportunity in DHS
- Funding awarded on a competitive basis to nonprofit providers
- In 2013, the legislature appropriated \$6.303 million for 14-15 biennium (increase of \$500k)
- 64 programs were funded statewide for the 14-15 biennium with an average grant of \$98,484
- In FY13, 2,966 individuals in 1,393 households were served
- Participants are required to pay at least 25% of their income toward rent
- Program stay is limited to 24 months
- Up to 10% of funds may serve be used for households needing assistance longer than 24 months

## 2015 Funding Request: Increase of \$3 million for Biennium

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### 2013 THP Highlights

- 65% of participants completed the program or left the program early for a housing opportunity
- 68% of all transitional housing participants moved into permanent housing at exit
- 65% of all households maintained permanent housing for six months or more after exiting the program

### Key Wilder Supportive Housing Study Findings

- Both transitional and permanent supportive housing have a useful place among statewide strategies for addressing and ending homelessness
- Individuals experiencing chronic homelessness (using HUD's definition) are probably best served in permanent supportive housing
- People with fewer barriers to self-sufficiency appear to be well-served in transitional housing models
- Youth in both models experience some of the best outcomes

**Minnesota  
Coalition for the  
Homeless**

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# EMERGENCY SERVICES PROGRAM

Emergency Services Program (ESP) funds the operating and service costs of overnight shelters, day shelters, and motel vouchers for individuals and families experiencing homelessness.

Services provided include: self-sufficiency case management, housing access assistance, child care, employment counseling/job placement, medical/chemical/mental health services, and transportation.

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## ESP Overview

- Began in 1997, administered by the Office of Economic Opportunity in DHS
- Minnesota's only dedicated funding stream for emergency shelter
- Often serves victims of domestic violence, veterans, single/two parent families, single adults, unaccompanied youth, migrant/seasonal workers, and people with HIV/AIDS, mental illness and/or chemical dependency
- In SFY13, provided shelter and supportive services to 3,567 people
- Increased \$500k in during 2013 session (previously funded at \$688k per biennium); \$1.188 million for the 14-15 biennium
- Average grant of \$69,882 to shelter service providers in SFY14
- In SFY14, 17 programs funded throughout the state (13 in Greater MN), most for uses other than operation of a physical shelter (ESG more often used for physical shelter, due to HUD recordkeeping requirements)

**2015 Funding Request: Increase of \$1 million/biennium**

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## Current and Emerging Trends

- The number of households seeking emergency shelter continues to rise, especially for families with children
- An increasing number of persons are precariously housed or homeless due in part to a tight rental market in many areas of the state, with extremely low vacancy rates for lower-cost, affordable units
- Continued high unemployment, especially among low-income families, has put many more families at-risk of homelessness due to job loss, reductions in hours, and rising food, health care and other costs.