

**SUPPORTIVE HOUSING FOR PERSONS  
EXPERIENCING CHRONIC HOMELESSNESS WORKING GROUP**

**DRAFT OUTLINE OF REPORT**

This is an initial draft outline of the Commissioners' report and business plan on supportive housing for long-term homelessness. It does not indicate that final policy or funding decisions have been made. It is an opportunity to review the draft outline and to offer suggestions for inclusion in the Commissioners' report to the legislature by February 2004.

Report Structure:

Letter to Governor and Legislature from the Commissioners  
Executive Summary  
Report  
Bibliography and sources  
Appendix and supplementary materials from meetings

Report Outline:

**I. REVIEW OF CHARGE AND PURPOSE OF REPORT**

**The 2003 Minnesota Legislature charged the working group to advise the commissioners on a host of issues. The commissioners must report to the Legislature on the activities of the working group and recommend next steps to address the problem of long-term homelessness.**

A. Context

1. Place the goal of ending long-term homeless in context of entire homelessness issue. Admit focus on chronic or long-term homelessness is not solving the entire problem of homelessness.
2. Ending long-term homelessness and reforming government systems, not just adding more funding to existing systems.
3. Recognize how poverty impacts homelessness.
4. Acknowledge trade-offs.
5. Highlight federal policies - consistency with Federal Interagency Council to End Chronic Homelessness.
6. Summarize front door to back door strategies - supportive housing most promising approach to end long-term homelessness. (Not abandoning prevention and stabilization).

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7. Enunciate policy for the long-term homeless of "housing first" to treat mental illness, treat chemical dependency, reduce recidivism, assist public safety, lead to better outcomes.
8. Recognize prior work upon which this effort is built.

B. Vision and Goal

1. State vision to end homelessness.
2. State goal of ending homelessness by 2009. (Recognize as an aspirational goal based on ability to change systems, obtain funding, and the change in the number of long-term homeless between the 2000 and 2003 Wilder survey).

## II. DESCRIPTION OF LONG-TERM HOMELESSNESS

**The working group shall determine the key characteristics of individuals and families experiencing long-term homelessness for whom affordable housing with links to support services is needed. (Legislative charge to working group #1)**

A. Wilder numbers of persons experiencing chronic/long-term homelessness

1. 2003 Wilder Survey numbers and characteristics (data will not be available until late January/early February 2004).
2. Geographic distribution.
3. Footnote use of HMIS data.

B. Key characteristics of persons experiencing chronic/long-term homelessness

1. Context – Why identify key characteristics?
  - a) Not an eligibility criteria, an understanding of population needs in order to develop the plan for housing and services. None of these characteristics are weighted more heavily than others.
  - b) What are barriers beyond poverty and funds for housing?
  - c) Emphasize length of homelessness over diagnostics.
  - d) Focus on populations with greatest barriers.
2. An individual, unaccompanied youth, or family with children who has either lacked a permanent place to live continuously for a year or more, at least four times in the past three years, or prior to any incarceration or institutionalization.

and may have  
mental illness,  
chemical dependency, or  
co-occurring mental illness and chemical dependency.

Additional characteristics may include: domestic abuse and neglect, criminal history, cognitive limitations and chronic health conditions (including HIV/AIDS), among others.

- C. Cost of chronic homelessness
  - 1. Culhane findings.
  - 2. Wilder Survey information and analysis.
  - 3. Cost savings type research and data. Include information on the costs of homelessness to the individual and society in child protection, schools, emergency rooms, detox, jails, institutions, shelters, etc.
  - 4. National data – Connecticut, New York, Philadelphia.
  - 5. Local data – Portland Village, Anishinabe Waukaigan, Hearth Connection

### III. SUPPORTIVE HOUSING MODELS

**The working group shall identify a variety of supportive housing models that address the different needs of individuals and families experiencing long-term homelessness. (*Legislative charge to working group #2*)**

- A. Supportive Housing
  - 1. The case for supportive housing – cost/benefit analysis.
  - 2. Discussion of models and evidence which supports them.
  - 3. Minnesota’s current supportive housing experience and history, number of projects, financing, etc.
  - 4. Indicate the challenges that have prevented a “system” from supporting this information.
- B. Make available housing and service options that allow persons who have experienced chronic homelessness to be successfully housed over the long-term.

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1. Principles.
  - a) Maximize choice of housing and services for families and individuals; ensure flexible housing and service options that respond to need.
  - b) Encourage families and individuals to utilize services, but don't mandate services as a condition tenancy in all cases.
  - c) Utilize innovative practices that result in cost containment and use evidence-based models for service and housing that have demonstrated positive results.
  - d) Prioritize models that connect families and individuals in communities, near public transportation and services.
  - e) Provide the necessary housing tenancy supports to find and maintain housing, a critical service need for people who have experienced chronic homelessness.

C. Estimated Need

1. Propose numbers and types of supportive housing units and types of supportive service needs for the identified population.
2. Include estimated per unit cost based on MHFA data:  
Construction, rehabilitation  
Family housing, individual housing  
Scattered site, single site  
SRO with or without bath and kitchen in unit
3. Are there significant cost differences?
4. Create a table of estimated need.

D. Housing Options: Housing First

1. Individuals
  - a) Safe haven
  - b) Scattered site
  - c) Clustered site
  - d) Single site - including SRO
2. Families with children
  - a) Scattered site
  - b) Clustered site
  - c) Single site

E. Service Choices: Provide Necessary Services

(Content will be added per discussion from Meeting 2).

#### IV. CAPITAL, OPERATING AND SERVICES FUNDING GAPS

**Determine the existing resources that may fund these models for families and individuals who are experiencing long-term homelessness. Identify the gaps in capital, operating, and service funding that affect the ability to develop supportive housing models. (Legislative charge to working group #3 and #4)**

##### A. Funding Issues: Gaps and Broad Strategies = A Funding "Vision"

1. Recognize that there is little likelihood of major new funding in short-term; but identify potential future funding sources that could make sense over time.
2. This is a more general discussion; specific "business plan strategies" come later.
3. Review of each cost category: sources and uses and major strategies for savings, gap filling, etc. from our existing work plus some others.
4. Set forth some principles.
  - a) Maximize federal funds and flexibility.
  - b) Service and capital efficiency.
  - c) Services follow person.
5. Identify broad strategies.
  - a) Maximize access to resources (such as SSI)
  - b) Target existing programs
  - c) Block granting of service funding for long-term homeless

##### B. Capital Funding

The bricks and mortar of a supportive housing project (including common or service space), whether new construction, acquisition, or acquisition and rehabilitation.

1. Reduce development costs.
  - a) Reduce size of units, reduce service space (appropriately with careful planning).
  - b) Consider existing rental housing.
  - c) Encourage adaptive reuse of existing structures.
  - d) Review loan processing.
  - e) Standardize legal documents.
  - f) Develop standard design plans.
2. Funding.
  - a) Housing Trust Fund
  - b) Housing Tax Credits

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- c) MHFA – Agency resources
- d) HUD Supportive Housing program
- e) State General Obligation Bonds
- f) Philanthropic funds

C. Operating Funding

The costs of maintaining the property (taxes, insurance, utilities, maintenance, reserves, any debt service).

- 1. Rental subsidy.
  - a) Use existing project based Section 8 and public housing.
  - b) Housing Trust Fund
  - c) MHFA – Agency resources
  - d) HUD Supportive Housing program, Shelter Plus Care and Section 8 SRO moderate rehabilitation
  - e) Incentive for mixed income development projects to include supportive units.
- 2. Income.
  - a) SSI outreach
    - (i) improve existing county SSI outreach work – system change coordinate with local Social Security Administration
    - (ii) fund new SSI outreach work for long-term homeless – HOPE
    - (iii) improve SSI reinstatement upon release from correctional institutions
  - b) GRH
  - c) Bridges (requires additional funding)

D. Support Services Funding

The healthcare, case management, life skills, employment and training services and specific housing support services necessary to support stable housing.

(Content will be added).

V. FUNDING STRATEGIES

- A. Identify priorities in each area to pursue based on promise of short-term funding; list others either because they cost money or will take time to resolve.

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- B. Make case for flexible fiscal notes given potential cost savings.
- C. Place holder for miscellaneous issues such as siting issues; the need to collaborate with delivery partners and local governments on incentives for localities to site.
- D. Planning link to continuum of care planning and the Metro Regional Council to End Homelessness, use continuum of care to maximize HUD capital, operating and service funding.
- E. Commit state funding as a “challenge” for federal funding.

## VI. INTERAGENCY DECISION MAKING PROCESS

**Propose a formal, interagency decision making process and a plan to fund supportive housing proposals based on the agreed upon criteria, with the goal of maximizing access to funding for the capital, operating and service costs of supportive housing proposals either scattered site or project based.**  
*(Legislative charge to working group #5)*

Describe the decision making process. (List of options below.)

Obtain input and feedback from people who are experiencing long-term homelessness currently or have recently experienced long-term homelessness.

- A. Some Operating, Financing, and Project Selection Models
  - 1. Super RFP process
  - 2. Alternative Super RFP process; or
  - 3. Funding Block Grant
  - 4. Funders’ Council
  - 5. Integrate ongoing evaluation of strategies for people experiencing long-term homelessness

AND/OR

- B. Some Policy, Implementation, or Advisory Group Models
  - 1. Supportive Housing Working Group
  - 2. Agencies’ Sub-cabinet
  - 3. Office for Ending Homelessness; or
  - 4. Interagency Task Force on Homelessness

## VII. COMMISSIONERS' RECOMMENDATIONS (BUSINESS PLAN)

**The plan must include an estimate of the statewide need for supportive housing, an estimate of necessary resources to implement the plan, and alternative timetables for implementation of the plan and propose changes in laws and regulations that impede the effective delivery and coordination of services for the targeted population in affordable housing.**

- A. Phase I – Three to Five Years.
1. Targeted population.
    - a) Priority for key characteristics?
    - b) Will long-term homelessness “tenure” be a priority?
    - c) Substantial risk of chronic homelessness also a priority?
  2. Supportive housing.
    - a) (See estimated need section III, C)
    - b) Unit goals and capacity.
    - c) Cost estimate ranges for each need.
  3. Sources of funding by each type of funding need.  
**(See funding section IV, A, B, C and D)**
    - a) General:
      - (i) state bonding of \$4 million or more for FY 04-05.
      - (ii) make some assumptions regarding service and operating based on short-term implementation of various strategies
      - (iii) develop an overall cost/uses mix
      - (iv) cost estimates for a unit number goal over three years for each cost – capital, operating, services
      - (v) develop overall sources mix for each cost based on this unit goal as above (e.g. who pays in what proportion between government, non-profit and charitable organizations, local government)
      - (vi) identify the gaps; what we are working on with potential sources being additional MHFA agency resources, foundation resources, federal resources, continued progress on service funding, better fiscal climate will make available funds based on demonstrated cost savings, etc.

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- b) Resource Analysis
  - a. DHS resource analysis
  - b. DOC resource analysis
  - c. MHFA resource analysis
  - d. Other resources

B. Phase II - Long Term

Filling difference between phase I and the end; less detail; need to monitor progress and see results of 2006 Wilder survey.