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## Introduction

In 2021, the HOME-American Rescue Plan (HOME ARP) was introduced, providing \$5 billion in funding across the nation to support affordable housing initiatives. Its objectives include investing in permanent affordable rental housing, upgrading shelter facilities to include non-congregate shelter, and providing tenant-based rental assistance and supportive services. HOME ARP funds are intended to benefit specific "qualifying populations" (QPs), listed below:

- Individuals and families experiencing homelessness, as defined by the McKinney Act and in 24 CFR 91.5 (paragraphs 1-3)
- Individuals and families at risk of homelessness, as defined by the McKinney Act and in 24 CFR 91.5
- Individuals and families fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, and/or human trafficking
- Other populations that may significantly benefit from supportive services or rental assistance, as a preventive measure against homelessness or for those who are most susceptible to housing instability.

To achieve these objectives, this program drew upon the lessons learned from various existing housing programs, such as HOME, Continuum of Care (CoC), ESG (Emergency Solutions Grant), and Housing Counseling programs. HOME ARP follows regulations established in the [HOME ARP Implementation Notice \(Notice\)](#).

Under this program, Minnesota Housing has been allotted \$31,137,836. However, prior to receiving the funds, Minnesota Housing must carry out a comprehensive allocation planning process that includes a series of consultations, a thorough needs assessment and gaps analysis based on current data, and virtual listening sessions, in addition to holding a public hearing and gathering public feedback. These steps are pivotal to effectively utilizing the HOME ARP funds, specifically in addressing the unique needs of the entire state of Minnesota. Through these consultations and hearings, valuable insights and recommendations from residents, organizations, and community members were acquired, which in turn, informed the decision-making process and ultimately, will help maximize the results of the funding.

## Consultation

Hearing from communities throughout the State of Minnesota is integral in designing the strongest HOME ARP allocation plan to meet community needs. External engagement activities fulfilled all HOME ARP consultation and public participation requirements. Minnesota Housing leveraged standing meetings as much as possible to solicit input from community members without adding a time burden or duplicating efforts. Consultation efforts occurred in three primary methods, all of which included written materials covering a basic overview of HOME ARP that were published on the Minnesota Housing website. These materials oriented the community to the funding opportunity including a description of the qualified populations and eligible activities, what feedback is needed and how input would be used for program creation. Community members were provided multiple methods and spaces to provide detailed feedback in the consultation methods below.

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1. **Virtual Listening Sessions.** Eleven virtual listening sessions were held between December 7, 2022, and January 31, 2023. Each lasted up to one hour in length using virtual interactive and accessible engagement tools such as Mentimeter and/or JamBoard to gather and document insights from participants. Each session began with an overview of HOME ARP funding, followed by a guided discussion focused on the needs and gaps related to the HOME ARP qualifying populations and eligible activities allowing for in-depth feedback and opportunities to engage on issues key to the select representatives.
  2. **Historically Excluded Partners Interviews.** To incorporate the voice of marginalized community members, Minnesota Housing conducted informational interviews with various representatives from historically excluded communities to gain additional insight on identified service gaps within the existing homelessness and housing systems related to HOME ARP eligible activities. In furthering the values of equity and inclusion in the planning process, community members engaged through trusted and culturally competent community experts to ensure all voices had a safe space to provide insights and solutions. Individual interviews included the same HOME ARP overview provided in the Virtual Listening Sessions to ensure equitable access to information.
  3. **Surveys.** To increase accessibility and ease providing input, a virtual survey was made available through Minnesota Housing's survey platform as an additional method for gathering feedback on the use of HOME ARP. The survey was distributed with the same HOME ARP overview included in Fact Sheets provided to consultation participants. Respondents could indicate which HOME ARP eligible activities exist within the state, activities that are most needed, recommended preferences for subsets of HOME ARP qualifying populations (QP), and potential collaborations for administering HOME ARP. Respondents were invited to share their views on the impact of those activities within their communities and the statewide systems. To expand public input and participation, the survey was also translated into Hmong, Spanish, and Somali. The survey questions are in the appendix of this Plan.

### Consultation Summary

Collectively, through 11 consultations with over 170 organizations and over 400 individuals, community organizations and required consultation groups were informed of the funding opportunities and asked for feedback regarding unmet needs, cultural and racial disparities, preferred eligible activities and potential preferences for qualifying populations. Organizations and individuals participated from throughout Minnesota, resulting in clear urban and rural engagement and feedback. These consultations were all conducted virtually to increase accessibility for interested organizations and individuals to attend. A full list of organizations can be found in the Appendix.

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### Consultation Meeting Schedule and Summaries

| Date                                                                 | Types of Organizations                                                                                                                                                                                                                                                                                                      | Top 2 Activities                                               | Feedback from Participants                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12/7/2022:<br>Minnesota<br>Interagency<br>Council on<br>Homelessness | <ul style="list-style-type: none"> <li>Continuums of Care Leadership</li> <li>Domestic violence service providers</li> <li>Homeless services provider</li> <li>Public agency that addresses the needs of the qualifying populations (All QPs)</li> <li>Public or private organizations that address civil rights</li> </ul> | 1. Affordable Rental Housing                                   | Affordable housing was the highest priority need for this group, followed by supportive services overall. However, when focused on specific qualifying populations like those experiencing homelessness the need for tenant-based rental assistance outpaced supportive services as the second priority.                                                                                              |
|                                                                      | <ul style="list-style-type: none"> <li>Public or private organizations that address fair housing</li> <li>Public or private organizations that address the needs of persons with disabilities</li> <li>Public housing authority</li> <li>Veterans Groups</li> <li>Public housing authority</li> </ul>                       | 2. Supportive Services & Tenant Based Rental Assistance (tied) |                                                                                                                                                                                                                                                                                                                                                                                                       |
| 12/21/2022:<br>Minnesota<br>Housing's<br>Equity Action<br>Committee  | <ul style="list-style-type: none"> <li>Public agency that addresses the needs of the qualifying populations (All QPs)</li> </ul>                                                                                                                                                                                            | 1. Affordable Rental Housing                                   | Increasing affordable housing was a top need in this group especially deeply affordable units for those with the lowest incomes in safe and amenity rich areas. Increasing housing stock can provide choice on where people would like to live based on their support systems and community. Supportive services should be made broadly available that are culturally and linguistically appropriate. |
|                                                                      |                                                                                                                                                                                                                                                                                                                             | 2. Supportive Services                                         |                                                                                                                                                                                                                                                                                                                                                                                                       |

| (Continued)<br>Date                                         | Types of Organizations                                                                                                    | Top 2 Activities                                       | Feedback from Participants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12/29/2022 &<br>1/13/23:<br>Continuum of<br>Care Leadership | <ul style="list-style-type: none"> <li>Continuums of Care that covers the State of Minnesota</li> </ul>                   | 1. Affordable Rental Housing                           | <p>The lack of affordable housing and low barrier shelter is a significant concern as the needs of those experiencing homelessness continue to increase. The development of new housing units particularly with supportive services that are culturally specific would have a great impact. Rental assistance is an important tool to ending homelessness but hard to fully use without additional housing stock. Non-congregate shelter options are sparse and particularly difficult in remote and rural areas. Capacity building of non-profits to both expand services and retain current staff is desperately needed. Using funds to support Coordinated Entry systems can help with priority list management and assessment.</p> |
|                                                             |                                                                                                                           | 2. Supportive Services & Non-Congregate Shelter (tied) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 1/3/23:<br>Regional Experts<br>Network                      | <ul style="list-style-type: none"> <li>Persons with Lived Experience with Homelessness and Housing Instability</li> </ul> | 1. Affordable Rental Housing                           | <p>This group discussed the need for supportive services and programs to focus on housing stability that can be flexible for housing crises and prevent returns to homelessness, including recognizing a person's friends and relatives as supports. The rehabilitation of current affordable housing to increase safety and the repurposing of abandoned buildings for potential shelters were also discussed.</p>                                                                                                                                                                                                                                                                                                                    |
|                                                             |                                                                                                                           | 2. Supportive Services                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| (Continued)<br>Date                                                | Types of Organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Top 2 Activities             | Feedback from Participants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1/6/23: Family Homeless Prevention and Assistance Program Grantees | <ul style="list-style-type: none"> <li>Domestic violence service providers</li> <li>Homeless services provider</li> <li>Public agency that addresses the needs of the qualifying populations (All QPs)</li> <li>Public or private organizations that address civil rights</li> <li>Public or private organizations the address fair housing</li> <li>Public or private organizations that address the needs of persons with disabilities</li> <li>Tribal Nation/Government</li> </ul> | 1. Affordable Rental Housing | The group described a lack of affordable housing for people with barriers, low-income households, and young adults. People are struggling to find decent housing and have a long waitlist for available affordable housing. Feedback also mentions a lack of landlords willing to rent to people with high barriers and lack of support services such as transportation and case management. Additionally, there is a lack of funding for non-profits and a lack of culturally appropriate services in the community.                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2. Supportive Services       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 1/11/23: Homeless Service Providers                                | <ul style="list-style-type: none"> <li>Healthcare agency</li> <li>Homeless services provider</li> <li>Housing Developer</li> <li>Persons with Lived Experience with Homelessness and/or Housing Instability</li> <li>Public agencies that address the needs of qualifying populations (All QPs)</li> <li>Public or private organizations that address civil rights</li> <li>Survivors of human trafficking service provider</li> <li>Tribal Nation/Government</li> </ul>              | 1. Affordable Rental Housing | The group described the need for affordable housing and related services for a variety of populations, including immigrants and refugees, single male headed households with children, people with justice involvement, and those experiencing homelessness. Specific issues mentioned include a lack of rental assistance, affordable units that accept vouchers, and non-congregate shelter space. Group members also highlighted a lack of affordable housing units, safe reentry housing for those leaving incarceration, and education for landlords. CE systems could use funding to keep up with need. There is also a need for services for those with severe mental health and physical conditions, and support for individuals with criminal backgrounds, poor credit, or housing references. Many cited rental amounts are often above fair market rent, making it difficult for people to use their vouchers. |
|                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | 2. Supportive Services       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| (Continued)<br>Date                            | Types of Organizations                                                                                                     | Top 2 Activities                                               | Feedback from Participants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1/18/23:<br>Housing<br>Stability<br>Roundtable | <ul style="list-style-type: none"><li>Community Action Agency</li></ul>                                                    | 1. Affordable Rental Housing                                   | The group described the lack of affordable housing and available units is a major barrier for housing stability. Investing in existing housing stability services could help expand current services to meet the demand, especially with access to prevention funds or rental arrears that would allow households to maintain their current residence. Included in supportive service is the need for increased support for renters’ rights and education. The group recognized a need for more shelters for all populations including single individuals, families, and youth.                                                                                                                                           |
|                                                | <ul style="list-style-type: none"><li>Continuums of Care</li></ul>                                                         |                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                | <ul style="list-style-type: none"><li>Domestic violence service provider</li></ul>                                         | 2. Tenant-Based Rental Assistance & Supportive Services (tied) |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                | <ul style="list-style-type: none"><li>Homeless services provider</li></ul>                                                 |                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                | <ul style="list-style-type: none"><li>Public agency that addresses the needs of qualifying populations (All QPs)</li></ul> |                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 1/19/23:<br>Housing<br>Developers              | <ul style="list-style-type: none"><li>Housing Developers</li></ul>                                                         | 1. Affordable Rental Housing                                   | Affordable housing is the highest need in the state as evidenced by the sheer number of calls for vouchers/affordable units that current properties receive that are unable to be placed. Federal payment standards for tenant based rental assistance and vouchers have not kept pace with the market rent. There is a need for long-term capital for construction gap financing and operating subsidies for supportive services. Providing capital funds to create housing that is not debt based would allow for a hold on low rent. Supportive services for housing developments with people with service needs are not well funded and difficult to access. Tenant based rental assistance could reduce rent burden. |
|                                                |                                                                                                                            | 2. Supportive Services                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                |                                                                                                                            |                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

| (Continued)<br>Date                 | Types of Organizations                                                                                                                                                                                                                                                                    | Top 2 Activities                  | Feedback from Participants                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1/20/23: Public Housing Authorities | <ul style="list-style-type: none"> <li>Public housing agencies</li> </ul>                                                                                                                                                                                                                 | 1. Affordable Rental Housing      | <p>The need to increase the affordable housing stock is key to improving access to housing. Supportive services are necessary to increase success and stability once a person is housed, especially for those with disabilities.</p>                                                                                                                                                                                                                                                                                                                                            |
|                                     |                                                                                                                                                                                                                                                                                           | 2. Supportive Services            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 1/25/23: Legal Services             | <ul style="list-style-type: none"> <li>Homeless services provider</li> </ul>                                                                                                                                                                                                              | 1. Tenant-Based Rental Assistance | <p>Rental assistance in the form of TBRA is a top need identified by this group as many households continue to have increased rental arrears and face evictions with limited resources. Increasing affordable housing and being creative in the type of housing is a need, such as manufactured homes where residents can own rather than rent land. Supportive Services in the form of financial assistance as well as legal services can help households retain housing by assisting with linkages to services, navigating legal system, and increasing tenant education.</p> |
|                                     | <ul style="list-style-type: none"> <li>Public agencies that address the needs of qualifying populations (All QPs)</li> <li>Public or private organizations that address civil rights</li> <li>Public or private organizations the address fair housing</li> <li>Veterans Group</li> </ul> | 2. Affordable Rental Housing      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 1/31/23: Tribal Consultation        | <ul style="list-style-type: none"> <li>Tribal Nation/Government</li> </ul>                                                                                                                                                                                                                | 1. Affordable Rental Housing      | <p>This group identified the need for rental housing on Tribal lands as a large need as well as housing options for Elders, transitional housing, and rental houses and apartments. Supportive Services that can support those living in rural communities with needs like non-medical transportation. Non-congregate shelters or units would help fill a gap in shelter capacity.</p>                                                                                                                                                                                          |
|                                     |                                                                                                                                                                                                                                                                                           | 2. Tenant-Based Rental Assistance |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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## Summary of Unmet Needs

Below is a summary of the feedback received from virtual consultations that took place between December 7, 2022, through January 31, 2023, organized by eligible activities under HOME ARP funding. Consultations occurred with Tribal Nations' leadership, individuals with lived experience, Continuums of Care (CoCs) serving Minnesota, housing developers, homeless, domestic violence, human trafficking and sexual assault service providers, veterans' groups, public housing agencies, public, private and non-profit agencies that address the need of the qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities.

### Affordable Housing

Increased affordable housing is a priority need affecting communities across the State of Minnesota. According to the consultations, the affordable housing stock is not adequate to meet the increasing number of households within all qualifying populations in need of safe and stable housing. In addition to available units, providers struggle to spend down rental assistance funds or lease-up vouchers due to a shortage of deeply affordable units with low barrier application and resident selection processes. The current affordable housing stock has rehabilitation needs, a lack of variety in unit sizes to accommodate both large and small households, and locations that have limited amenities like grocery stores, public transit, etc. Admission criteria that is more flexible is critical to remove barriers to housing options for those with low credit scores, justice-involved backgrounds, lack of stable rental history and other requirements of traditional property management systems. More affordable housing stock that can meet the needs of seniors and persons with disabilities is also a need.

Deeply affordable units for those making less than 30% Area Median Income (AMI), where culturally appropriate support can be put into place, are in high demand. Culturally appropriate services include offering linguistically appropriate support (both orally and written), improving cultural competence of staff, and developing a diverse workforce that better reflects those served by the program. Due to the lack of affordable housing units, households looking for housing options in lower income brackets lose the privilege of choice, especially the ability to remain in areas where they have natural and culturally specific supports.

Current housing stock is aging and funds to improve and rehabilitate affordable housing are needed to provide safe and sustainable housing across the State.

### Supportive Services

Supportive services to assist households to reach and maintain housing stability are also a crucial need. Services focused on the Housing First and Harm Reduction models are needed, as well as increased culturally appropriate and language appropriate services for communities throughout the State of Minnesota. Communities in Greater Minnesota frequently cited geographic distance as a major barrier to services as there are often not enough participants in one area to justify a full-time staff member. However, the expansive geography in Greater Minnesota is a barrier for one full-time worker, resulting in more time spent traveling and high transportation costs. The distance is compounded when discussing the needs of specific cultural groups, as culturally appropriate services are not widely available in all areas. This creates a need for culturally sensitive and culturally competent supportive services for participants, with an additional strain in more rural areas where it is harder to support hiring full-time staff for specific geographic areas. Accessible transportation is a consistent concern of providers in Greater Minnesota.

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### **Tenant Based Rental Assistance (TBRA)**

The need for Tenant Based Rental Assistance has been significantly felt throughout the pandemic with rising rents and inflation leading to households struggling to keep up with costs. With many pandemic funding sources nearing the end with continued demand, TBRA could provide relief on rent burden. TBRA funds focusing on prevention services to help support housing stability are critical. Increased landlord engagement and tenant education is needed for an increase in TBRA funds to be utilized effectively in Minnesota.

### **Non-Congregate Shelter**

According to consultation feedback, there are gaps in shelter that vary across the state, with Greater Minnesota and tribal lands experiencing a higher lack of shelter options. Emergency shelter needs also vary across the state, with some Greater Minnesota communities stating they have little to no low barrier shelter available in the community, while some metro areas explicitly named the non-congregate shelter model as an operational need. Many areas are seeing an increase in those experiencing homelessness, while the number of shelter beds has remained stagnant for some time. Non-congregate shelter beds could also provide emergency shelter needs to specified subpopulations like families, those fleeing domestic violence, dating violence, sexual assault or human trafficking, and individuals with severe mental health symptoms who may not be as comfortable in a congregate shelter program.

### **Non-Profit Capacity Building**

Throughout the State, non-profit providers are struggling to retain staff and maintain their capacity to match increasing needs. Staffing and capacity concerns were also discussed in many consultation meetings, with the need for livable wages for those serving the qualified populations that could use this program funding, as well as support, training, and education opportunities for staff.

### **Racial and Ethnic Disparities**

As a part of the consultation process, participants were asked to identify racial disparities that are not being addressed in their current system. The greatest disparities were noted for Black and Indigenous communities especially as it relates to their overrepresentation of the community in homeless services and the justice system. Minnesota has a rich diversity of communities across the State and a number of culturally specific services available to residents, yet there are noted gaps of culturally specific services evenly across the state. Compounded with the lack of affordable housing, some households move outside their region for housing and lose the cultural and linguistic community that enhances housing stability.

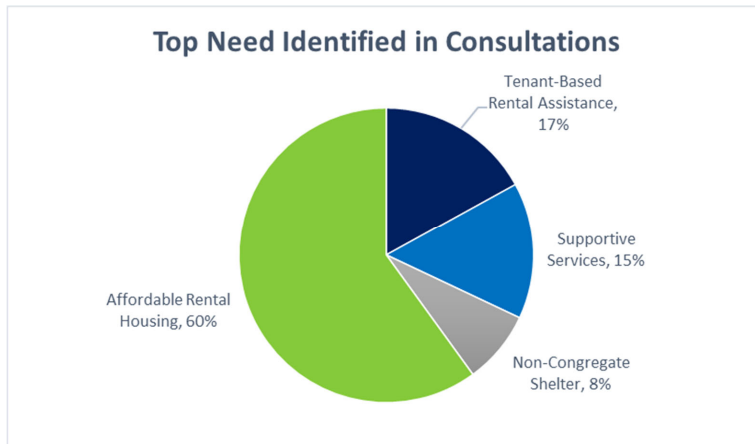
There are increased challenges in accessing housing with strict parameters on identification documents accepted and language barriers when applying for units. In some areas, unit sizes are not large enough to accommodate multi-generational or larger families. And when facing potential eviction, there is a lack of support in navigating tenant rights and the legal system.

### **Prioritization of HOME ARP Eligible Uses**

During consultations, participants were asked to prioritize eligible uses of HOME ARP specifically: affordable rental housing, tenant-based rental assistance, supportive services, non-congregate shelter, and non-profit operating and capacity building. Non-profit operating and capacity building can only be awarded to an eligible entity that is also awarded HOME ARP funds for another HOME ARP activity.

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From these results affordable housing is the top-ranked eligible activity across all consultation groups accounting for 60% of all votes. Supportive Services and Tenant-Based Rental Assistance came in close second with approximately 15% each, followed by non-Congregate shelter. Affordable Rental Housing and Tenant-Based Rental Assistance are consistently important across all consultation groups, while Supportive Services and Non-Congregate Shelter have more varied levels of importance.



#### Potential Preferences

Additionally, participants were asked to rank qualifying populations based on current needs and potential preferences that the State could use in allocating HOME ARP funds. Out of the eleven consultation groups, six groups identified those experiencing homelessness as a priority qualifying population. In addition, those at risk of homelessness and those fleeing domestic violence and human trafficking were also identified as potential qualifying populations where a preference would help fill gaps. Many participants highlighted the need for flexible options and tailored solutions for the diverse needs of individuals and families throughout Minnesota, therefore recommending the State not set a preference.

The feedback captured in all consultation sessions highlights that different groups have varying priorities regarding who should be prioritized for access to HOME ARP projects, especially as it relates to subpopulations of the qualifying populations. Themes emerged about the racial disparity in the experience of homelessness for both Black and Native identifying individuals. Additionally, individuals with mental health needs face difficulties in accessing assistance and would benefit from a preference. Finally, participants discussed the need to prioritize families, single adults, people of color, low-income families and individuals, and youth aging out of foster care. It was also mentioned that seniors and people with criminal backgrounds may require a preference.

## Community Survey

A survey was posted on the Minnesota Housing website to increase access for all interested parties to provide feedback. Questions mirrored those used during the virtual listening sessions. The survey was translated into Spanish, Somali and Hmong to improve access to those who are most comfortable in languages other than English. The survey link was also sent via eNews on January 13, 2023, and was open for responses until January 31, 2023. Minnesota Housing received over 180 responses.

### Summary of Unmet Needs

The survey structure asked about unmet needs based on the HOME ARP qualifying population definitions to identify any themes or differences in need across the populations. An overview of the responses is in the table below.

| Highest Unmet Need                                  | Those Experiencing Homelessness<br>(QP1) | Those At Risk of Experiencing Homelessness<br>(QP2) | Those Fleeing or Attempting to Flee DV/Human Trafficking<br>(Qp3) |
|-----------------------------------------------------|------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------|
| Access to Immediate Emergency Shelter               | 19%                                      | 4%                                                  | 45%                                                               |
| Access to Rental Assistance                         | 10%                                      | 31%                                                 | 6%                                                                |
| Access to safe and affordable housing               | 52%                                      | 41%                                                 | 33%                                                               |
| Access to supportive services for housing stability | 19%                                      | 24%                                                 | 15%                                                               |

According to the survey results, the top need identified by respondents for persons experiencing homelessness was affordable rental housing, which accounted for over 50% of responses. Supportive services and access to immediate emergency shelter were also identified as important needs for this population.

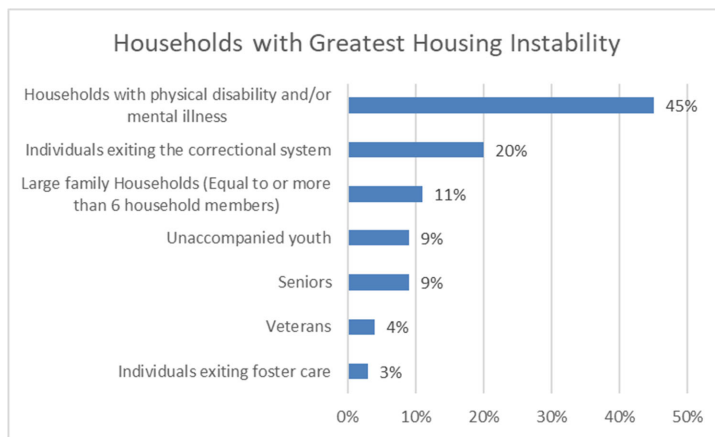
For individuals at risk of experiencing homelessness, respondents reported the top need was also affordable rental housing. However, it was noted that the need for rental assistance was significantly greater for this population when compared to individuals experiencing homelessness or those fleeing or attempting to flee domestic violence/human trafficking. 10% of respondents identified rental assistance as a top need for individuals experiencing homelessness, and 6% for those fleeing or attempting to flee domestic violence/human trafficking. The third highest unmet need for individuals at risk of experiencing homelessness was ongoing supportive services.

The survey results indicated that the needs of respondents fleeing or attempting to flee domestic violence, dating violence, sexual assault, and/or human trafficking, differed significantly from the other two populations. Access to immediate emergency shelter was identified as the top need by 45% of respondents for this population, followed by affordable rental housing, which is a markedly different

trend from the other two populations where access to emergency shelter was only identified as a top need by 4% and 19% of respondents, respectively.

### Subpopulation Needs

In addition to the unmet services and housing needs, survey respondents were asked to identify subpopulations that face the greatest risk of housing instability from a predetermined list. The population identified as facing the greatest housing instability is households with physical disabilities and/or mental illness.



### Racial and Ethnic Disparities

Additionally, survey respondents were asked to identify racial and ethnic disparities in service delivery. Lack of affordable housing development in neighborhoods with accessible amenities was the top need to be addressed in the community with over 46% of respondents selecting this option. There was a noted issue of lack of supportive services for both non-white populations and households who are non-English speaking.

Survey respondents added feedback for a range of issues related to affordable housing and access to housing for marginalized populations. One common issue identified is discrimination in the housing market, including difficulties in access and approval of households on fixed budgets or low incomes, discrimination against those with criminal records, and discrimination against populations who identify as Black, Indigenous or a Person of Color by property management. Other issues include limited oversight of landlords, which can lead to poor property conditions, and historic and on-going disparities in income between white and non-white populations.

Other challenges identified include the lack of affordable housing overall, which disproportionately affects non-white populations, and the need for more affordable housing with larger numbers of bedrooms. Respondents also highlighted the importance of providing supportive services for non-white populations, veterans, and those who have experienced violence, as well as increasing opportunities for smaller Naturally Occurring Affordable Housing (NOAH) units and supporting home ownership models.

Frustrations were also expressed that the issues facing white populations were not being sufficiently addressed.

#### Barriers to Accessing and Developing Affordable Housing

The largest barrier identified for accessing affordable housing is the lack of housing stock and inventory (52%). In addition, the ability to develop more affordable housing is difficult to navigate with the high development costs (29%), high cost or low availability of land (19%), and community opposition to new projects in their area (18%).

| Choices                                                                      | Responses  |
|------------------------------------------------------------------------------|------------|
| Other:                                                                       | 18 (9.8%)  |
| Lack of accessible amenities in areas (transportation, grocery stores, etc.) | 21 (11.4%) |
| Community Opposition ("NIMBYism")                                            | 33 (17.9%) |
| Development Costs (I.e., labor shortage, materials costs, etc.)              | 53 (28.8%) |
| Lack of Developers / Developer Capacity                                      | 12 (6.5%)  |
| Lack of gap financing                                                        | 28 (15.2%) |
| Cost or availability of land                                                 | 34 (18.5%) |
| Local government approval process                                            | 33 (17.9%) |
| Lack of housing stock or inventory                                           | 95 (51.6%) |
| Zoning or land use requirements                                              | 4 (2.2%)   |

#### Prioritization of HOME ARP Eligible Uses

Based on the eligible uses that can be funded in the HOME ARP notice, survey respondents were asked to indicate which two activities Minnesota Housing should prioritize funding. Affordable rental housing was selected as one of the two most important activities in 132 (71%) responses for Minnesota Housing to fund. The second most selected activity was Tenant Based Rental Assistance with 61 (33%) responses, followed by Supportive Services (55 responses, 29%), non-congregate shelter (44 responses, 24%) and non-profit capacity and operating assistance (37 responses, 20%).

#### Potential Preferences

Survey respondents were asked to identify qualifying populations who would benefit from being prioritized for HOME ARP funded projects. Respondents were able to select up to two qualifying populations. 45% of responses supported a preference for those experiencing homelessness, 38% for those at risk of homelessness, 30% for other populations who face housing instability and 21% for those fleeing or attempting to flee domestic violence/human trafficking. The survey results further supported the needs assessment and gaps analysis as well as the rankings of the consultations with support for a homeless QP preference.

## Public Participation

Minnesota Housing held one public hearing to gather public input on eligible uses of the HOME ARP funds and held a public comment period for feedback on the draft Allocation Plan.

|                         |                                           |
|-------------------------|-------------------------------------------|
| Dates of Public Notices | January 24, 2023<br>March 1, 2023         |
| Public Comment Period 1 | March 1-16, 2023                          |
| Public Comment Period 2 | May 25-June 9, 2023                       |
| Date of public hearing  | February 1, 2023, 4:00-5:30 p.m.          |
| Public Comment Period 3 | June 24 – July 11, 2025                   |
| Public Comment Period 4 | <a href="#">August XX-August XX, 2026</a> |

## Public Hearing

Minnesota Housing held a public hearing to solicit feedback on the local use of HOME ARP funds on Wednesday, February 1, 2023. Notice of the public hearing and a survey were sent using Minnesota Housing's eNews participants distribution list on January 24, 2023, and again on January 31, 2023. The Public Hearing Notice included Minnesota Housing contact information (email and phone) to help ensure persons with disability(ies) or Limited English Proficiency who wished to participate could request needed accommodations. The meeting was held virtually with 74 participants representing over 50 organizations. (Organizations present can be found in the Appendix). Participants joined online or by phone.

At the public hearing, information about the HOME ARP program was presented, including an overview of the qualifying populations and the range of activities that could be funded. Participants were asked for their comments on the needs of the qualifying populations and the gaps in housing and services in their region. Questions raised during the Public Hearing were primarily focused on when the funds would become available, how funds would be allocated, what priorities or preferences will be made, the timeline and details about HOME ARP allowable activities, and the local process for allocation funding. A sign language translator attended the public hearing meeting signing for the hearing impaired. The hearing was recorded and posted to the webpage.

## Public Comment Period

In accordance with Section V.B of the HOME ARP Notice, Participating Jurisdictions (PJs) must provide for and encourage citizen participation in the development of the HOME ARP allocation plan. HUD defines Participating Jurisdictions as any State or local government that has been designated by HUD to administer a HOME program grant. Minnesota has 7 PJs: State of Minnesota, through Minnesota Housing, the cities of Minneapolis, St. Paul and Duluth, and the counties of Hennepin, Dakota and St. Louis. The initial public comment period was held from March 1, 2023 through March 16, 2023. Three comments were received.

## Public Comment Summary

Round One (March 1-March 16, 2023): During the first public comment period, three comments were received. These comments collectively recognized the need for long-term affordable housing. In the implementation phase, Minnesota Housing will look to further define what "affordable" housing means

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as one comment highlighted a clarification need. Commenters also raised the need for emergency shelter construction, rehabilitation, and operation. Another comment raised awareness regarding data specific to those experiencing sexual assault and need of long-term housing. Relevant data from this comment was incorporated in the Gaps Analysis section. Additionally, the funding need for Coordinated Entry priority list management was a theme in consultations but was missing in the draft Plan as noted by another comment. Minnesota Housing added language to highlight this need to the Consultation section of this Plan. Finally, a suggested preference for those experiencing sexual assault was named. Minnesota Housing recognizes the needs of all the qualifying populations and the significant increase in risk for those experiencing homelessness then experiencing sexual assault. Minnesota Housing remains hopeful that the QP1 preference may help to serve those who are also facing this trauma.

Round Two (May 25 – June 9, 2023): For the second public comment period, three additional comments were received. Two comments received brought forward perspective from housing staff currently supporting households in maintaining housing stability. One reiterated the need for deeply affordable housing for the qualifying households and noted the significant barriers posed by current admissions policies as well as the need for improved maintenance of subsidized buildings. The second called for livable wages for those supporting households in housing. The third comment offered additional consultation feedback and edits which have been incorporated in the consultation section and appendix accordingly.

Round Three (June 24 – July 11, 2025): For the third public comment period, five comments were received. Two comments received inquired about the potential eligibility of projects or organizations to receive funding. One affirmed the need for more affordable housing in the state, while another discussed possible use of funds to support affordability in manufactured housing. The fifth comment encouraged Minnesota Housing to continue centering racial equity, cultural responsiveness, and community voice in the use of HOME-ARP funds.

#### Round Four (XX):

#### **Comments Accepted**

Minnesota Housing accepted all eleven comments captured through public participation efforts which helped inform the Minnesota HOME ARP Allocation Plan and proposed activities.

#### **Comments Not Accepted**

The eleven comments received were accepted. There were no comments not accepted.

#### **Efforts to Broaden Public Participation**

The notice regarding the availability of the draft allocation plan, the public comment period, and the public hearing to all interested community organizations and partners for the HOME ARP funding was sent via Minnesota Housing's eNews list which encompasses over 950 municipalities, counties, and Tribal nations. These units of local government, which may be eligible to apply for HOME ARP are also aware of the needs of the qualifying populations in their community. Minnesota Housing's eNews list also utilizes and targets Community Action Agencies, Housing and Redevelopment Authorities, and other non-profits that serve individuals and families who are homeless or living in poverty. Additionally, Minnesota Housing translated the feedback survey into Spanish, Hmong, and Somali to broaden access for participation in the HOME ARP consultation process. Minnesota Housing elected to hold a public

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hearing virtually outside of business hours to maximize access across the State and accommodate different working schedules.

## Needs Assessment and Gaps Analysis

In addition to data gathered through consultations, the following data sources were used or consulted to determine the size and demographic composition of qualifying populations in Minnesota, their needs, and gaps within the current shelter, housing inventory, and service delivery system:

- **Housing Inventory Count (HIC)**, 2022 reports for all Minnesota Continuums of Care (CoCs)
- **Point in Time (PIT) Count**, 2022 reports for all Minnesota CoCs
- **Minnesota Core Homeless Programs Report (MN CHPR)**, FY2021 summary data for all Minnesota CoCs also disaggregated for CoCs in Twin Cities Metro Minnesota and Greater Minnesota
- **American Community Survey (ACS)**, 2020 5-Year Estimates Data Profiles, Table DP05 Demographics and Housing Estimates, S1071 Poverty Status in the Past 12 months
- **Comprehensive Housing Affordability Strategy (CHAS)**, 2015-2019 for Minnesota
- **Department of the Treasury, Emergency Rental Assistance Program (ERA1) Interim Report (RentHelpMN)**, January 1 – June 30, 2022
- **211 Housing Data 2022, Greater Twin Cities United Way**, January 2023
- **Coordinated Entry Monitoring Report, FY2021** summary data for all Minnesota CoCs also disaggregated for CoCs in Twin Cities Metro Minnesota and Greater Minnesota
- **State of the State's Housing 2021**, Minnesota Housing Partnership
- **2021 Program Assessment Report**, Minnesota Housing
- **2022-23 Affordable Housing Plan**, Minnesota Housing
- **Minnesota Housing Measures 2021**, HousingLink
- **2021 Housing Counts Report**, HousingLink
- **Housing Needs by State—Minnesota**, National Low Income Housing Coalition
- **16th Annual Domestic Violence Counts Report for Minnesota**, National Network to End Domestic Violence
- **2021 Annual Report**, Cornerstone Minnesota
- **An Evaluation of the Safe Harbor Initiative in Minnesota – Phase 4**, Minnesota Department of Health, April 1, 2019 – June 30, 2021
- **Office of Victims of Crime Report**, Breaking Free, 1/1/2018-12/31/2021
- **National Human Trafficking Hotline, data for Minnesota**, 2021

## Data Limitations

When American Community Survey data were utilized, 5-year estimates have been used. According to the [US Census Bureau](#), “the 5-year estimates from the ACS are “period” estimates that represent data collected over a period of time. The primary advantage of using multiyear estimates is the increased statistical reliability of the data for less populated areas and small population subgroups.”

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Comparatively, other data sources used in this needs assessment/gaps analysis are for one-year, different years, and across different geographies. Though the parameters are not consistent across data sources, data collected from different sources for different time periods provided a useful framework for understanding the size of qualifying populations (QPs).

## Definitions of the Qualifying Populations

### Qualifying Population 1 (QP1): Homeless

For the purposes of the allocation plan, all references to “homeless”, “homeless individuals”, “households experiencing homelessness”, “QP1” means “*Homeless*”, as defined in [24 CFR 91.5](#) Homeless (1), (2), or (3) adopted in the [HOME-ARP Implementation Notice](#) (Pg. 3-4):

“(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- (i) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- (ii) An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); or

(iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution;

(2) An individual or family who will imminently lose their primary nighttime residence, provided that: (i) The primary nighttime residence will be lost within 14 days of the date of application for homeless assistance; (ii) No subsequent residence has been identified; and (iii) The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks needed to obtain other permanent housing;

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

(i) Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);

(ii) Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance;

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(iii) Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and

(iv) Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse (including neglect), the presence of a child or youth with a disability, or two or more barriers to employment, which include the lack of a high school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment.”

#### Qualifying Population 2 (QP2): At-Risk of Homelessness

For the purposes of the allocation plan, all references to “individuals at-risk of homelessness”, “households at -risk of homelessness”, “QP2” means “Homeless”, as defined in [24 CFR 91.5 At risk of homelessness](#) adopted in the [HOME-ARP Implementation Notice](#) (Pg. 4-5)

“(1) An individual or family who:

- (i) Has an annual income below 30 percent of median family income for the area, as determined by HUD;
  - (ii) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the “Homeless” definition in this section; and
  - (iii) Meets one of the following conditions:
    - a. Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;
    - b. Is living in the home of another because of economic hardship;
    - c. Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;
    - d. Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals;
    - e. Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau;
    - f. Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
    - g. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan;
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(2) A child or youth who does not qualify as “homeless” under this section, but qualifies as “homeless” under section 387(3) of the Runaway and Homeless Youth Act (42 U.S.C. 5732a(3)), section 637(11) of the Head Start Act (42 U.S.C. 9832(11)), section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2(6)), section 330(h)(5)(A) of the Public Health Service Act (42 U.S.C. 254b(h)(5)(A)), section 3(l) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(l)), or section 17(b)(15) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)(15)); or

(3) A child or youth who does not qualify as “homeless” under this section but qualifies as “homeless” under section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a(2)), and the parent(s) or guardian(s) of that child or youth if living with her or him.”

#### **Qualifying Population 3 (QP3): Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking**

For the purposes of the allocation plan all references to qualifying population 3 or QP3 refer to the definition in the [HOME-ARP Implementation Notice](#) (Pg. 6-7) and as follows:

“For HOME-ARP, this population includes any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking. This population includes cases where an individual or family reasonably believes that there is a threat of imminent harm from further violence due to dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual’s or family’s primary nighttime residence or has made the individual or family afraid to return or remain within the same dwelling unit. In the case of sexual assault, this also includes cases where an individual reasonably believes there is a threat of imminent harm from further violence if the individual remains within the same dwelling unit that the individual is currently occupying, or the sexual assault occurred on the premises during the 90-day period preceding the date of the request for transfer.

**Domestic violence**, which is defined in [24 CFR 5.2003](#) includes felony or misdemeanor crimes of violence committed by:

- 1) A current or former spouse or intimate partner of the victim (the term “spouse or intimate partner of the victim” includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship);
- 2) A person with whom the victim shares a child in common;
- 3) A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
- 4) A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving HOME-ARP funds; or 5) Any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.

**Dating violence** which is defined in [24 CFR 5.2003](#) means violence committed by a person:

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1) Who is or has been in a social relationship of a romantic or intimate nature with the victim;  
and

2) Where the existence of such a relationship shall be determined based on a consideration of the following factors:

a. The length of the relationship;

b. The type of relationship; and

c. The frequency of interaction between the persons involved in the relationship.

**Sexual assault** which is defined in [24 CFR 5.2003](#) means any nonconsensual sexual act proscribed by Federal, Tribal, or State law, including when the victim lacks capacity to consent.

**Stalking** which is defined in [24 CFR 5.2003](#) means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

1) Fear for the person's individual safety or the safety of others; or

2) Suffer substantial emotional distress.

**Human Trafficking** includes both sex and labor trafficking, as outlined in the Trafficking Victims Protection Act of 2000 (TVPA), as amended ([22 U.S.C. 7102](#)). These are defined as:

1) *Sex trafficking* means the recruitment, harboring, transportation, provision, obtaining, patronizing, or soliciting of a person for the purpose of a commercial sex act, in which the commercial sex act is induced by force, fraud, or coercion, or in which the person induced to perform such act has not attained 18 years of age; or

2) *Labor trafficking* means the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery."

#### **Qualifying Population 4 (QP4): Other Populations**

For the purposes of the allocation plan all references to qualifying population 4 or QP4 refer to the definition in the [HOME-ARP Implementation Notice](#) (pg. 7-8) and as follows:

"Other Populations where providing supportive services or assistance under section 212(a) of NAHA (42 U.S.C. 12742(a)) would prevent the family's homelessness or would serve those with the greatest risk of housing instability. HUD defines these populations as individuals and households who do not qualify under any of the populations above but meet one of the following criteria:

(1) **Other Families Requiring Services or Housing Assistance to Prevent Homelessness** is defined as households (i.e., individuals and families) who have previously been qualified as "homeless" as defined in 24 CFR 91.5, are currently housed due to temporary or emergency assistance, including financial assistance, services, temporary rental assistance or some type of other assistance to allow the household to be housed, and who need additional housing assistance or supportive services to avoid a return to homelessness.

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(2) **At Greatest Risk of Housing Instability** is defined as household who meets either paragraph (i) or (ii) below:

(i) has annual income that is less than or equal to 30% of the area median income, as determined by HUD and is experiencing severe cost burden (i.e., is paying more than 50% of monthly household income toward housing costs);

(ii) has annual income that is less than or equal to 50% of the area median income, as determined by HUD, AND meets one of the following conditions from paragraph

(iii) of the “At risk of homelessness” definition established at 24 CFR 91.5:

(A) Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance;

(B) Is living in the home of another because of economic hardship;

(C) Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days after the date of application for assistance;

(D) Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by Federal, State, or local government programs for low-income individuals;

(E) Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons or lives in a larger housing unit in which there reside more than 1.5 persons reside per room, as defined by the U.S. Census Bureau;

(F) Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or

(G) Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness, as identified in the recipient's approved consolidated plan.”

## **QP1: Homelessness**

### **Data Utilized: Homelessness**

Data from the most recently submitted Point in Time (PIT) Count (2022), Housing Inventory Count (HIC) (2022) and Minnesota Core Homeless Programs Report (CHPR) (10/1/2021 – 09/30/2022) reports were utilized to determine the size and demographics of the population experiencing homelessness according to the [McKinney Vento definition](#). The [HOME ARP definition of homelessness](#) includes only paragraphs (a)(1)-(3) of the McKinney Vento definition and for the purposes of this plan we adopt the HOME ARP definition as outlined in the [Definitions of the Qualifying Populations](#) section of this plan. Despite the

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definition differences, these sources provide the most accurate data available to evaluate the size and demographic composition of the HOME ARP homeless QP.

## Size and Demographic Composition: Homelessness

### Size of Population

Two main sources provide data on the total number of people experiencing homelessness in Minnesota: the PIT Count and the CHPR report. Taken together, they provide a picture of the daily and annual number of people in this population.

### Size: Point in Time (PIT) Count

The PIT Count provides a snapshot of homelessness in a community. It represents the number of people identified as experiencing homelessness on a single night in January. CoCs across Minnesota conducted the Point in Time Count on January 26, 2022. **The combined 2022 PIT Counts across all ten CoCs in Minnesota identified 7,917 people experiencing homelessness on the night of the counts**, including:

- 6,148 persons sleeping in a sheltered location (56% in emergency shelter and 22% in transitional housing).
- 1,769 persons unsheltered; sleeping in a place not meant for human habitation.
- People in adult-only households made up 62% of the PIT count, followed by persons in households with adults and children (37%) and persons in child-only households (1%).

| 2022 Point in Time Count Minnesota Summary of Persons |                                               |                                  |                                  |
|-------------------------------------------------------|-----------------------------------------------|----------------------------------|----------------------------------|
|                                                       | Persons in household with adults and children | Persons in adult only households | Persons in child-only households |
| Emergency Shelter                                     | 1,644                                         | 2,767                            | 32                               |
| Transitional Housing                                  | 1,032                                         | 639                              | 34                               |
| Unsheltered                                           | 284                                           | 1,474                            | 11                               |
| Total                                                 | 2,960                                         | 4,880                            | 77                               |

The PIT Count was further disaggregated into two regional levels of Twin Cities Metro Minnesota (Twin Cities Metro MN) and Greater Minnesota (Greater MN). Twin Cities Metro includes the urbanized CoCs of MN-500, MN-501, and MN-503 and the Greater MN region consists of the less urbanized regions of MN-502, MN-504, MN-505, MN-506, MN-508, MN-509, and MN-511.

- Twin Cities Metro identified 5,137 people (65% of state total) as experiencing homelessness on the night of the PIT.
- Greater Minnesota identified 2,780 people experiencing homelessness on the night of the PIT. (35% of the state total).

| 2022 Point in Time Count for Twin Cities Metro Minnesota (aggregate for MN-500, MN-501, MN-503), Summary of Persons |                                               |                                  |                                  |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------|----------------------------------|
|                                                                                                                     | Persons in household with adults and children | Persons in adult only households | Persons in child-only households |
| Emergency Shelter                                                                                                   | 1,138                                         | 2,018                            | 10                               |
| Transitional Housing                                                                                                | 526                                           | 452                              | 26                               |
| Unsheltered                                                                                                         | 42                                            | 925                              | 0                                |
| Total                                                                                                               | 1,706                                         | 3,395                            | 36                               |

| 2022 Point in Time Count for Greater Minnesota (aggregate for MN-502, MN-504, MN-505, MN-506, MN-508, MN-509, MN-511), Summary of Persons |                                               |                                  |                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------|----------------------------------|
|                                                                                                                                           | Persons in household with adults and children | Persons in adult only households | Persons in child-only households |
| Emergency Shelter                                                                                                                         | 506                                           | 749                              | 22                               |
| Transitional Housing                                                                                                                      | 506                                           | 187                              | 8                                |
| Unsheltered                                                                                                                               | 242                                           | 549                              | 11                               |
| <b>Total</b>                                                                                                                              | <b>1,254</b>                                  | <b>1,485</b>                     | <b>41</b>                        |

Size: [Minnesota Core Homeless Programs Report \(MN CHPR\)](#)

The MN CHPR is a system-wide report that draws upon annualized data about homelessness available in each community's Homeless Management Information System (HMIS). The MN CHPR was developed to report demographic characteristics, family types, subpopulations, and outcomes. This report is used by CoCs to understand programs' characteristics and assist with program evaluation and monitoring.

The MN CHPR defines homelessness as all individuals in HMIS-participating projects who were contacted during street outreach or spent at least one day in emergency shelter or transitional housing. The MN CHPR is limited to providers who enter data into HMIS and therefore may undercount the number of people experiencing sheltered and unsheltered homelessness in the state. The aggregate number of households experiencing homelessness (served in street outreach, emergency shelter, transitional housing) captured in the MN CHPR statewide was 26,872 in FY2021 (October 1, 2021-September 30, 2022), as shown in the table below.

| 2021-2022 MN CHPR Persons Experiencing Homelessness |               |                                                |                                  |                                  |
|-----------------------------------------------------|---------------|------------------------------------------------|----------------------------------|----------------------------------|
|                                                     | Total persons | Persons in households with adults and children | Persons in adult-only households | Persons in child-only households |
| Sheltered (emergency and transitional)              | 20,952        | 6,370                                          | 14,048                           | 534                              |
| Unsheltered (street outreach)                       | 5,920         | 635                                            | 5,043                            | 242                              |
| <b>Total (unduplicated)</b>                         | <b>26,872</b> | <b>7,005</b>                                   | <b>19,091</b>                    | <b>776</b>                       |

Further aggregation of the MN CHPR is needed to understand the annual extent of homelessness in each region. The tables below show the aggregate number of persons by household type served in the Twin Cities Metro and Greater Minnesota Regions.

- 66% of persons experiencing homelessness received services in the Twin Cities Metro CoCs
- 34% of people experiencing homelessness received services from the Greater MN CoCs.

| 2021-2022 MN CHPR Persons Experiencing Homelessness for Twin Cities Metro Minnesota |               |                                                |                                  |                                  |
|-------------------------------------------------------------------------------------|---------------|------------------------------------------------|----------------------------------|----------------------------------|
|                                                                                     | Total persons | Persons in households with adults and children | Persons in adult-only households | Persons in child-only households |
| Sheltered (emergency and transitional)                                              | 13,613        | 3,473                                          | 9,838                            | 302                              |
| Unsheltered (street outreach)                                                       | 4,396         | 312                                            | 3,980                            | 104                              |
| Total (unduplicated)                                                                | 18,009        | 3785                                           | 13,818                           | 406                              |
| 2021-2022 MN CHPR Persons Experiencing Homelessness for Greater Minnesota           |               |                                                |                                  |                                  |
|                                                                                     | Total persons | Persons in households with adults and children | Persons in adult-only households | Persons in child-only households |
| Sheltered (emergency and transitional)                                              | 7,687         | 2,944                                          | 4,509                            | 234                              |
| Unsheltered (street outreach)                                                       | 1,534         | 323                                            | 1,073                            | 138                              |
| Total (unduplicated)                                                                | 9,221         | 3267                                           | 5582                             | 372                              |

The percent of persons served in each region differ significantly:

- People in households with adults and children make up 21% of the total persons experiencing homelessness in the Twin Cities Metro CoCs and 35% of the total persons experiencing homelessness in Greater MN's CoCs.
- Adult-only households make up 77% of the total persons experiencing homelessness in the Twin Cities Metro CoCs and 61% of the total persons experiencing homelessness in Greater MN's CoCs.
- Child only households make up 2% of the total persons experiencing homelessness in the Twin Cities Metro CoCs and 4% of the total persons experiencing homelessness in Greater MN's CoCs.

| 2021-2022 MN CHPR Persons Experiencing Homelessness by Region |                   |              |
|---------------------------------------------------------------|-------------------|--------------|
|                                                               | Twin Cities Metro | Greater MN   |
| Persons in households with adults and children                | 3,785 (21%)       | 3,367 (35%)  |
| Persons in adult only households                              | 13,818 (77%)      | 5,582 (61%)  |
| Persons in child only households                              | 406 (2%)          | 372 (4%)     |
| Total                                                         | 18,009 (100%)     | 9,221 (100%) |

#### Household Composition

PIT and MN CHPR data indicate that most people in Minnesota experiencing homelessness are in adult-only households. Of the 5,425 total households identified as experiencing homelessness in the PIT count, 83% were adult-only households living in emergency shelters, transitional housing, and unsheltered living situations. Households with adults and children made up 17% and child-only households made up 1% of total households experiencing homelessness on a given night.

| 2022 Point in Time Count Minnesota Households |                  |                                     |                       |                       |
|-----------------------------------------------|------------------|-------------------------------------|-----------------------|-----------------------|
|                                               | Total households | Households with adults and children | Adult-only households | Child-only households |
| Emergency Shelter                             | 3,208            | 472                                 | 2,709                 | 27                    |
| Transitional Housing                          | 978              | 332                                 | 622                   | 24                    |
| Unsheltered                                   | 1,239            | 83                                  | 1,145                 | 11                    |
| Total Households                              | 5,425            | 887 (17%)                           | 4,476 (83%)           | 62 (1%)               |

Annualized data from the MN CHPR shows a slight difference in the percentage of households, with increased percentages for adult-only and child-only households over the year compared to PIT. Of the 21,608 households experiencing literal homelessness (unsheltered, living in emergency shelter, living in a place not meant for human habitation) served through the year, 87% were adult-only households and 3% were child only households, an increase from the point in time viewpoints. Households with adults and children comprised 10% of the annual number of those experiencing homelessness.

| 2021-2022 MN CHPR Households           |                  |                                     |                       |                       |
|----------------------------------------|------------------|-------------------------------------|-----------------------|-----------------------|
|                                        | Total households | Households with adults and children | Adult-only households | Child-only households |
| Sheltered (emergency and transitional) | 16,182           | 1,922                               | 13,768                | 492                   |
| Unsheltered (street outreach)          | 5,426            | 203                                 | 5,005                 | 218                   |
| Total (unduplicated)                   | 21,608           | 2,125 (10%)                         | 18,773 (87%)          | 710 (3%)              |

#### Subpopulations

On the night of the PIT Count, 1,781 persons self-identified as having a severe mental illness and 976 persons self-identified chronic substance abuse. Veterans accounted for 290 people experiencing homelessness, 11% of whom were sleeping in unsheltered locations on the night of the PIT count. There were 772 persons who identified as survivors of domestic violence (DV), with 9% of them sleeping in unsheltered locations on the night of the PIT count.

| 2022 Point in Time Count Subpopulations Minnesota |           |             |       |
|---------------------------------------------------|-----------|-------------|-------|
|                                                   | Sheltered | Unsheltered | Total |
| Severe Mental Illness                             | 1,286     | 495         | 1,781 |
| Chronic Substance Abuse                           | 650       | 326         | 976   |
| Veterans                                          | 257       | 33          | 290   |
| Survivors of Domestic Violence                    | 706       | 66          | 772   |

## Race

Nearly 38% of people experiencing homelessness on the night of the PIT count were White (2,979 individuals). Thirty seven percent were Black or African American (2,925). Fourteen percent were American Indian or Alaska Native (1097). Smaller percentages of persons were multiple races (9%), Asian (2%). Native Hawaiian or Pacific Islander (<1%).

| 2022 Point in Time Count, Race Minnesota |               |              |               |             |
|------------------------------------------|---------------|--------------|---------------|-------------|
|                                          | Sheltered     | Unsheltered  | Total         | Percentage  |
| American Indian or Alaska Native         | 633           | 464          | 1,097         | 14%         |
| Asian                                    | 130           | 40           | 170           | 2%          |
| Black or African American                | 2,483         | 442          | 2,925         | 37%         |
| Native Hawaiian or Pacific Islander      | 16            | 17           | 33            | <1%         |
| White                                    | 2,231         | 748          | 2,979         | 38%         |
| Multiple races                           | 655           | 58           | 713           | 9%          |
| <b>Total</b>                             | <b>6,148</b>  | <b>1,769</b> | <b>7,917</b>  | <b>100%</b> |
| 2021-2022 MN CHPR, Race Minnesota        |               |              |               |             |
|                                          | Sheltered     | Unsheltered  | Total         | Percentage  |
| American Indian or Alaska Native         | 2,506         | 1,237        | 3744          | 13%         |
| Asian                                    | 365           | 139          | 504           | 2%          |
| Black or African American                | 7,645         | 2,138        | 9,783         | 35%         |
| Native Hawaiian or Pacific Islander      | 104           | 24           | 128           | <1%         |
| White                                    | 8,640         | 2,639        | 11,279        | 40%         |
| Multiple races                           | 1,879         | 639          | 2,518         | 9%          |
| <b>Total</b>                             | <b>21,139</b> | <b>6,816</b> | <b>27,956</b> | <b>100%</b> |

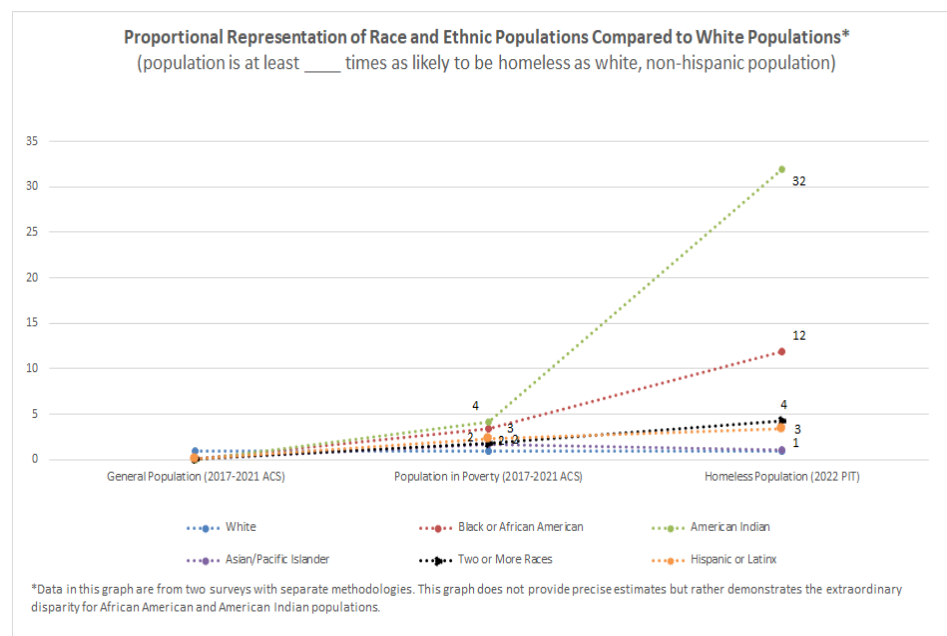
*Missing or refused race date from MN CHPR was extrapolated to align with the HUD PIT requirements for missing demographic data.*

To understand the meaning of the PIT data to racial demographics, it is necessary to place it in the context of Minnesota's general population, and the demographics of the population in poverty. Compared to their share of the general population, both Black and American Indian or Alaskan Native residents are disproportionately represented in the homeless system. According to American Community Survey (ACS), the general population of the people in Minnesota is 81% white, 7% Black, and 1% Native American or Alaskan Native. The graph below shows that Black and Native American or Alaskan Native residents experience homelessness at a greater rate than white residents, as compared to their share of the general population:

- American Indian residents in Minnesota are at least 4 times as likely to be living in poverty and 32 times as likely to be homeless as the white, non-Hispanic population.

- Black or African American residents in Minnesota are at least 3 times as likely to be living in poverty and 12 times as likely to be homeless as white, non-Hispanic population.

These disproportionate rates of homelessness as compared to the total population for Black and Native America or Alaskan residents are found nationwide and in nearly every CoC across the country.



| % Demographics of General Population compared to Point in Time of those Experiencing Homelessness |                  |               |                       |                |
|---------------------------------------------------------------------------------------------------|------------------|---------------|-----------------------|----------------|
|                                                                                                   | State Population | Point in Time | Twin Cities Metro PIT | Greater MN PIT |
| American Indian or Alaska Native                                                                  | 1%               | 14%           | 8%                    | 25%            |
| Asian                                                                                             | 5%               | 2%            | 3%                    | 1%             |
| Black or African American                                                                         | 7%               | 37%           | 49%                   | 15%            |
| Native Hawaiian or Pacific Islander                                                               | <1%              | <1%           | <1%                   | <1%            |
| White                                                                                             | 81%              | 38%           | 31%                   | 50%            |
| Multiple races                                                                                    | 5%               | 9%            | 10%                   | 8%             |

*\*The experience of homelessness should reflect the demographic breakdown of the State population, what the table shows is an overrepresentation of Black, Indigenous and Multi-racial residents experiencing homelessness.*

### Unmet Housing and Service Needs: Homelessness

The following is a summary of the Housing Inventory Count (HIC) combined across Minnesota's CoCs:

| 2022 HIC for all MN CoCs combined             |              |               |                 |                 |                         |               |                         | Subset of Total Bed Inventory |              |
|-----------------------------------------------|--------------|---------------|-----------------|-----------------|-------------------------|---------------|-------------------------|-------------------------------|--------------|
|                                               | Family units | Family beds   | Adult only beds | Child only beds | Year-round beds (total) | Seasonal beds | Overflow / Voucher beds | Veteran beds*                 | Youth beds*  |
| <b>Emergency Shelter/Transitional Housing</b> |              |               |                 |                 |                         |               |                         |                               |              |
| Emergency Shelter                             | 803          | 2,438         | 3,058           | 76              | 5,572                   | 290           | 281                     | 55                            | 316          |
| Transitional Housing                          | 480          | 1,446         | 833             | 28              | 2,307                   | 0             | 0                       | 141                           | 520          |
| <b>Total Temporary Beds</b>                   | <b>1,283</b> | <b>3,884</b>  | <b>3,891</b>    | <b>104</b>      | <b>7,879</b>            | <b>290</b>    | <b>281</b>              | <b>196</b>                    | <b>836</b>   |
| <b>Permanent Housing</b>                      |              |               |                 |                 |                         |               |                         |                               |              |
| Permanent Supportive Housing                  | 1,357        | 4,231         | 7,031           | 0               | 11,262                  | 0             | 0                       | 1,166                         | 402          |
| Rapid Re-Housing                              | 580          | 1,914         | 559             | 3               | 2,476                   | 0             | 0                       | 98                            | 269          |
| Other Permanent Housing                       | 1,262        | 3,912         | 3,327           | 10              | 7,249                   | 0             | 0                       | 79                            | 272          |
| <b>Total Permanent Beds</b>                   | <b>3,208</b> | <b>10,057</b> | <b>10,917</b>   | <b>13</b>       | <b>20,987</b>           | <b>0</b>      | <b>0</b>                | <b>1,343</b>                  | <b>943</b>   |
| <b>Total:</b>                                 | <b>4,491</b> | <b>13,941</b> | <b>14,808</b>   | <b>117</b>      | <b>28,866</b>           | <b>290</b>    | <b>281</b>              | <b>1,539</b>                  | <b>1,779</b> |

\*Veterans and youth are a subset of the total count of people experiencing homelessness on the night of the PIT Count.

The following is a summary of the Housing Inventory Count (HIC) combined across Twin Cities Metro Minnesota's CoCs:

| 2022 HIC for all Twin Cities Metro Minnesota<br>(MN-500, MN-501, MN-503) |                 |                |                       |                       |                                   |                   |                                  | Subset of Total<br>Bed Inventory |                |
|--------------------------------------------------------------------------|-----------------|----------------|-----------------------|-----------------------|-----------------------------------|-------------------|----------------------------------|----------------------------------|----------------|
|                                                                          | Family<br>units | Family<br>beds | Adult<br>only<br>beds | Child<br>only<br>beds | Year-<br>round<br>beds<br>(total) | Seasona<br>l beds | Overflow<br>/<br>Voucher<br>beds | Veteran<br>beds*                 | Youth<br>beds* |
| <b>Emergency Shelter/Transitional Housing</b>                            |                 |                |                       |                       |                                   |                   |                                  |                                  |                |
| <b>Emergency<br/>Shelter</b>                                             | 456             | 1,509          | 2,253                 | 33                    | 3,795                             | 88                | 211                              | 43                               | 204            |
| <b>Transitional<br/>Housing</b>                                          | 242             | 768            | 577                   | 20                    | 1,365                             | 0                 | 0                                | 115                              | 230            |
| <b>Total<br/>Temporary<br/>Beds</b>                                      | 698             | 2,277          | 2,830                 | 53                    | 5,160                             | 88                | 211                              | 158                              | 434            |
| <b>Permanent Housing</b>                                                 |                 |                |                       |                       |                                   |                   |                                  |                                  |                |
| <b>Permanent<br/>Supportive<br/>Housing</b>                              | 980             | 3,174          | 5,792                 | 0                     | 8,966                             | 0                 | 0                                | 978                              | 316            |
| <b>Rapid Re-<br/>Housing</b>                                             | 379             | 1,314          | 341                   | 0                     | 1,655                             | 0                 | 0                                | 74                               | 208            |
| <b>Other<br/>Permanent<br/>Housing</b>                                   | 647             | 2,264          | 2,243                 | 0                     | 4,507                             | 0                 | 0                                | 34                               | 211            |
| <b>Total<br/>Permanent<br/>Beds</b>                                      | 2,006           | 6,752          | 8,376                 | 0                     | 15,128                            | 0                 | 0                                | 1,086                            | 735            |
| <b>Grand Total:</b>                                                      | <b>2,704</b>    | <b>9,029</b>   | <b>11,206</b>         | <b>53</b>             | <b>20,288</b>                     | <b>88</b>         | <b>211</b>                       | <b>1,244</b>                     | <b>1,169</b>   |

\*Veterans and youth are a subset of the total count of people experiencing homelessness on the night of the PIT Count.

The following is a summary of the Housing Inventory Count (HIC) combined across Greater Minnesota's CoCs:

| 2022 HIC for all Greater Minnesota (MN-502, MN-504, MN-505, MN-505, MN-606, MN-508, MN-509, MN-511) |              |              |                 |                 |                         |               |                         | Subset of Total Bed Inventory |             |
|-----------------------------------------------------------------------------------------------------|--------------|--------------|-----------------|-----------------|-------------------------|---------------|-------------------------|-------------------------------|-------------|
|                                                                                                     | Family units | Family beds  | Adult only beds | Child only beds | Year-round beds (total) | Seasonal beds | Overflow / Voucher beds | Veteran beds*                 | Youth beds* |
| <b>Emergency Shelter/Transitional Housing</b>                                                       |              |              |                 |                 |                         |               |                         |                               |             |
| <b>Emergency Shelter</b>                                                                            | 347          | 929          | 805             | 43              | 1,777                   | 202           | 70                      | 12                            | 112         |
| <b>Transitional Housing</b>                                                                         | 238          | 678          | 256             | 8               | 942                     | 0             | 0                       | 26                            | 290         |
| <b>Total Temporary Beds</b>                                                                         | 585          | 1,607        | 1,061           | 51              | 2,719                   | 202           | 70                      | 38                            | 402         |
| <b>Permanent Housing</b>                                                                            |              |              |                 |                 |                         |               |                         |                               |             |
| <b>Permanent Supportive Housing</b>                                                                 | 377          | 1,057        | 1,239           | 0               | 2,296                   | 0             | 0                       | 188                           | 86          |
| <b>Rapid Re-Housing</b>                                                                             | 201          | 600          | 218             | 3               | 821                     | 0             | 0                       | 24                            | 61          |
| <b>Other Permanent Housing</b>                                                                      | 615          | 1,648        | 1,084           | 10              | 2,742                   | 0             | 0                       | 45                            | 61          |
| <b>Total Permanent Beds</b>                                                                         | 1,193        | 3,305        | 2,541           | 13              | 5,859                   | 0             | 0                       | 257                           | 208         |
| <b>Grand Total:</b>                                                                                 | <b>1,778</b> | <b>4,912</b> | <b>3,602</b>    | <b>64</b>       | <b>8,578</b>            | <b>202</b>    | <b>70</b>               | <b>295</b>                    | <b>610</b>  |

\*Veterans and youth are a subset of the total count of people experiencing homelessness on the night of the PIT Count.

Per the 2022 PIT Count, the number of people experiencing sheltered and unsheltered homelessness in Minnesota is 7,917 people while the current inventory of year rounds temporary beds is 7,879. Statewide, there was an unmet need of 1,183 shelter beds for persons in adult only households. Twin Cities Metro has an unmet need of 690 shelter beds for persons in adult only households and Greater MN had an unmet need of 431 beds for persons in adult only households.

#### Gaps Analysis: Homelessness

The homeless response system provides both crisis response (emergency shelter and transitional housing) and housing interventions. Therefore, the gaps analysis in this report considers the current availability of project beds on the night of the PIT for persons experiencing homelessness, equity in the types of interventions offered to different groups experiencing homelessness, and the efficacy of the homeless response system in assisting those groups in resolving their homeless crises. Additionally, it should be noted that in January 2022, Minnesota experienced a COVID-19 surge. Some communities

had specific funding for isolation beds for people experiencing homelessness who tested positive for COVID-19. These beds were accounted in the HIC as seasonal beds and not an ongoing emergency bed resource.

PIT and MN CHPR data shows that Minnesota has a high number of sheltered and unsheltered adult only households experiencing homelessness. The state has an insufficient capacity for emergency shelter beds for adult-only households to meet the needs of those experiencing homelessness. Increasing shelter beds is unlikely to have a significant impact on reducing unsheltered homelessness, as shelter is not a housing solution and all persons experiencing unsheltered homelessness are not able to utilize it. Increasing shelter is not a long-term solution for safe and secure housing. Therefore, a combination of additional shelter beds and permanent housing is likely to have more impact in reducing homelessness.

Data from Minnesota's State HIC and PIT were consolidated to perform a statewide analysis of gaps in the homeless crisis response system. The table below compares current emergency shelter inventory, the number of families/individuals experiencing sheltered and unsheltered homelessness, and the gap in available inventory. This table shows both the total available inventory (total inventory minus occupied inventory) and the gap in inventory (available inventory minus the number of unsheltered families/individuals). Because inventory categorized as seasonal or overflow is not identified by household type on the HIC, it is not included in the tables below.

| Minnesota Shelter Gaps Analysis     |                         |                              |                                |                     |                  |
|-------------------------------------|-------------------------|------------------------------|--------------------------------|---------------------|------------------|
|                                     | Current Inventory (HIC) | Sheltered homelessness (PIT) | Unsheltered homelessness (PIT) | Available inventory | Gap in Inventory |
| Persons in adult-only households    | 3,058                   | 2767                         | 1474                           | 291                 | -1,183           |
| Households with adults and children | 803                     | 472                          | 83                             | 331                 | 248 (surplus)    |
| Persons in child-only households    | 76                      | 32                           | 11                             | 44                  | 33 (surplus)     |

The following two tables show the statewide shelter gaps broken down by regions:

| Twin Cities Metro Minnesota CoC Shelter Gaps Analysis (MN-500, MN-501, MN-503) |                         |                              |                                |                     |                  |
|--------------------------------------------------------------------------------|-------------------------|------------------------------|--------------------------------|---------------------|------------------|
|                                                                                | Current Inventory (HIC) | Sheltered homelessness (PIT) | Unsheltered homelessness (PIT) | Available Inventory | Gap in Inventory |
| Persons in households with only adults                                         | 2,253                   | 2,108                        | 925                            | 235                 | -690             |
| Households with adults and children                                            | 456                     | 316                          | 16                             | 140                 | 124 (surplus)    |
| Persons in child-only households                                               | 33                      | 10                           | 0                              | 23                  | 23 (surplus)     |

| Greater Minnesota CoC Shelter Gaps Analysis (MN-502, MN-504, MN-505, MN-506, MN-508, MN-509, MN-511) |                         |                              |                                |                     |                  |
|------------------------------------------------------------------------------------------------------|-------------------------|------------------------------|--------------------------------|---------------------|------------------|
|                                                                                                      | Current Inventory (HIC) | Sheltered homelessness (PIT) | Unsheltered homelessness (PIT) | Available Inventory | Excess Inventory |
| Persons in households with only adults                                                               | 805                     | 687                          | 549                            | 118                 | -431             |
| Households with adults and children                                                                  | 347                     | 156                          | 67                             | 191                 | 124 (surplus)    |
| Persons in child-only households                                                                     | 43                      | 22                           | 11                             | 21                  | 10 (surplus)     |

In addition to looking at data from those who have accessed the homelessness system, it is useful to examine data for those who have attempted to access the homelessness system via Coordinated Entry (CE) but were unsuccessful. Each of Minnesota's 10 CoCs utilizes an integrated CE process through the State's HMIS system. CE is designed to provide a consistent, community-wide intake process that matches people experiencing homelessness to community resources that are the best fit for their situation. Thus, CE is the "front door" to the state's homelessness system and the mechanism by which households are referred to housing solutions. However, not all those who are assessed via the system are able to gain access to appropriate housing. Between 10/1/21 and 9/30/22, across Minnesota's CoCs, 17,594 households who were assessed via coordinated entry were prioritized for a housing referral. Of those, nearly 53% (9,262) were offered a housing referral. Among referred clients, only 34% (3,112 of 9,262) of households referred by CE for housing were able to access non-emergency housing because of that referral. Overall, this represents a 17.7% successful referral rate when compared against

the total number of prioritized households accessed via coordinated entry. This results in 14,482 households that were prioritized who were not successfully referred for housing during this period. It should also be noted that not all communities in the state routinely utilize the CE “front door” when seeking housing assistance. As such, the extent of need indicated by analyzing CE data likely undercounts the total amount of unmet need statewide.

| Minnesota Coordinated Entry Data and Unmet Housing Need             |                   |                   |               |
|---------------------------------------------------------------------|-------------------|-------------------|---------------|
|                                                                     | Metro Twin Cities | Greater Minnesota | Statewide     |
| Households prioritized for referral                                 | 8,554             | 9,238             | 17,594        |
| Total Housing referrals                                             | 4,493             | 4,767             | 9,262         |
| Successful Housing Referrals                                        | 2,003             | 1,108             | 3,112         |
| % of referrals that were successful                                 | 44.6%             | 23.2%             | 33.6%         |
| <b>Unmet need (total prioritized HHs less successful referrals)</b> | <b>6,551</b>      | <b>8,130</b>      | <b>14,482</b> |

#### Minnesota Shelter Gaps Summary

- 62% of people experiencing homelessness are from adult-only households.
- A gap of 1,183 shelter beds for persons in adult-only households exists if the gap is based on a 1:1 ratio of unsheltered persons to beds. This is represented by totaling the surplus of 291 additional beds plus 1,474 persons in adult-only households who were homeless on the night of the PIT count.
- Minnesota had a surplus of 248 shelter units for households with adults and children on the night of the PIT count. There were 331 units available on the night of the PIT count; however, there were 83 families in unsheltered locations on the night of the PIT count.
- Minnesota has a surplus of 33 shelter beds for households with only children. There were 44 units available on the night of the PIT count, however there were 11 persons in child-only households in unsheltered locations on the night of the PIT count.
- To note: surplus beds could mean an over-availability of beds in some areas, and lack of availability in other areas of need. Available data sets limited the ability to determine the reasons for surplus.

#### Minnesota Coordinated Entry Referral Gaps Summary

- In the Twin Cities Metro region (MN-500, MN-501 and MN 503), 8,554 households were prioritized for housing referrals, of which 4,493 received a referral. Of these housing referrals, 44.6% (2,003) were successful, leaving a gap of 6,551 prioritized households (76.7%) that did not have a successful referral.
- In the Greater Minnesota region (MN-502, MN-504, MN-505, MN-506, MN-508, MN-509 and MN 511), 9,238 households were prioritized for housing referrals, of which 4,767 received a referral. Of these housing referrals, 23.3% (1,108) were successful, leaving a gap of 8,130 prioritized households (88.0%) that did not have a successful referral.

## QP2: At-risk of Homelessness

### **Data: At-risk of Homelessness**

The HOME ARP program identifies individuals and families at risk of homelessness as the second eligible QP. The program utilizes the McKinney Vento definition for at-risk of homelessness with no changes (see [Definitions of the Qualifying Populations](#) section for full definition).

A valuable source of data regarding housing needs for the at-risk population is provided through Minnesota's 211 system, administered across the state by four providers (Greater Twin Cities United Way, First Call for Help, First Link and Great Rivers 211). For the purposes of this analysis, data was collected from regions covered by Greater Twin Cities United Way (GTCUW) and First Call for Help, which covers over 97% of the state's population for 211 purposes. According to their 2022 annual data, GTCUW/First Call for Help 211 received a total of 162,788 requests for housing related assistance. Of these, the most common referral type was for rental payment assistance, constituting 70.6% of all requests made statewide in 2022. Note that requests made to 211 may include more than one assistance category, so it is possible that an individual requester will appear in more than one category. Additionally, it is noted that Minnesota's 211 system has a remarkably low no referral rate: only 1,862, or 1.1%, of housing assistance requests statewide did not receive a referral for assistance. While this low no referral rate does not ensure that every 211 caller is ultimately assisted, it does suggest that an exceptionally high majority of those requesting assistance are able to reach a program/resource that can potentially resolve their housing issue.

| GTCUW /First Call 211 Annual Report 2022           |                   |                   |                |
|----------------------------------------------------|-------------------|-------------------|----------------|
|                                                    | Twin Cities Metro | Greater Minnesota | Statewide      |
| <b>Total Housing and Shelter Requests</b>          | <b>132,813</b>    | <b>29,975</b>     | <b>162,788</b> |
| Housing Expense Assistance/Homelessness Prevention | 94,320            | 35,879            | 114,862        |
| Utility Assistance/Connection/Repair               | 13,841            | 5,044             | 18,328         |
| Emergency Shelter                                  | 11,225            | 2,563             | 13,380         |
| Residential Housing Options/Subsidized Housing     | 9,604             | 1,205             | 11,457         |
| Housing Search and Information                     | 1,352             | 412               | 1,664          |
| Transitional/Supportive Housing                    | 1,268             | 307               | 1,561          |
| Other Housing Requests                             | 1,203             | 262               | 1,536          |

### **Size and Demographic Composition: At-risk of Homelessness**

Data from the Comprehensive Housing Affordability Strategy (CHAS), 2015-2019 for Minnesota indicates that 137,000 renter households with income at less than 30% of Area Median Income (AMI) have one or more severe housing problems, which the CHAS defines as incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room, or cost burden greater than 30%.

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### **Unmet Housing and Service Needs: At-risk of Homelessness**

The total number of rental units in Minnesota is approximately 648,545, as reported in the 2015-2019 CHAS report. Of these, approximately 119,500 units are considered affordable to households with income less than 30% of AMI. However, further analysis in the CHAS report analyzed by Minnesota Housing also shows that there are 176,855 households with income less than 30% AMI in Minnesota of which approximately 74% are living in rental units that are either substandard or are considered “rent-burdened” (meaning that rent is 30% or more of their total income) and of those, 57% (100,770) are considered severely cost burdened (paying more than 50% of their income towards housing costs).

### **Gaps Analysis: At-risk of Homelessness**

An analysis of American Community Survey (ACS) and CHAS data suggest a significant shortage in affordable housing in Minnesota based on estimated need. CHAS data analyzed by Minnesota Housing shows that there are 176,855 households with income less than 30% AMI in Minnesota while there are only 119,500 rental units across the state that are considered affordable to households under 30% of AMI. This leaves an affordable rental unit gap of at least 57,355 units. However, this problem is further exacerbated by the fact that of the total number of available units for this population, over 43% (51,755) are occupied by renters making more than 30% of AMI. This situation has the effect of widening the practical gap for those in the below 30% of AMI population as units that might be affordable to them are rented by households with higher incomes. Therefore, this analysis concludes that there are 109,130 households in Minnesota with incomes below 30% of AMI that cannot find homes they can afford. A similar analysis undertaken by the National Low Income Housing Coalition suggests that there is a shortage of 99,661 rental homes affordable and available for extremely low-income households (at or below 30% AMI). Based on this analysis, it is estimated that there are only 41 affordable and available units for every 100 households in the income category. Overall, Minnesota Housing Partnership’s 2021 State of the State Report indicated that 554,272 Minnesota households pay more than 30 percent of their income toward housing costs, and 232,840 are severely cost burdened and pay more than 50 percent of their income on housing.

When considering racial disparities in cost burden, the 2021 State of the State Report also notes that the gaps between renters who are white and Black renters remains significant. In Minnesota, 44 percent of white renters are cost burdened (paying more than 30% of the income for housing) while 58 percent of Black renters — 82,364 renter households — are cost burdened across the state.

Additional analysis by Minnesota Housing also suggests that a radical shift in housing development trends will be needed to address this affordable unit gap. Based on housing construction data in the Twin Cities Metro region from 2016-2020, only 1.5% of new unit construction was developed for affordability by households below 30% of AMI. To effectively address the current gap in available affordable units for this population, a full 29% of new unit development would need to be dedicated to affordability for households below 30% (based on 10,000 units of new construction). The most recent data on housing development shows progress for reducing this gap. According to HousingLink’s MN Housing Measures report, 3,880 additional subsidized units came online in 2021. Likewise, their 2021 Housing Counts report indicates that new affordable housing development in the Twin Cities Metro increased in 2021. Minnesota saw the highest numbers of new affordable housing (60% or below AMI) units built (3,065) since 2002. Of these new, 8% (246) were affordable at 30% AMI. This progress is important but remains below the pace of affordable housing development that is necessary to

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accommodate the need. In order to reach the full 29% for new unit development dedicated to affordability for households below 30% AMI, nearly 900 units would need to have been targeted for affordability in this income category – that is more than 3.5 times the number of units created.

| At-risk Housing Needs and Gaps Analysis Table                    |                        |
|------------------------------------------------------------------|------------------------|
|                                                                  | Total Households/Units |
| Total Rental Units                                               | 648,545                |
| Rental Units Affordable to HH at 30% AMI                         | 119,500                |
| Households with Income 0-30% AMI                                 | 176,855                |
| 0-30% AMI Affordable units occupied by HHs in other AMI brackets | 51,775                 |
| <b>Affordable Rental Unit Gap</b>                                | <b>57,355</b>          |

### QP3: Domestic Violence/Sexual Assault/Trafficking

#### **Data: Domestic Violence/Sexual Assault/Trafficking**

While there are some local and statewide data sources available on the Domestic Violence/Sexual Assault/Trafficking QP (defined fully under the [Definitions of the Qualifying Populations](#) section), the data are generally aggregated and do not include consistent demographic or household level information. In cases where demographic data is present, the majority of reported cases list “unknown” in most categories. However, between statewide data sources and information available from CoC data sources, a useful picture of the scope of the domestic violence (DV) situation across the state takes shape.

According to the National Network to End Domestic Violence’s (NNEDV) 16th Annual Domestic Violence Counts Report for Minnesota (“NNEDV Report”), 2,421 victims/survivors of DV were served across 49 programs statewide in one day on September 9, 2021. This includes 779 adult and child victims/survivors who were served in emergency shelters, transitional housing, hotels, motels, or other housing provided by Victim Service Providers (VSPs). On this same day, 859 DV hotline calls were received across Minnesota. It is noteworthy that the number of DV victims/survivors in the CoC Point in Time count conducted on January 26, 2022, reported a similar number of DV victims/survivors (772) across the emergency shelter, transitional housing and unsheltered persons counts. While this data represents only 2 single day counts, it does suggest that the need for DV housing resources in Minnesota may be relatively consistent throughout the year based on the two one-day counts recorded.

### Size and Demographic Composition: Domestic Violence/Sexual Assault/Trafficking

|                          | Total actively fleeing DV population by Region (10/1/2021-9/30/2022) |                   |                       |                   |                       |                   |
|--------------------------|----------------------------------------------------------------------|-------------------|-----------------------|-------------------|-----------------------|-------------------|
|                          | Twin Cities Metro                                                    |                   | Greater Minnesota     |                   | Statewide**           |                   |
|                          | All Housing Programs*                                                | Emergency Shelter | All Housing Programs* | Emergency Shelter | All Housing Programs* | Emergency Shelter |
| Total                    | 1,407                                                                | 969               | 1,059                 | 626               | 2,425                 | 1,554             |
| % of total adults served | 9.7%                                                                 | 8.8%              | 13.3%                 | 12.1              | 11.0%                 | 9.9%              |
| DV beds as % of total    | 3.7%                                                                 | 10.4%             | 8.4%                  | 18.5%             | 5.0%                  | 13.0%             |

\*Includes Emergency Shelter, Transitional Housing and Permanent Housing

\*\*Statewide totals are unduplicated

Annual data on domestic violence victims/survivors provided by the Statewide HMIS lead agency, Institute for Community Alliances (ICA) paints a mixed picture regarding unmet need for this population within the homeless system. According to this data, approximately 11% of all persons served during the period 10/1/2021 and 9/30/2022 across the state's CoCs identified as someone who was actively fleeing domestic violence, and looking only at emergency shelters, the proportion is just under 10%. When we compare this data against the most recent housing inventory count, we can see that in both regions (Twin Cities Metro and Greater Minnesota), the percentage of dedicated DV beds is slightly higher than the percentage of persons actively fleeing DV within the shelter system but is somewhat lower when looking at the same ratio across all housing programs. Further analysis reveals that the primary bed shortage for this population is in permanent housing: During the reporting period (10/1/2021-9/30/22), there were 648 persons actively fleeing domestic violence served in permanent housing programs statewide while the 2022 housing inventory only lists 161 dedicated Rapid Re Housing (RRH) or Permanent Supportive Housing (PSH) beds for this population. It should also be noted that these data only reflect those persons actively fleeing domestic violence that are served in HMIS participating programs. Because there are additional persons being served in domestic violence-specific projects that are not included in these totals, these figures likely do not represent all homeless persons fleeing domestic violence statewide.

As previously noted, according to the NNEDV 2,421 victims/survivors of DV were served across 49 programs statewide in one day on September 9, 2021. This includes 779 adult and child victims/survivors who were served in emergency shelters, transitional housing, hotels, motels, or other housing provided by Victim Service Providers (VSPs). On this same day, 859 DV hotline calls were received across Minnesota.

Data from Cornerstone Minnesota, a Domestic Violence service provider and advocacy group, reported that in 2021 1,877 victims/survivors of criminal domestic assault had direct contact with Criminal Justice Intervention staff and they assisted 155 victims/survivors with accessing Civil Orders for Protection. Their statewide hotline also received over 30,000 contacts in 2021.

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Violence Free Minnesota, a statewide coalition of service providers for victims of domestic violence reports that more than 65,000 adults in Minnesota receive domestic violence services from programs each year and less than 50% of people who experience domestic violence ever reach out for services.

As noted in the previous section, available data resources for this qualifying population often do not include consistent demographic or household level information. However, according to national research conducted by the National Coalition Against Domestic Violence (NCADV), people who identify as Black experience DV at a disproportionately high rate, with 45.1% of Black women and 40.1% of Black men experiencing intimate partner violence or stalking in their lifetimes. NCADV also points out that American Indian and Alaska Native women experience domestic violence at much higher rates than any other ethnicity, with 55.5% experiencing intimate partner violence and 66.6% experiencing psychological abuse in their lifetimes. According to the Centers for Disease Control and Prevention (CDC), Hispanic women experience domestic violence at similar rates as the overall female population but may experience more severe barriers to services when culturally and linguistically appropriate programs are not available.

Furthermore, Minnesota has devoted substantial resources to understanding and combating the prevalence of sexual violence against Indigenous/Native American women and girls. In 2020, the State commissioned the Missing and Murdered Indigenous Women Task Force, which found that while Indigenous/Native American women and girls comprise just 1% of the population, they account for more than 8% of all murdered women/girls in the state between 2010 and 2018.

#### **Human Trafficking Data**

Minnesota has devoted significant policy and financial resources to addressing human trafficking issues across the state. In 2011, the state passed the Safe Harbor Law, which, in its current implementation:

- Protects youth from being arrested or prosecuted for prostitution;
- Added the definition of sexually exploited youth to Minnesota law;
- Funded protocol development, training, and evaluation, and provides services, housing, and outreach for youth ages 24 and under, utilizing “no wrong door” approach through the deployment of regional navigators.

Safe Harbor’s No Wrong Door system is a comprehensive, multidisciplinary, and multi-state agency approach. It helps ensure that communities across Minnesota have the knowledge, skills, and resources to effectively identify sexually exploited and at-risk youth. Youth are provided with victim-centered trauma-informed services and safe housing.

During the period from 4/1/2021 through 1/11/2023, Safe Harbor conducted intake assessments on 6,402 individuals seeking services. Of these, 1,924 individuals met the eligibility requirements (ineligibility was mostly due to age) and were enrolled with grantees under the program. (While the program is restricted to only those ages 24 or younger, the program conducted assessments on individuals up to 62 years old.) Of the 1,924 individuals who were enrolled in services, about 2/3<sup>rd</sup> (66.2%) was Black, Indigenous, or Persons of Color, including 10% (183) who specifically identified a Tribal nationality. Safe Harbor grantees provided or referred 32% of enrolled individuals to housing services and 39% to housing advocacy services during this reporting period.

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As part of statewide consultations, Minnesota Housing also met directly with providers offering services to individuals coming from a human trafficking situation. One such organization, Breaking Free (located in St. Paul), provides both emergency shelter and permanent supportive housing specifically for sex trafficking victims/survivors, in addition to operating a Drop-In center and other services.

Breaking Free served 286 people in their various programs between 10/1/2021 and 9/30/22. Additionally, data from 1/1/2018 through 12/31/2021 shows total of 770 persons served of which 422 reported as being homeless and 128 experienced a disability (Cognitive/Physical/Mental). Data provided by Breaking Free also shows a wide range of victimization types, including physical assault, kidnapping, and stalking among others. On average, each person served by Breaking Free during this period reported an average of 7 forms of victimization.

Breaking Free has also emphasized the challenges that its clients face attempting to secure permanent independent housing stemming from historic criminalization of sex work in Minnesota. In many cases, victims/survivors of sex trafficking/prostitution have criminal records which is often a negative factor in their ability to rent their own units. This creates a bottleneck within their own permanent housing program whereby clients who might be ready to move on from the Break Free dedicated facility are not able to and thus newer clients with acute housing needs cannot access this vital resource. While it is acknowledged that policy changes initiated by the Safe Harbor Law are beginning to address this, it is not necessarily removing this barrier for non-youth victims/survivors attempting to re-enter the private housing market.

Other research has highlighted the troubling prevalence of trafficking among native/indigenous women and girls in Minnesota, the 2011 report, “Garden of Truth: The Prostitution and Trafficking of Native Women in Minnesota”, conducted extensive interviews with 105 Native women who were prostituting in Minneapolis, Duluth and Bemidji, Minnesota. Among those interviewed, their ages ranged from 18-60 years old, and they reported an average length of time in prostitution as 14 years. Additionally, 98% of these women reported experiencing current or past homelessness and 65% had been diagnosed with a mental health condition. Significantly, among those interviewed, 75% reported that they knew of others who were being trafficked.

Additional trafficking data from the National Human Trafficking Hotline shows that in 2020, 98 new human trafficking cases were recorded statewide for Minnesota. Given that there are other state and local level resources for human trafficking already in place and available for victims/survivors in the State, Minnesota residents may be less likely to use this national hotline than in other locations.

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### Unmet Housing and Service Needs: Domestic Violence/Sexual Assault/Trafficking

According to the HIC reported on January 26, 2022, there are 7,879 emergency shelter and transitional housing beds statewide in Minnesota. Of those beds, 6,967 are specified as non-DV beds, indicating that there are 912 beds statewide dedicated for people fleeing or attempting to flee domestic violence. Of the 912 statewide beds for DV, 723 of them are emergency shelter. Approximately 53% of total dedicated DV beds statewide are in Metro Twin Cities, and the remaining 47% found across Greater Minnesota.

| 2022 Point in Time DV Bed Utilization |                        |              |                        |              |                        |              |
|---------------------------------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|
|                                       | Twin Cities Metro      |              | Greater Minnesota      |              | Total                  |              |
|                                       | Shelter & Transitional | Shelter Only | Shelter & Transitional | Shelter Only | Shelter & Transitional | Shelter Only |
| DV dedicated beds                     | 487                    | 394          | 425                    | 329          | 912                    | 723          |
| Reported DV population                | 396                    | 298          | 310                    | 225          | 706                    | 523          |
| Utilization %                         | 81%                    | 76%          | 73%                    | 68%          | 77%                    | 72%          |

Additionally, while there is overlap in those experiencing domestic violence and human trafficking with those who experience sexual assault, survivors of sexual assault present with slightly different needs. According to the Minnesota Coalition Against Sexual Assault, survivors of sexual assault often struggle to meet the eligibility requirements for survivors of violence resources and require long term housing programs rather than emergency shelter. Nationally, 50% of survivors who seek housing services do not receive them (National Sexual Violence Center, 2020).

### Gaps Analysis: Domestic Violence/Sexual Assault/Trafficking

As shown in the table discussed earlier (Total DV survivor population by region), the percentage of clients reporting that they actively fleeing domestic violence outpaces the percentage of dedicated DV beds that are reported statewide and regionally in permanent housing projects, but it appears that the supply of emergency shelter and transitional housing beds is sufficient to meet current demand. This tracks reasonably well with an analysis of DV bed utilization for the night of the 2022 Point in Time Count. On the night of the count, 72% of dedicated DV emergency shelter beds and 77% of all shelter and transitional beds were in use on the night of the count. This data suggests that if HOME ARP resources are to be directed to additional housing options for those fleeing domestic violence, emphasis should be given to added additional permanent housing beds as the state's emergency shelter and transitional housing projects seem to be meeting the needs of this qualifying population with the current inventory.

#### QP4: Other Populations

##### **Data: Other Populations**

The fourth eligible QP under HOME ARP is other populations where providing HOME ARP supportive services or assistance would prevent the family's homelessness or would serve those with the greatest risk of housing instability. The full definition is referenced in this plan under [Definitions of the Qualifying Populations](#) and is available in the [Notice CPD-21-10: Requirements for the Use of Funds in the HOME ARP Program](#). Data sources on Other Populations is less robust than for the other QPs. However, local 211 data, the statewide [Emergency Rental Assistance Program \(ERAP\)](#), and information gathered through HOME ARP consultation meetings triangulated with statewide Comprehensive Housing Affordability Strategy (CHAS) data, provide a strong understanding of the size, demographic makeup, and needs of this population.

ERAP is a U.S. Department of Treasury program funded through states and other local administrators. Minnesota Housing's ERAP program, known locally as RentHelpMN, was established in early 2021 to help at-risk populations mitigate the financial impacts of the COVID-19 pandemic. While the federally defined eligibility criteria for ERAP do not match those of HOME ARP, utilization of the program provides a useful source of data to help quantify housing instability across the jurisdiction. ERAP-eligible households must meet the following criteria:

- A household must be responsible to pay rent on a residential property, and:
- One or more people within the household have qualified for unemployment benefits, had a decrease in income, had increased household costs, or experienced other financial hardship due directly or indirectly to the COVID-19 pandemic;
- One or more individuals in the household can show a risk of experiencing homelessness or housing instability; and
- The household has an income at or below 80% of AMI.

Size and Demographic Composition: Other Populations. From January 2021 through June 2022, across the state of Minnesota (including state, county and city assistance) a total of 258,311 instances of assistance were provided to households via the ERAP program. Of this total, approximately 79% (203,308) of those receiving payments received them for rent or rent arrears.

| Minnesota ERAP Assistance* |                                     |                                             |                                |                |
|----------------------------|-------------------------------------|---------------------------------------------|--------------------------------|----------------|
|                            | HHs assisted with rent/rent arrears | HHs assisted with utilities/utility arrears | HHs receiving other assistance | Total          |
| ERAP1                      | 118,812                             | 36,560                                      | 18                             | 155,390        |
| ERAP2                      | 84,496                              | 18,083                                      | 342                            | 102,921        |
| <b>Total</b>               | <b>203,308</b>                      | <b>54,643</b>                               | <b>360</b>                     | <b>258,311</b> |

\* U.S. Department of Treasury Report - Household counts are reflective of the combined total of households served in each of the 6 quarters (Q1 2021 through Q2 2022) and are not unduplicated. It is acknowledged that these data a) count HHs in each Q they received assistance and b) the same HH could have received assistance in any/all of these three categories.

### Unmet Housing and Service Needs: Other Populations

As stated above in [Unmet Housing and Service Needs: At-risk of Homelessness](#), the total number of rental units in Minnesota is approximately 648,545 units (according to the 2015-2019 CHAS report). Of these, approximately 263,640 units are considered affordable to households with incomes at greater than 30% but less than 50% AMI. CHAS identified 86,290 households with income between 30-50% AMI and one or more housing problems defined as incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, or cost burden greater than 30% (including 20,480 with severe housing cost burden), and of 125,075 renter households overall, there are estimated to be 251,230 units across the state affordable to households in that income bracket.

### Gaps Analysis: Other Qualifying Populations

At first glance, the figures noted above would suggest that there is not an affordable housing shortage for households earning between 30 and 50% of AMI. However, this data is complicated by the fact that many of the units considered affordable for households in this income bracket are being rented by households with higher (or lower) incomes. CHAS data indicates that nearly 75% of units affordable in the 30-50% AMI range are rented by households in other income categories. When rented by households with lower incomes, these households will be experiencing additional cost burden (as discussed in the “At-Risk of Homelessness” section), and when rented by those in higher income categories who could likely afford more expensive units, it reduces the available housing stock for households in this income target range.

Data from the National Low Income Housing Coalition’s Minnesota Affordable Housing 101 report shows that households in this income bracket have better access to affordable housing than those considered at-risk of homelessness (less than 30% of AMI), but housing availability is still low. For households between 30% and 50% of AMI NLIHC estimates that there are only 74 affordable units available for every 100 households.

| Other Populations Housing Needs and Gaps Analysis Table                  |                        |
|--------------------------------------------------------------------------|------------------------|
|                                                                          | Total Households/Units |
| Total Rental Units                                                       | 648,545                |
| Rental Units Affordable to Households at 30-50% AMI                      | 251,230                |
| Households with Income 30-50% AMI                                        | 125,070                |
| 30-50% AMI Affordable units occupied by Households in other AMI brackets | 187,210                |
| <b>Affordable Rental Unit Gap</b>                                        | <b>61,050</b>          |

## HOME ARP Activities

### Methods for Soliciting HOME ARP Applications

Minnesota Housing will solicit HOME ARP applications from local government units, developers, and/or service providers to implement eligible activities that are identified and prioritized in this plan.

Minnesota Housing will hold a separate RFP process specific for and tailored to HOME ARP activities. Minnesota Housing will provide notice of request for proposal to interested applicants and it will include information on requirements, selection criteria, timelines, and process, including those who provided public feedback for the allocation plan. The notice of the RFP will be posted on the Agency's website, and we will pursue additional methods to reach potential applicants that may include: targeting parts of the state that have not historically participated in the grant application process, culturally specific and community-based organizations, e-mail, agency distribution lists, and the Minnesota State Register. The Agency will also create a webinar ahead of the application deadline to provide guidance and information about the RFP. Selections would be required to be approved by the Minnesota Housing Board of Directors.

### Administration of Funds

Minnesota Housing will not utilize a subrecipient or contractor for the administration of the PJ's entire HOME ARP grant. Minnesota Housing will oversee the administration of HOME ARP funding but will not administer activities directly. Written agreements will be executed with selected developers that will undertake and administer the funded projects. A portion of Minnesota Housing's administrative funds will be used for staffing, contracting with ICF, International for allocation plan and implementation planning support.

### Use of HOME ARP Funding

| Activities                               | Funding Amount                     | Percent of the Grant | Statutory Limit |
|------------------------------------------|------------------------------------|----------------------|-----------------|
| Development of Affordable Rental Housing | <del>\$28,266,046</del> 29,124,100 | 92.80-1%             |                 |
| Administration and Planning              | <del>\$3,113,784</del> 2,259,782   | 9-97.2%              | 15%             |
| <b>Total HOME ARP Allocation</b>         | \$31,383,882                       |                      |                 |

### Rationale for Planned Activities

The State of Minnesota faces a significant affordable housing crisis, with a significant number of individuals and families struggling to afford safe and decent housing. Addressing this issue will require a comprehensive approach that prioritizes the construction of deeply affordable housing and the strengthening of non-profit organizations' capacity to operate and comply with the funding regulations. Consultations highlighted the limited availability of affordable housing units has resulted in an increasing number of households experiencing homelessness, and even those with rental assistance struggle to secure deeply affordable units with low barrier entry. Moreover, the current affordable housing stock suffers from rehabilitation needs, lacks variety in unit sizes to cater to both large and small households, and is often located in areas with limited amenities. Expanding the supply of affordable housing would facilitate the broader and more convenient utilization of existing rental assistance and housing voucher programs by investing in affordable housing, we can provide families with safe, healthy, and affordable

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homes, which will have a positive impact on their overall well-being. Ultimately, investing in affordable housing and non-profit capacity to implement the HOME ARP funding is the only viable path forward to create long-term lasting change and improve the lives of those most in need in the State of Minnesota.

Besides the engagement and data results that prioritized affordable rental development, the Agency also considered proposed resources included in the Governor's 2023 budget for Minnesota Housing and the anticipated resources associated that will be available at the end of the Legislative session. These include significant and potentially on-going resources for emergency rental assistance, rental assistance, capacity building and affordable housing development. The Governor's budget would increase state appropriations by \$726.5 million for nearly every existing agency program. The agency's base budget is \$115.6 million. The agency expects to have new resources for all the HOME-ARP eligible activities.

In April 2025, HUD recalculated Minnesota Housing's allocation, resulting in a \$246,046 increase in HOME-ARP funding. Each housing unit contributes to housing stability for qualifying households. Consequently, Minnesota Housing is intensifying its efforts to expand the housing stock by allocating these additional funds, along with funds from non-profit capacity building, to affordable housing development. This change aims to increase the number of units that can be developed with the available funding.

[In August 2026, Minnesota Housing reallocated a portion of HOME ARP Administration and Planning funds to affordable rental housing development to maximize housing production and ensure HOME ARP resources deliver the greatest possible housing benefit.](#)

### **Production Housing Goals**

Based on the HOME ARP allocation, Minnesota Housing estimates the development of approximately 80 rental units with a per unit average cost of \$395,000. Minnesota Housing is prioritizing rental housing development, with a preference for the first qualifying population – those experiencing homelessness. These numbers continue to increase throughout the State, and both the quantitative and qualitative data gathered through the HOME ARP allocation plan process confirm the need for this priority.

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## Preferences

Minnesota Housing intends to give preferences to the following:

- QP1: Homeless,
- Long-Term Homeless

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While Minnesota Housing acknowledges the substantial needs across the state for all qualifying populations, based on the gaps analysis showing significant need of rental housing units to meet demand, combined with the feedback from consultation, surveys, and public comment, the greatest unmet needs are in the population experiencing homelessness, or QP1.

In addition to the homeless preference, Minnesota Housing will support projects that further prioritize households that meet the definition of “Long Term Homeless (LTH)” a subpopulation of HOME ARP Homeless qualifying population defined as households who have experienced homelessness for a period of 12 months or four episodes over the past three years. Households experiencing long-term homelessness often face the greatest barriers to achieving and maintaining housing stability and are among those most in need of deeply affordable housing. As chronic homelessness in Minnesota has increased by nearly 18% over the past three years, rising from 1,769 individuals in 2022 to 2,084 in 2024 according to annual Point in Time counts, a preference for households experiencing long-term homelessness is needed to ensure housing resources reach those facing the most persistent and severe barriers to stability. The preference also aligns with the Housing Support program from the Minnesota Department of Humans Services, which pairs rental assistance and supportive services to support successful housing placement and long-term stability for individuals and families.

HOME ARP funds will dispersed through a separate RFP process described in [Methods of Soliciting Application](#) section of this plan. Preference points will be given to projects that propose to prioritize QP 1.

## Methods of Prioritization and Referral Methods

Minnesota Housing will instruct projects to use Coordinated Entry with other referral methods or project specific waitlists for tenant selection based on a local jurisdiction’s needs and capacity. For projects that allow for Coordinated Entry as a referral method, CE referrals will be indirect, ~~and added to a project specific waitlist that is in chronological order of receipt.~~ All qualifying populations will have access to be referred to the projects. Minnesota Housing will not adopt the method of prioritization of the various CE systems statewide. ~~Projects not using the preference will use project specific waitlists for all QPs in a chronological order, insofar as practicable.~~

- **Homeless Preference:**

The waitlist will prioritize households meeting the Homeless preference criteria in chronological order of referral receipt, followed by all other qualifying populations in chronological order of receipt.

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- **Long-Term Homelessness Preference:**

The waitlist will prioritize households meeting the LTH definition in chronological order of referral receipt, followed by other homeless households and then all other qualifying populations, with each group ranked in chronological order of receipt.

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Each rental housing project awarded HOME ARP funds will be required to have a Tenant Selection Plan that must be approved by Minnesota Housing before referrals may be accepted.

## **Limitations**

All qualifying populations will have access to HOME ARP funded projects. Minnesota Housing does not intend to impose a limitation on any of the qualifying populations in any HOME ARP projects.

## **Statement of Commitment to Fair Housing**

Minnesota Housing is committed to the principles of fair housing and to ensuring that all individuals, regardless of their race, color, national origin, religion, sex, familial status, or disability, have equal access to housing and related services. We are dedicated to promoting diversity, inclusion, and equity in all aspects of our operations.

Minnesota Housing shall ensure adherence to all pertinent Fair Housing and nondiscrimination statutes and regulations as described in 24 CFR 5.105(a) while referring individuals for HOME ARP services. Furthermore, any and all collaborators who receive HOME ARP funding will comply with all relevant fair housing, civil rights, and nondiscrimination regulations, which shall include, but not be limited to, those delineated in 24 CFR 5.105(a). Such regulations shall comprise the Fair Housing Act, Title VI of the Civil Rights Act, section 504 of the Rehabilitation Act, HUD's Equal Access Rule, and the Americans with Disabilities Act.

## **Appendices**

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