

Minnesota's Business Plan to End Long-Term Homelessness Updated Based on Three Years of Experience

BACKGROUND: MULTI-DISCIPLINARY STRATEGIES

- In March 2004, a broadly based working group established by the legislature at the request of Governor Tim Pawlenty completed a goal-oriented, reform-minded business plan to end long-term homelessness by 2010. The plan calls for multi-disciplinary (housing, human services, corrections), multi-sector (government, business, nonprofit), and multi-jurisdictional (federal, state, and local) strategies to address long-term homelessness.
- In June 2007, the plan was recalibrated to reflect the experience of three years of implementation.

VISION AND GOAL: END LONG-TERM HOMELESSNESS BY 2010

- Provide housing and appropriate support service options to those experiencing long-term homelessness -- single adults, unaccompanied youth and families with children -- so they can be successfully housed over the long term.
- Meet the needs of the broader homeless and near homeless populations as this goal is pursued.

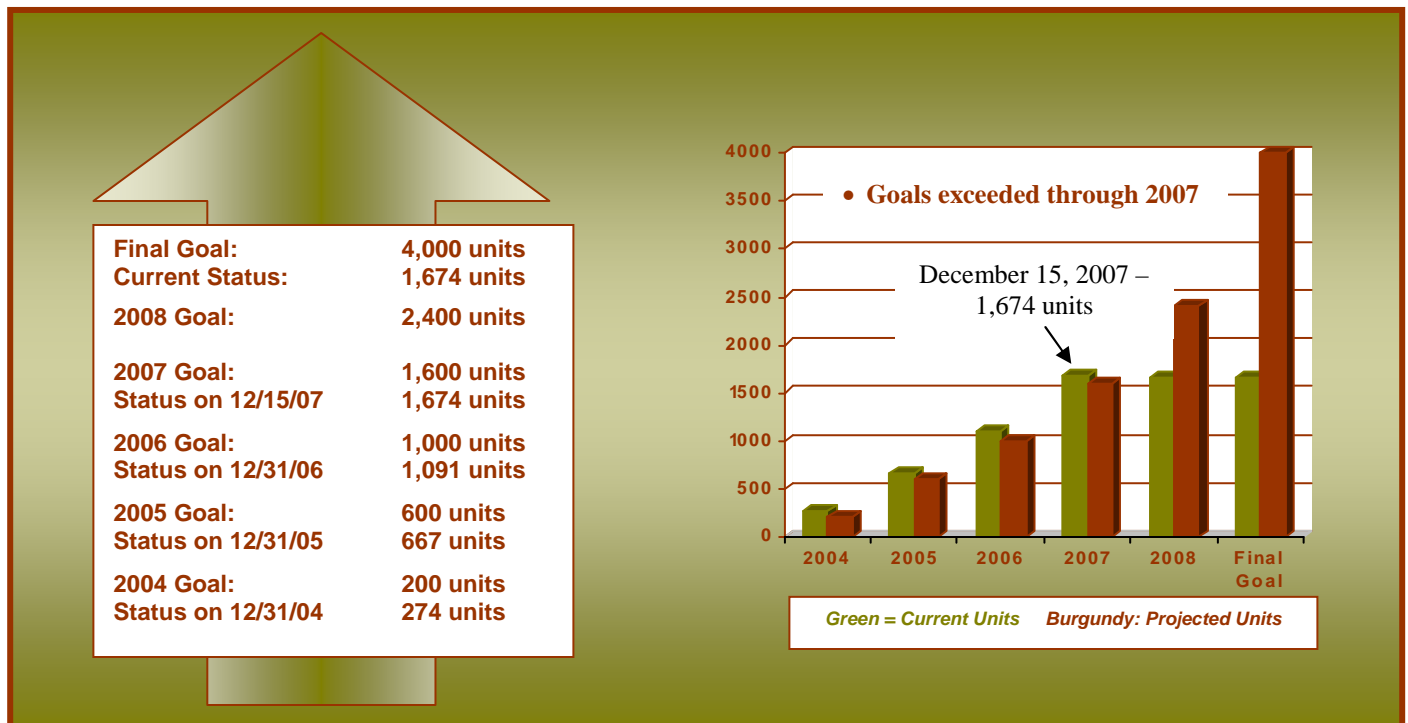
THE NEED: PROVIDE HOUSING AND SUPPORT SERVICES TO 4,000 HOUSEHOLDS

- An estimated 4,400 people experience long-term homelessness over the course of a year, including 800 children. *Wilder Statewide Survey 2006.*
- Many report serious mental illness (57%), chemical dependency (33%), symptoms of brain injury (35%), prior incarceration (54%), and status as military veterans (14%). *Wilder Statewide Survey 2006.*
- 4,000 new supportive housing opportunities will meet the current need and provide a contingency.

THE STRATEGY: COST EFFECTIVE SUPPORTIVE HOUSING

- Supportive housing reduces the use of expensive crisis services (emergency rooms, detox, and shelters) and improves outcomes for people experiencing long-term homelessness.

Tracking Progress – Making Progress



THE FINANCING PLAN: STATE LEADERSHIP AND A CALL TO ACTION TO POTENTIAL PARTNERS

- The financing plan is a unique effort to estimate over time the costs and potential sources for providing housing and support services from multiple funding sources. The following table summarizes the cost of the plan as recalibrated in 2007. The estimated total cost declined by \$57 million over the three-year period, due largely to a more refined estimate of services costs over the life of the plan.

**Financing Plan Estimate (2004-2010)
(in millions) (revised 2007)**

<i>Sources</i>		<i>Costs/Uses</i>	
<i>Identified Sources:</i>			
State General Obligation Bonds	\$ 77	New Construction	\$ 87
Minnesota Housing State Appropriated Programs and Agency Resources	\$ 96	Acquisition and Rehabilitation	\$ 88
Private Tax Credit Equity (Minnesota Housing allocation)	\$ 60	Units Integrated into Mixed-Income Developments	\$ 85
Department of Human Services	\$ 88	Rental/Operating Assistance	\$ 77
<i>Remaining Sources:</i>	\$162	Housing Support/Community Living Services/Income Supplements	\$146
Federal Government			
Local Government			
State Departments			
Philanthropic/Nonprofit/Other			
Total	\$483	Total	\$483

- The state is providing significant resources. In 2005 and 2006, the Legislature approved a total of \$30 million in bonding for permanent supportive housing. In 2005, the Minnesota Legislature also approved Governor Pawlenty’s requests for increases in rental assistance, operating, and service funding for supportive housing totaling \$14 million and provided over \$5 million of funding for related initiatives for youth foster care transition, homeless outreach, and prisoner reentry housing. Consistent with the Governor’s recommendation, the 2007 Legislature increased 2008-09 funding by nearly \$30 million for housing, services, prevention, and prisoner re-entry to implement and support the plan. Minnesota Housing has allocated almost \$30 million to an Ending Long-Term Homelessness Initiative Fund from internal resources.
- Private sector support includes grants to individual supportive housing developments from a broad spectrum of foundations and corporations, as well as a “Partners Fund,” which has received grants totaling \$2.65 million from The McKnight Foundation, the Travelers Foundation, the Family Housing Fund, the Frey Foundation, and the Pohlada Family Foundation.
- State and local governments and the private sector, however, cannot finance the plan alone; significant federal resources are necessary to complete the plan. The Minnesota Congressional delegation has provided significant bi-partisan support for the effort.

IMPLEMENTATION: ACCOUNTABILITY AND RESULTS

- Plan implementation is led by a Director for Ending Long-Term Homelessness who reports to the state’s commissioners of Human Services, Corrections and Housing. A broad-based Advisory Council provides ongoing advice and support. The work of the Council is done through committees focused on evaluation, support services, regional needs, housing construction, funding and landlord relationships.
- Under the rubric Heading Home Minnesota, many regions of the state have completed plans that align with the state’s business plan. These include Heading Home Hennepin, a plan to end homelessness in Minneapolis and Hennepin County; Heading Home Ramsey, a plan to end homelessness in St. Paul and Ramsey County; Heading home St. Louis County, a plan to end homelessness in Duluth and St. Louis County; and Heading Home Southeast Minnesota, a plan to end homelessness in twenty southeastern Minnesota counties. Additional jurisdictions in Greater Minnesota and the Twin Cities metropolitan area are developing plans.

For the most up-to-date information about Minnesota’s Business Plan to End Long-Term Homelessness please visit <http://www.mnhousing.gov/initiatives/housing-assistance/index.aspx>