STUDY OF HOMELESSNESS

A LOOK AT HOMELESSNESS AND HOUSING INSTABILITY
IN THE CITY OF RED WING
August 2021

PREPARED BY NORTH STAR POLICY CONSULTING

"Home is the base where everything begins"

Kelly, Habitats for Humanity

INTRODUCTION

While homelessness in large urban centers is often very visible, in smaller cities and rural communities, it is less apparent. It is the youth moving from couch to couch, straining the resources of their closest friends and families. It is the couple scraping together the funds to afford one more week in the local motel before they have nowhere else to go. It is the family camping over the summer in a donated tent. It is the grandma caring for her grandchildren in substandard, run-down housing. Just because it is less visible, however, does not mean it is any less devastating for the people who experience it.

Everyone deserves a place to call home. Without a stable and safe place to live, it becomes difficult, if not impossible, to move forward in one's life—to maintain health—to learn—to cultivate positive relationships—to land your dream job—to give back. Homelessness, however, is not only devastating for people and families, it also impacts the community as a whole negatively.

It is with this recognition that the City of Red Wing and its residents came together in May 2021 to make a commitment to addressing homelessness in their city. To be sure, homelessness has been a priority for many in the Red Wing community over the years, and these efforts have been invaluable to those who have benefited from them. But there was a feeling that, with a better understanding of the issue and improved collaboration, meaningful and lasting change could be made. To reach these goals, the City of Red Wing contracted with North Star Policy Consulting to complete a study of homelessness in Red Wing.

The goals of this study are to:

1	Improve understanding of the overall scale and breadth of homelessness in Red Wing
2	Identify best practices in addressing homelessness and the extent to which they are being implemented in Red Wing
3	Set the stage for community conversations and planning to increase the impact of Red Wing's efforts to end homelessness

Contents

UNDERSTANDING HOMELESSNESS

How many people in Red Wing are experiencing homelessness?

Consistently and accurately measuring the scale of homelessness is difficult. For most, homelessness is not a permanent state of being but a temporary status, often intertwined with many other factors, such as generational poverty, frequent mobility, unstable employment, traumatic life events or poor health. A lack of consistent definition of homelessness adds to this difficulty. For instance, people who are living in a doubled-up situation or couch hopping may or may not be included in a count. By looking at homelessness from multiple data sources, we can begin to get a picture of how homelessness impacts individuals and families within a community and the community as a whole.
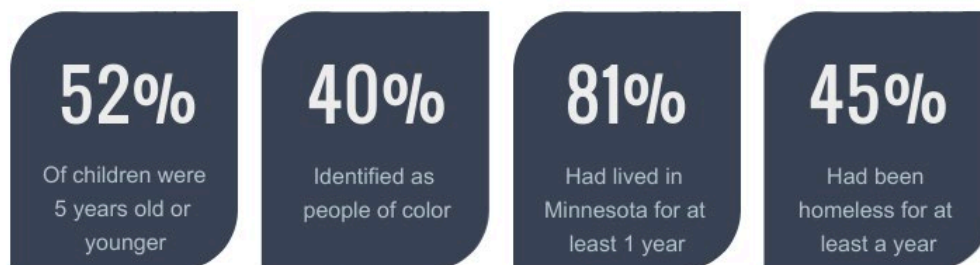
POINT-IN-TIME COUNTS

Point-in-time counts attempt to locate, identify and count all people experiencing homelessness on a particular day of the year. These counts can overrepresent people experiencing long-term or chronic homelessness and miss the "hidden" homeless— for instance, people who are doubled up or living in places not easily accessed or seen by the people conducting the count. However, when these counts are done consistently year after year, they can provide a good sense of trends over time. Minnesota typically conducts two main point-in-time counts: the Wilder Survey and the HUD Point-in-time count.

The Wilder Survey

Every three years in October, Wilder Research conducts a study of all people in Minnesota experiencing homelessness. The study includes results from an extensive survey, conducted by volunteers with as many participants as possible, and an estimated count which includes people who were not able to be surveyed. The study provides public results by local Continuum of Care areas. Red Wing is located in the Southeast Continuum of Care which includes an area of 20 counties and shares geography with Prairie Island Indian Community in Minnesota. In 2018, the Wilder survey estimated that there were:

589 people experiencing homelessness overall	55 unaccompanied youth (under 21)	226 children with parents

52% Of children were 5 years old or younger	40% Identified as people of color	81% Had lived in Minnesota for at least 1 year	45% Had been homeless for at least a year

Wilder Research does track survey results by county. In 2018, Goodhue County collected seven interviews for the study. Due to the low numbers, the results of these particular surveys are not made public. Full survey results for the Southeast Minnesota region can be found at mnhomeless.org.
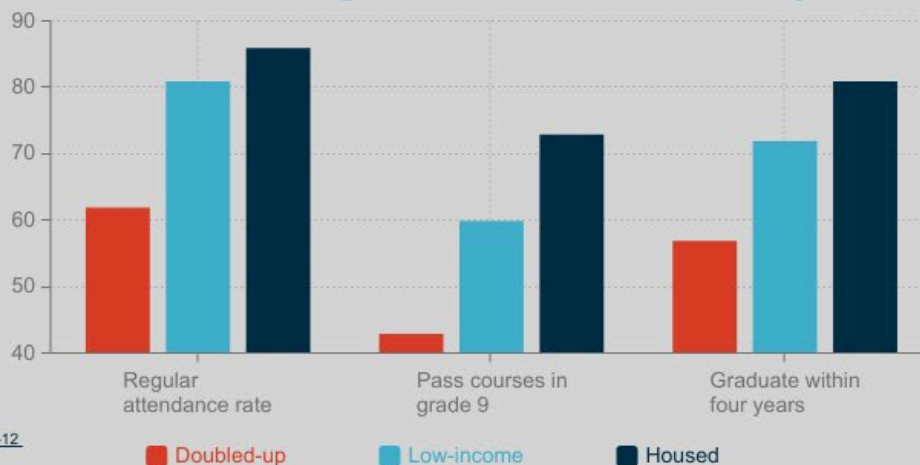
"DOUBLED-UP" AND HOMELESS

Families with children are more likely to be "doubled-up," meaning that they are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason. While people who are doubled-up are less visibly homeless than those living outside or in a shelter, the effects can be just as detrimental.

It is also important to consider people who are doubling up to address disparities in homelessness and access to housing. One study "found that Black and Latino families were more likely to live in inadequate or crowded housing. Latino families were more likely to live "doubled-up" with multiple families per home than Black families, when faced with homelessness."

Source: Does Race Matter in Addressing Homelessness?

Students who are in doubled-up situations face academic challenges more often than their peers.

Source: Students Experiencing Homelessness in Washington's K-12 Public Schools

Legend: ■ Doubled-up ■ Low-income ■ Housed

Categories: Regular attendance rate, Pass courses in grade 9, Graduate within four years

Difficulties families face in doubled-up situations

A 2017 study of families experiencing homelessness describes the difficulties that families can face in these situations:

Lack of one's own space and lack of privacy

Noise, crowding and neighborhood characteristics

Negative interpersonal interactions, causing stress and conflict

Source: Families' Experience of Doubling After Homelessness

HUD point-in-time count

In order to receive federal homeless funding, the Southeast CoC must also conduct a point-in-time count in January. In 2020, the Southeast Minnesota point-in-time count identified in the region:

459 people experiencing homelessness overall	48 unaccompanied youth (under 24)	141 children with parents

- 459 people experiencing homelessness in the Southeast CoC Region, including:
  - 240 people in families with children
  - 48 unaccompanied youth (under 24)

Point-in-time counts show that the number of people experiencing homelessness in the Southeast CoC Region have remained relatively steady since 2007.

Total People Experiencing Homelessness (**Unsheltered** & Sheltered)
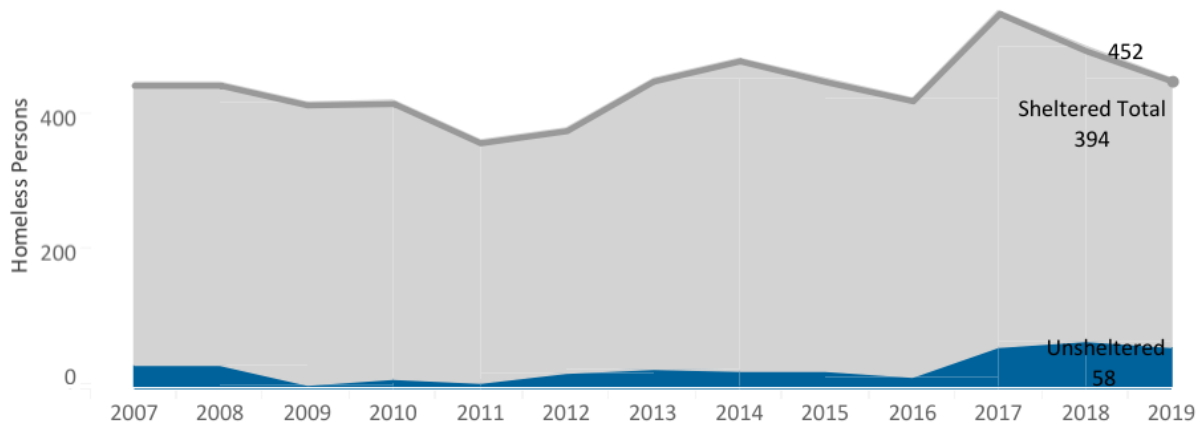
Source: **Institutes for Community Alliances**

HOMELESSNESS-RELATED DATA FROM SERVICE PROVIDERS

Data from agencies serving people experiencing homelessness can provide a picture of the extent of housing need throughout the year.

The Homeless Management Information System (HMIS) collects information from service providers receiving state or federal funding specifically designed to address homelessness. According to data provided to HMIS, in 2020, providers in the Southeast CoC region served **5,258** people experiencing or at-risk of homelessness.

| 584 people received homeless prevention services	766 people were served through an emergency shelter	1,824 people received supportive housing (PSH, RRH, or TH)

Source: hmismn.org

Coordinated Entry

HMIS also collects information about each regions Coordinated Entry System. Coordinated Entry in the River Valleys CoC Region is a collaborative initiative designed to create a more effective and efficient homeless response system. A coordinated entry system is defined as a process designed to coordinate program participant intake, assessment, and provision of referrals, which covers the entire geographic area. It must be easily accessed by individuals and families seeking housing or services, well-advertised, and include a comprehensive and standardized assessment tool. If households are determined to need homeless assistance through coordinated entry, they complete the assessment and are placed on a prioritization list.

As of the end of May 2021, there were **68 clients from Goodhue County** on the Southeast CoC prioritization list.

Assessment
☐ In the year prior, there were 123 people total from Goodhue County who had been placed on the list.
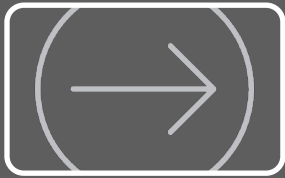
Referral
☐ 39 of those clients had received a referral to a housing unit.
☐ Most of those referrals were ultimately cancelled or denied, usually due to being unable to get in touch with the household members.

Housing placement
☐ Five households had been successfully housed with rental assistance and services set aside specifically for homeless households through the Coordinated Entry System.

Source: Minnesota Coordinated Entry Dashboard

The Coordinated Entry priority list is designed to identify the most vulnerable individuals and families and match them to supportive housing available through state and federal programs. However, there are *very few* slots available within Red Wing and Goodhue County—a total of 14 permanent and transitional supportive housing units with low turnover. This means that a unit is rarely available when someone needs it. Households are on the list for an average of 272 days before getting a referral. By the time they receive the referral, they may have left the area, found another option for housing, or may no longer meet the strict eligibility criteria for the unit.

Minnesota Department of Human Services (DHS) case assistant program recipients

DHS collects information about how many people who receive cash assistance benefits (welfare and food) are identified as homeless. These counts tend to be larger than point-in-time counts because they look at the total number of people on benefits in a month who do not have a permanent address, including people who are doubled-up. In December 2020, DHS reported **91** people experiencing homelessness **in Goodhue County**.

What causes homelessness?

Homelessness can be said to be the result of "a conjunction of unfortunate circumstances occurring in the absence of effective, preventive social insurance."

Macro scale factors influence the number of people at risk

As macro-scale factors worsen, more people become homeless.

Housing affordability and poverty

Public policies and strength of the safety net

Large-scale shocks (economic recession, natural disaster, etc.)

Still most people, even those at a particular disadvantage or risk, do not become homeless.

Certain personal circumstances can increase risk.

When people face difficult personal circumstances, they are much more likely to become homelessness.

SUDDEN, UNEXPECTED EVENTS

Job loss, trauma or an institutional stay
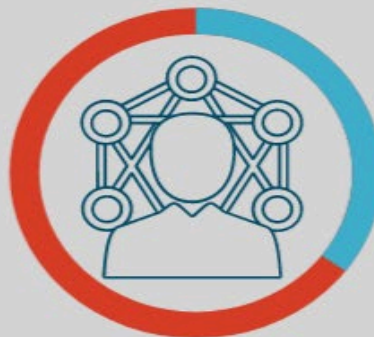
PERSONAL VULNERABILITIES

Poor health, lack of adequate social support

What does this mean for ending homelessness?
Any approach to ending homelessness must seriously take into account and address the macro level factors AND create protective, preventative measures to support people with personal circumstances that increase their risk. (Source: Homelessness as a Moving Target)

What does it mean to end homelessness?

The goal is for homelessness in Red Wing to be:

- **Rare**: People currently experiencing homelessness are housed and new incidents of homelessness are few and far between.
- **Brief**: When homelessness does occur, the household is re-housed quickly.
- **One-time**: Housing obtained after an episode of homelessness is sustainable and secure to prevent reoccurrence.
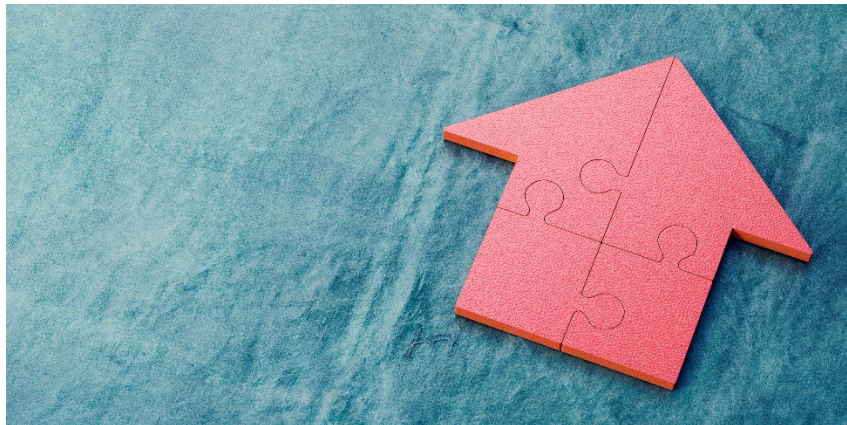
RACIAL EQUITY IMPACT ANALYSIS

Our nation's history of discrimination and institutionalized racism is evident in the disparities in experiences of homelessness between racial groups in Minnesota and the United States overall.

- People who are Black, Latinx, and Native American are disproportionately likely to experience homelessness, even relative to the proportions of these groups living in poverty (Source: How to Address Homelessness: Reflections from Research)

- In Minnesota overall:
  - African Americans are 15 times as likely to be homeless as white, non-Hispanic population
  - Hispanic or Latinx are 3 times as likely to be homeless as white, non-Hispanic population
  (Source: Overview of Homelessness presented to the MN House of Representatives)

	People of color	African American	Hispanic
Clients active on the Coordinated Entry Priority List in Goodhue County, June 2020-May 2021 (n=123)	34%	23%	8%
Goodhue County census data (Minnesota Compass, 2015-2019)	6%	1.3%	3.3%

Recommendations

1. Any plans completed through the upcoming facilitation process should include Community Solutions' indicators for a racially equitable homeless response system.

UPDATED 1/10/22

AFFORDABLE HOUSING

Housing is affordable when housing prices align with household income. Generally housing is considered affordable if **housing costs are less than 30 percent** of the household's total income.

Currently, there is a mismatch between the cost of housing in Red Wing (**median rent = $704** for a one-bedroom unit) and household income of people experiencing homelessness in Southeast Minnesota (**median monthly income = $592**).

(Sources: Red Wing 2040 Community Plan, mnhomeless.org)

In Goodhue County, **41 percent of renters** in the county are cost-burdened and paying more than 30 percent of their income towards housing.

(Source: Goodhue County Comprehensive Housing Needs Analysis)

According to the Wilder Homeless Survey, **46%** of people experiencing homelessness in Southeast Minnesota are **on a waitlist for housing**.

Is there enough affordable housing in Red Wing?

Affordable housing in Red Wing is difficult to find. According to the report "A Comprehensive Housing Needs Analysis for Goodhue County, Minnesota":

- The inventory of rental properties in Goodhue County was 2.5% vacant, including a **1.4% vacancy rate among the affordable/subsidized properties** and a 3.6% vacancy rate in the market rate properties.
- The **equilibrium vacancy rate** for rental housing is considered to be **5.0%,** which allows for normal turnover and an adequate supply of alternatives for prospective renters. In effect, the supply of general occupancy rental housing in the County is below the level adequate to meet demand.
- The **statewide rental vacancy rate** in Minnesota in 2019 was **4.8%**.

Fair Market Rents (FMRs)
FMRs regularly published by HUD, represent the cost to rent a moderately-priced dwelling unit in the local housing market. The housing authority determines a payment standard that is between 90 percent and 110 percent of the FMRs. The housing voucher tenant must pay 30% of its monthly adjusted gross income for rent and utilities, and if the unit rent is greater than the payment standard, the tenant is required to pay the additional amount.

Finding a unit in Red Wing that meets the Fair Market Rate (FMR) requirements can be particularly difficult. The current FMR for a one-bedroom unit is $620 per month. A recent search of available unsubsidized rental units advertised through online services identified only three one-bedroom units in Red Wing.[1] All of the units were advertised a rate well above the FMR ($940, $925 and $795 per month). The Red Wing HRA reports that households frequently are returning Housing Choice Vouchers due to an inability to find a unit that meets the rental standards.

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[1] Search conducted on 7/21/21 using HousingLink, Craig's List and Apartments.com.

Addressing the affordable housing crisis

Strategies for addressing housing affordability therefore fall into two main categories:

↓ LOWERING housing costs by increasing the availability of housing that is affordable	↑ INCREASING household income or ability to pay for housing
Rental assistance/housing vouchers help households with rent and housing costs. Typically the household pays 30 percent of their income towards housing, and the voucher covers the rest. *Vouchers available in Red Wing include:* • *Housing Choice Voucher program (commonly referred to as Section 8). In 2020, the Red Wing HRA issued 19 new Housing Choice Vouchers. Four of these vouchers were issued to households experiencing homelessness.* • *Bridges (temporary assistance for those with a mental illness diagnosis). In 2020, the Red Wing HRA issued 4 new Bridges vouchers. Twelve additional vouchers have been awarded to the HRA as of July 2021.*	**Benefits assistance programs** can help free up income for housing by improving access to other programs (SSI, SNAP, energy assistance, etc.) *SOAR (SSI/SSDI Outreach, Access and Recovery) advocates help people experiencing or at-risk of homelessness apply for Social Security disability benefits. There are 7 agencies that will provide SOAR services to Goodhue County residents.*
Subsidized housing provides units that are affordable to lower income levels through special financing. A common example is Low-Income Housing Tax Credits (LIHTC) which Offers investors a 10-year reduction in tax liability in exchange for capital to build eligible affordable rental housing units. *Goodhue County has 18 LIHTC/USDA properties with 386 shallow-subsidy units.**	**Income supports** increase household income to help pay for housing. Housing Support and MSA Housing Assistance are state-funded programs designed to help people with disabilities afford housing. *As of December 2020, 109 people in Goodhue County were enrolled in Housing Support, and four people were enrolled in MSA Housing Assistance.*
Public housing helps people with low incomes live in specific publicly owned apartments. At first, you pay about 30% of your income as rent, but this can change if your income goes up. *Goodhue County has 10 PB Section 8/Public Housing properties w/316 deep subsidy units.**	**Economic development** helps people to increase their income through education, employment and job growth
Preserving naturally occurring affordable housing ("NOAH") that are at risk of being lost due to market speculation and upgrades that result in higher rents and lost affordability.	**Promoting roommates and shared living opportunities** can help people stretch their income.

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* Source: Goodhue County Comprehensive Housing Needs Analysis

Recommendations

The single most important thing that can be done to prevent and end homelessness in Red Wing is to ensure adequate safe and accessible affordable housing at all income levels. While the causes of homelessness can be multi-faceted, the bottom line is that there must be housing that is affordable to address them. The other interventions and best practices included in this report will only work if there is an adequate supply of housing that people can afford.

Affordable housing development is also, in some ways, the most difficult part. It requires dedicated resources and a high level of commitment from the entire community. There is no one entity that is able to meet all the affordable housing needs in Red Wing to sufficiently cover the gap. Collaboration is essential. Accordingly, it is recommended that the City of Red Wing, along with its partners:

1. Commit to following through with the recommendations related to increasing affordable housing outlined in the Red Wing 2040 Community Plan and the Goodhue County Comprehensive Housing Needs Analysis.

   - Increase quantity and diversity of affordable housing options (reuse vacant buildings, evaluate zoning, build smaller homes, reduce construction costs)
   - Update and renovate existing properties (re-establish rental licensing requirements, create community consortium)
   - Increase housing development:
   - Recommends adding 50-60 market rate apartments and 24-30 units with a shallow subsidy by 2030

2. Explore new, creative solutions to increasing affordable housing, for example:
   - Consider establishing a Community Land Trust.
   - Review of barriers in zoning requirements, with a focus on potential racial equity issues.
   - Increase and promote affordable home ownership opportunities.
   - Leverage rehabilitation of abandoned or foreclosed properties.
     - Example: Neighborhood Stabilization Project in St. Petersburg, Florida
   - Increase single room occupancy (SROs) and opportunities for roommate connections.
   - Create an inclusionary housing initiative.
   - Make accessory dwelling units (ADUs), and duplexes easier for homeowners to utilize.
     - Example: Bozeman, MT (see case study on p. 31)
   - Implement recommendations in the Greater Minnesota Housing Fund's report on unsubsidized affordable housing, "The Space Between."

NIMBYISM: "NOT IN MY BACKYARD"

Community feedback identified NIMBYism as a major barrier to adding subsidized or affordable housing in Red Wing. Any efforts to address the affordable housing crisis need to include efforts to increase community buy in.

"[R]esearch suggests that best practices [to combat NIMBYism] involve direct, sustained, and intentional engagement with community members and key stakeholders as well as building trust, responding promptly to concerns, and understanding and respecting local considerations such as architectural heritage (John Jay College of Criminal Justice and the Fortune Society 2017). Researchers should also work to equip policy-makers with evidence of the benefits of affordable and supportive housing and the lack of evidence that it reduces property values or otherwise harms surrounding neighborhoods (Furman Center 2008)."

Source: How To Address Homelessness: Reflections on Research

BEST PRACTICES AND APPROACHES TO ENDING HOMELESSNESS

Ending homelessness requires a comprehensive approach that includes interventions at multiple levels, ranging from one-time crisis and prevention to intensive housing with supports.

Prevention
Financial supports
Supportive Services

Outreach
Diversion

Emergency
Shelter
Drop-in centers
Motel vouchers

Rapid re-housing
Transitional housing

Housing
Permanent supportive housing
Affordable housing
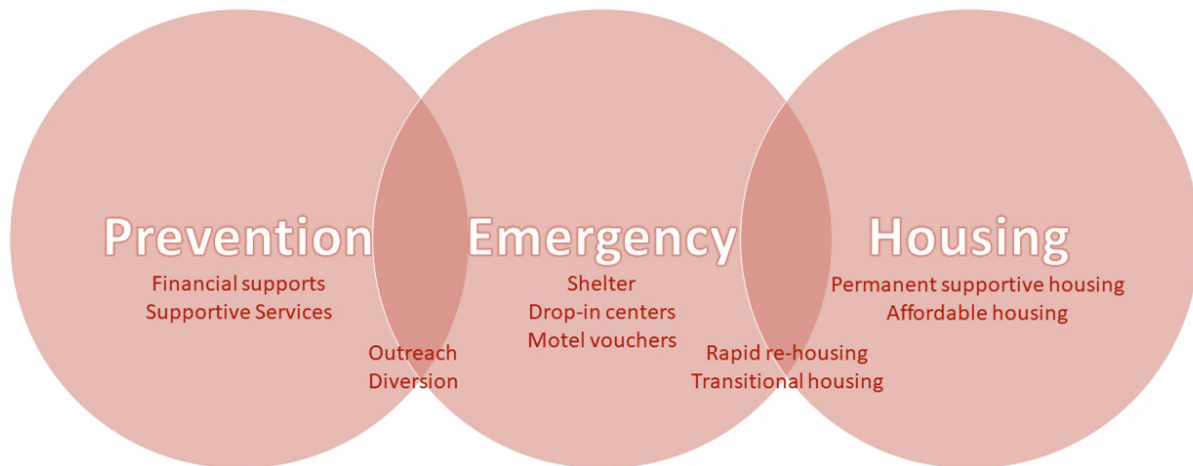
Throughout the continuum, interventions should include both financial aid and material resources in addition to supportive services tailored to the individual needs of the household. The remainder of this report focuses on the different types of homeless interventions, including best practices and current capacity and gaps within Red Wing.

"First, extensive heterogeneity exists in homeless populations and in the types of services needed to address housing instability. Individuals with severe mental illness, for example, may require ongoing intensive supports to avoid falling back into homelessness, whereas pregnant teens with few connections to supportive adults have a different set of needs. This variation requires considerable flexibility and tailoring of resources to promote stability."

Source: Solving Homelessness from a Complex Systems Perspective: Insights for Prevention Responses

EMERGENCY SHELTER

Emergency shelter provides a way to immediately respond to the crisis of homelessness in situations where there are no alternatives. Particularly in the cold winter months, the acute need for a roof over one's head tends to trump longer-term solutions or planning. When shelters or other types of crisis responses work well, they provide much-needed stability and safety, a place for people to engage with services and supports, and a stable place to begin to identify a path to more permanent housing.

To be effective, however, the development of new emergency shelter capacity must be done in conjunction with a continuum of responses, including new affordable housing options, necessary services and supports, and adequate prevention measures. Without this, what is initially intended as a stopgap to a crisis becomes a permanent feature of the revolving door of housing instability and the chaos it brings with it.

EXISTING EMERGENCY SHELTER RESPONSES IN RED WING

- **Hope and Harbor shelter**
  Entering their third season of operations, this shelter is primarily volunteer-run and uses local churches to provide overnight accommodations for adults without children. In 2020, Hope and Harbor served over 50 individuals at a cost of $101,500. It should be noted that these costs were higher than typical due to restrictions related to the COVID pandemic: the shelter needed to be relocated to a house with limited capacity. Moving forward, Hope and Harbor plans to serve 24 guests per night at a budget of $55,000 for the season.

- **Motel vouchers**
  Several local agencies provide funding for overnight stays at local motels. It is difficult to get a full picture of the number of people served and funding for these motel stays since the motel voucher programs are often combined with prevention and other crisis funding. Funds have historically been administered by the HOPE Coalition. The Red Wing Area Homeless Committee provides additional supports, resources, and transportation to individuals staying at the motels. In 2020, HOPE served 56 households including 114 people. The chart below shows the number of households receiving motel vouchers monthly through the HOPE Coalition.
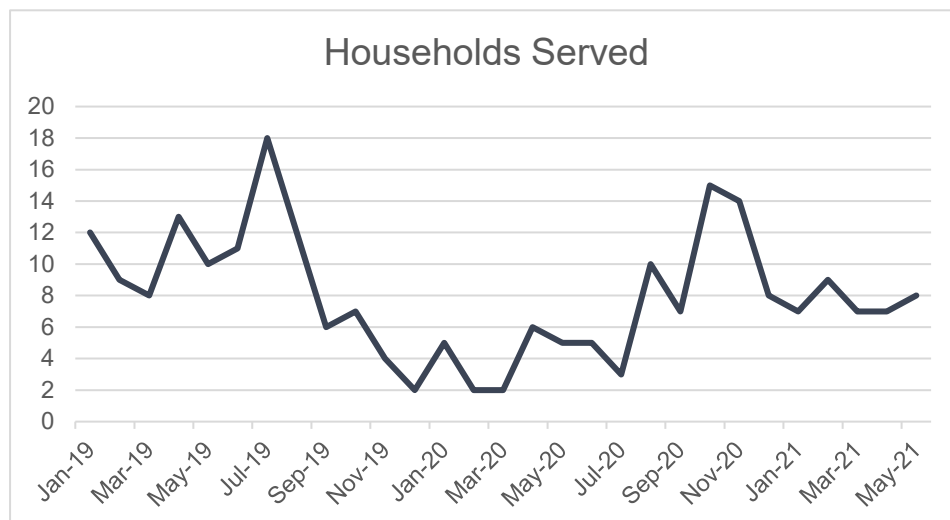
Other agencies that may provide funding for motel stays include, Hispanic Outreach, Youth Outreach, the Salvation Army and Goodhue County Human Services.

- **Tents**

  Outside of special circumstances, most agencies limit the motel vouchers distributed in the summer months. Tents for camping are often provided as an alternative.

- **Domestic violence shelter**

  HOPE Coalition operates a shelter for victims of domestic violence. They serve around 400 people annually.

Housing First

Emergency shelters, which help people in crisis and protect them from the dangers of living outside, are a necessary component of every communities' homelessness response system. But they are a temporary solution. Communities must dedicate resources to long-term housing assistance and community support services, otherwise people will remain homeless longer than necessary.

Source: Center on Budget and Policy Priorities

Emergency shelters work best within a homeless response system with a Housing First orientation.

A Housing First system orientation recognizes that people experiencing homelessness-like all people-need the safety and stability of a home in order to best address challenges and pursue opportunities.

The Housing First approach connects people back to a home as quickly as possible, while making readily available the services that people may need to be stable and secure.

Housing First Principles

- Safe and affordable housing
- All people can achieve housing stability in permanent housing; supports may look different
- Everyone is "housing ready"
- Improved quality of life, health, mental health, and employment can be achieved through housing
- Right to determination, dignity and respect
- Configuration of housing and services based on participants needs and preferences

Source: USICH

EMERGENCY SHELTER MODELS

Congregate shelter This is what most people typically think of when they think of emergency shelter. Beds and meals are provided within a single site.	**Pros**: Single site is accessible to people experiencing homelessness. Physical space can be tailored to meet the needs of the community. Easier to provide on-site services and develop a sense of community.
	Cons: Public health issues inherent in congregate settings. May have difficulty in siting due to community push back. Funding for capital and operating for this type of shelter can be challenging to secure.
	Example: [Red Lake Homeless Shelter](#)
Volunteer-based, community supported shelter Individuals or families are housed overnight at a community center, usually a faith community. Sites may be static or rotating. Hope and Harbor is an example of this type of model.	**Pros**: Uses existing community resources. Provides opportunities for community involvement. Less expensive than more permanent models.
	Cons: Effort involved in maintaining volunteer force. Use of volunteers and community spaces can deter people from accessing or require a screening out process.
	Example: [Family Promise](#) affiliates
Motel lease In this model the agency administering the program leases motel units year round for use by people in need of shelter.	**Pros**: Less expensive than building/rehabbing a new site. Motel can provide operating and cleaning services. Privacy for residents.
	Cons: Need to be able to find a motel willing to enter into lease. Need to have a way to deal with any behavioral issues that arise.
	Example: [The Refuge](#) in Marshall, MN. The Refuge is run by the United Community Action Program (UCAP) in southwest Minnesota. UCAP leases 6-8 units annually at a reduced rate from a local motel. A part-time staff member provides services to individuals and families staying in the units.
Navigation Center Typically developed as a response to an encampment site, navigation centers combine multiple interventions into one site. They are usually developed in direct response to community need and are intended to be temporary.	**Pros**: Provides multiple services onsite 24/7 with a goal of rapid connection to housing. Low-barrier and welcoming to people who are hesitant about accessing traditional shelters.
	Cons: Siting the navigation center. Temporary solution.
	Example: [Minneapolis Navigation Center](#)
Multi-use shelter Combines permanent housing, emergency shelter and other services into one site.	**Pros**: Seamless transition from shelter to permanent housing. Can be converted into additional permanent housing as need for emergency shelter decreases.
	Cons: Requires a large space. Siting can be difficult.
	Example: [Higher Ground](#) in St. Paul.

RECOMMENDATIONS

Currently, the seasonal Hope and Harbor volunteer church shelter and motel vouchers (in the winter)/ tents (in the summer) are the only options for people with immediate shelter needs in Red Wing. There is a good deal of community will to establish a more permanent emergency shelter option. The community should move forward with these plans with the following recommendations in place:

1. Community members and stakeholders should work together to develop one comprehensive plan to address emergency shelter needs in Red Wing. The plan should include strategies for evaluating outcomes for the emergency shelter and related interventions.

2. The emergency shelter plan should be based on national best practices to ensure effectiveness, including:
   a. The Low-barrier shelter recommendations from the Minnesota Department of Human Services' Office of Economic Opportunity
   b. The Emergency Shelter Learning Series from the National Alliance to End Homelessness (NAEH)
   c. The Implementing and effective emergency shelter checklist from the United States Interagency Council on Homelessness (USICH)
   d. The Housing First Assessment Tool from HUD

3. Any funding or resources dedicated to the development of an emergency shelter should be matched by added funding or resources to increases resources across the homeless response continuum, including prevention, supportive services and affordable housing. The NAEH recommends that communities maintain one permanent supportive housing unit and four rapid re-housing units for every emergency shelter bed.

4. If a congregate shelter model is pursued, a broad community buy-in effort will need to be established.

Long shelter stays are extremely expensive, and likely to be harmful to individuals and to children in particular (Culhane, Park, and Metraux 2011). Research consistently shows that the key ingredient needed to shorten homeless spells and help families and individuals to transition out of shelters is housing subsidies (Gubits et al. 2018). Such subsidies are costly, but no more so (and often less) than shelter provision and homelessness itself. Thus, a significant shift of resources away from shelters and into Housing First, housing vouchers, and supportive housing models may be a good path forward.

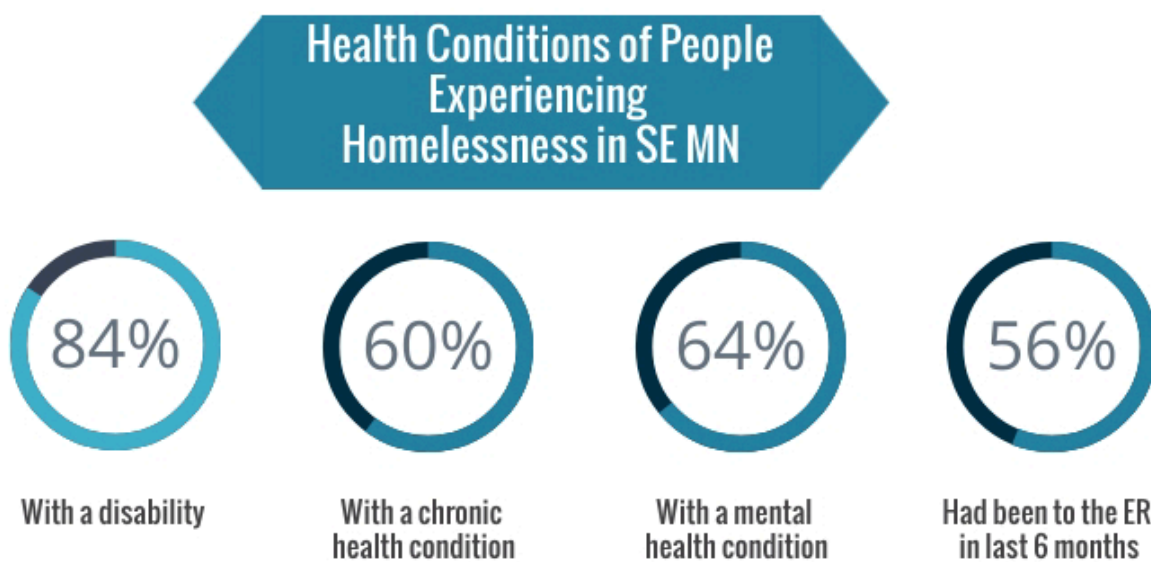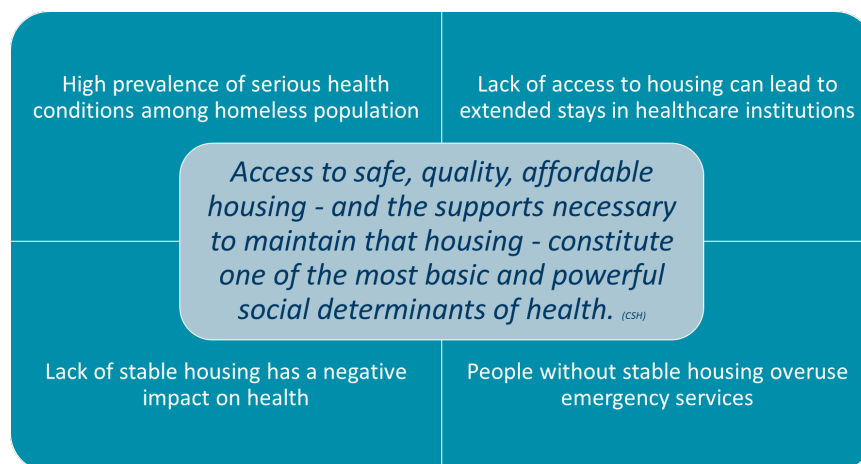Source: How to Address Homelessness: Reflections from Research

SUPPORTIVE HOUSING

For most households, homelessness is primarily an issue of economics—a mismatch between income and housing costs. For others, such as those dealing with mental health issues, chronic health conditions, addiction or trauma, additional supports and services may be needed to obtain and maintain housing. In these instances, supportive housing, which pairs affordable housing with services specifically designed to increase housing stability, has proven to be the most effective.

Supportive housing models	Supportive housing in Red Wing
Site-based permanent supportive housing Specific affordable housing units paired with supportive services are dedicated to housing people experiencing homelessness. Sites can range from a few units located within a much larger affordable housing development to a building or a single building where all units are permanent supportive housing for people experiencing homelessness.	Red Wing has 8 permanent supportive housing units in the Maple Hills complex. The services are provided by CommonBond.
Scattered-site permanent supportive housing Recipients receive a housing voucher to find a unit in the community. Services and housing assistance are provided for as long as the person needs the support.	Red Wing currently does not have any scattered-site permanent supportive housing options. Up until this past spring, the Red Wing HRA and Three Rivers Community Action offered a federally funded scattered-site model for people experiencing homelessness which has since been transferred to the Rochester HRA. This was due to 1) difficulty in finding people who met the federal definition of chronic homelessness required for the program who wanted to live in Red Wing, and 2) difficulty in finding affordable housing units in Red Wing.
Rapid re-housing Provides short-term rental assistance and services. The goals are to help people obtain housing quickly, increase self- sufficiency, and stay housed. It is offered without preconditions (such as employment, income, absence of criminal record, or sobriety) and the resources and services provided are typically tailored to the needs of the person.	Red Wing has three rapid re-housing units owned by the Red Wing HRA with services provided by Three Rivers Community Action. The units are considered "transition in place" so once the services are no longer needed, the families can continue living in the unit. Three Rivers also provides scattered-site Rapid Re-Housing, serving 8-10 households at any given time.
Transitional housing Designed as a step between emergency shelter/homelessness and permanent housing, transitional housing provides housing assistance and services for up to two years. This model tends to work best for specific populations, for example, youth or domestic violence survivors.	Red Wing has three transitional housing units operated by HOPE Coalition.

In depth: Housing and health

"When people are provided adequate and safe shelter, they have improved health outcomes, which relieves pressure on our health care facilities and safety-net resources. In turn, these individuals are better able to remain stably housed." – Community Solutions

| High prevalence of serious health conditions among homeless population | Lack of access to housing can lead to extended stays in healthcare institutions |

Access to safe, quality, affordable housing - and the supports necessary to maintain that housing - constitute one of the most basic and powerful social determinants of health. (CSH)

| Lack of stable housing has a negative impact on health | People without stable housing overuse emergency services |

Health Conditions of People Experiencing Homelessness in SE MN

84% With a disability

60% With a chronic health condition

64% With a mental health condition

56% Had been to the ER in last 6 months

Source: mnhomeless.org

Supportive housing works

The research supports four main conclusions:

• Supportive housing helps people with disabilities live stably in the community.

• People with disabilities in supportive housing reduce their use of costly systems, especially emergency health care and corrections.

• Supportive housing can help people with disabilities receive more appropriate health care and may improve their health.

- People in other groups, including seniors trying to stay in the community as they age and families trying to keep their children out of foster care, likely also benefit from supportive housing.

One of the largest studies to date that documents these reductions, conducted in New York City, found that individuals placed in supportive housing spent, on average, 115 fewer days per person in homeless shelters, 75 fewer days in state-run psychiatric hospitals, and almost eight fewer days in prison or in jails, in the two years after entering supportive housing, compared to a similar group without supportive housing.

Studies show consistently that those in supportive housing reduce their use of substances over time, and at least one study shows a reduction in mental health symptoms as well.

Source: <u>Center for Budget and Policy Priorities</u>

Supportive housing and Return on Investment: Promising findings
Based on expenditure data obtained from Minnesota state agencies and demographic data from the Minnesota Homeless Management Information System (HMIS) on a random sample of 575 supportive housing residents in 48 programs:
- Taxpayers make at least $123 million per year, with a return of 1.44 to 1 in public funding for supportive housing.
- The ROI to society, taking into account total program costs and increases in individual wages, is 1.32 to 1.

These are conservative estimates that don't include potential cost savings from improved health, reduced emergency room use or inpatient hospitalizations, or any child-related outcomes.

Source: <u>Return on Investment in Supportive Housing</u>, Wilder Research

RECOMMENDATIONS

1. Build capacity of local agencies to access healthcare funding and increase availability of support services for people who may benefit from additional support.

2. Advocate for funding and resources to increase supportive housing options in Red Wing. Recommendation based on available data:
   - Increase Rapid Rehousing capacity to serve 20 additional households at any time (rental assistance for up to 2 years and supportive services)
   - Development of 15 new Permanent Supportive Housing units

   Ensure the city and county are maximizing new funding opportunities through the federal and state government to support this increase and other ending homelessness efforts.

3. Increase navigation services to help people on the Coordinated Entry System priority list with accessing housing and services.

INCREASING ACCESS TO HOUSING

Many people experiencing or at-risk of homelessness find themselves locked out of the housing market simply due to a lack of property owners or landlords willing to rent to them. A tight rental market enables property owners to screen out anyone with a perceived risk, such as criminal backgrounds, credit issues or poor rental history, which has a disproportionate impact on people experiencing homelessness. These issues tend to be compounded for people of color who often face discrimination in searching for housing. Of people experiencing homelessness in SE MN:
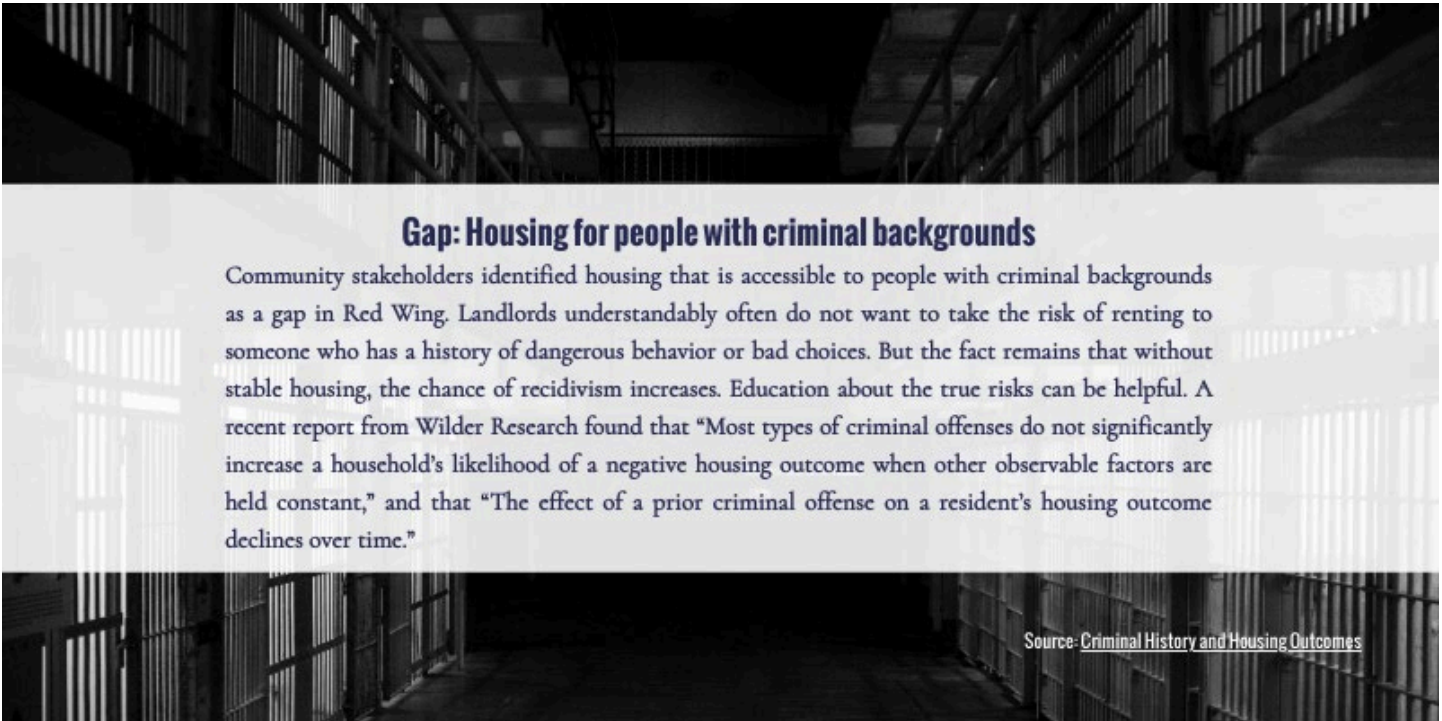
61% Were unable to find housing they could afford

46% Had credit problems

36% Had no rental history

37% Had been released from a correctional facility in last 12 months

Source: mnhomeless.org

PARTNERING WITH PROPERTY MANAGERS

Landlord incentive programs provide additional security and assurance to landlords and property managers when leasing to tenants with barriers. They may also include strategies for reaching out to and engaging landlords to rent to tenants with barriers.

- The Minnesota Department of Veterans Affairs' Homes for Veterans program includes a vacancy relief fund, incentive fund to encourage rentals to veterans with more complex rental barriers and a risk mitigation fund.
- Washington State's Landlord Damage Relief Program is designed to encourage landlords to rent to tenants with rental assistance.
- The Oakland Housing Authority hosts an Owner's Benefit Program that offers a signing bonus for new landlords, vacancy loss payments, prequalifying rental inspections and an owner recognition program.

> When language is a barrier for families searching for housing, interpreting services provided through the **Hispanic Outreach of Goodhue County** are invaluable. Paired with emergency crisis funds, up to $500 per family, Hispanic Outreach successfully supports homeless and at-risk families in gaining stability.

Gap: Housing for people with criminal backgrounds

Community stakeholders identified housing that is accessible to people with criminal backgrounds as a gap in Red Wing. Landlords understandably often do not want to take the risk of renting to someone who has a history of dangerous behavior or bad choices. But the fact remains that without stable housing, the chance of recidivism increases. Education about the true risks can be helpful. A recent report from Wilder Research found that "Most types of criminal offenses do not significantly increase a household's likelihood of a negative housing outcome when other observable factors are held constant," and that "The effect of a prior criminal offense on a resident's housing outcome declines over time."

Source: Criminal History and Housing Outcomes

ADDRESSING HOUSING DISCRIMINATION

Community stakeholders highlighted personal instances of housing discrimination based on protected classes such as race or age that have impacted their ability to obtain housing.

According to the Urban Institute's research, "Landlords and real estate agents recommend and show fewer available apartments and homes to African Americans, Latinos, and Asian Americans, compared with equally qualified whites. The discrimination studies we've conducted on other groups, some explicitly protected by the Fair Housing Act, also experience differential treatment, including people with disabilities, LGBTQ people, and voucher holders."

They recommend a multipronged approach to addressing these issues:
- the vigorous enforcement of antidiscrimination protections and proactive testing to uncover otherwise undetected forms of differential treatment, including on social media and other online platforms
- public education and outreach to residents about housing rights and opportunities and what to do if they suspect or witness unfair treatment in any venue
- incentives to encourage affordable housing development and neighborhood reinvestment and to reach and serve historically underserved communities

Source: Fighting Housing Discrimination in 2019

RECOMMENDATIONS

Develop a housing access improvement plan that includes:
- Infrastructure to track affordable housing options in Red Wing and streamline access (staffing and/or systems)
- Proactive engagement of property owners and managers to reduce barriers and incentivize partnership
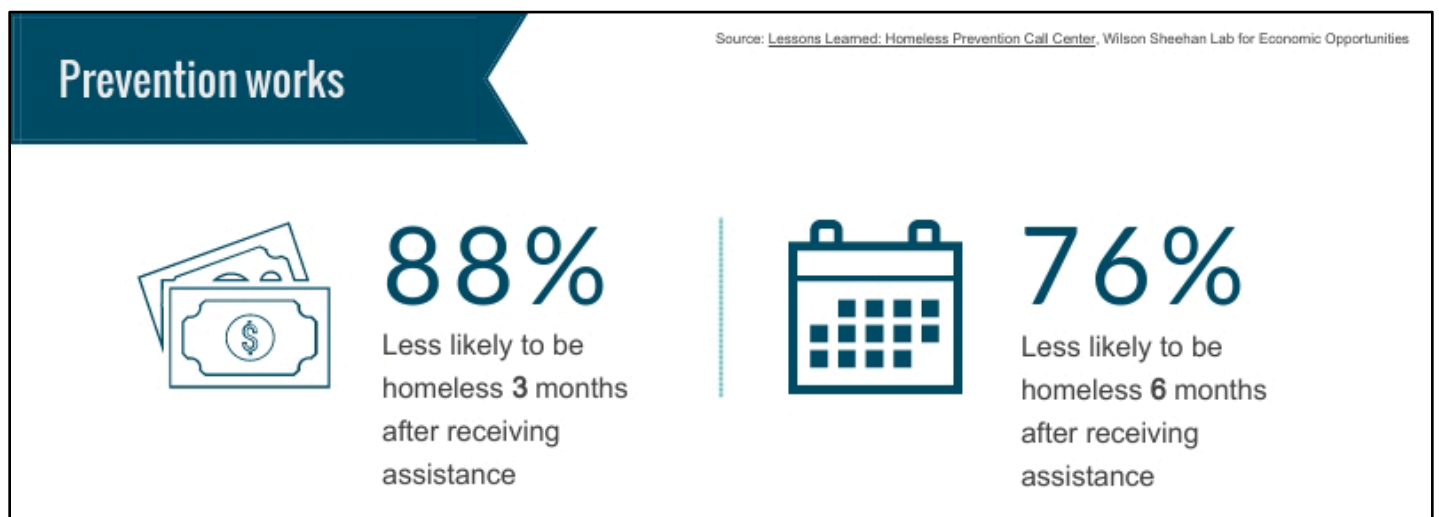- Strategies to fight discrimination of protected classes

HOMELESS PREVENTION AND DIVERSION

The most effective way to end homelessness is to prevent it happening in the first place wherever possible. The method of preventing homelessness should be tailored to the needs of the individual household receiving assistance: "options include flexible cash grants, housing counseling and advocacy, legal representation in eviction court, relocation aid, and transitional residential programming, all of which are intended to help persons on the verge of homelessness retain their current residence or find a suitable replacement. Such measures are attractive because of their cost savings over what is available in the traditional, shelter-oriented homeless service system (Culhane and Metraux 2008)." (Source: Homelessness as a Moving Target)

HOMELESS PREVENTION AND DIVERSION IN RED WING

Most of the homeless prevention efforts in Red Wing focus on providing one-time cash assistance to households in need. There are a number of agencies that provide this type of assistance:

- **Three Rivers Community Action**
  - Served 33 households in Red Wing with COVID relief funding in 2020
  - Served 6 households in Red Wing with the state Family Homeless Prevention and Assistance Program (FHPAP)
- **HOPE Coalition**
  - Serve around 527 clients annually with their Community Care Fund, funded through private donations and the United Way.
  - HOPE Coalition provides Housing Support Services to assist families and individuals in securing emergency and short-term/long-term transitional housing, case management, and self-sufficiency skills. They serve around 455 people annually. The Salvation Army
- **Goodhue County Human Services** has limited funds for Emergency Assistance.
- **Hispanic Outreach**: Can provide up to $500 per households to cover emergency needs.
- **Youth Outreach**: Assist about 20 youth per year with housing needed.

Source: Lessons Learned: Homeless Prevention Call Center, Wilson Sheehan Lab for Economic Opportunities

Prevention works

88% Less likely to be homeless **3 months** after receiving assistance

76% Less likely to be homeless **6 months** after receiving assistance

RECOMMENDATIONS

1. Develop a centralized, low barrier, publicized access point for emergency funds.
2. Pair supportive services with emergency funding when needed.

BUILDING INFRASTRUCTURE: COLLABORATIONS, PUBLIC ENGAGEMENT AND DATA COLLECTION

A major piece of the community stakeholder feedback was the need for improved collaboration among groups addressing homelessness in Red Wing. The fact that there are so many people who care about and work tirelessly on the issue is a major strength and an invaluable resource for the City Red Wing. At the same time, efforts will be most effective if these efforts are better coordinated and everyone is working to the same goals.

> **Goodhue County Homeless Response Team**
>
> This collaboration of agencies meets monthly to address homelessness. Together they share resources, learn from expert speakers and work to troubleshoot any issues they may be encountering.

We cannot effectively end homelessness if people experiencing homelessness remain unknown, invisible, or disconnected from the resources they need. Increased identification and engagement will also improve our understanding of the scope of the problem, as well as the specific needs and resources of the individuals and families experiencing or at-risk of homelessness.

Most people in Minnesota do not have a complete understanding of homelessness, who experiences it and why, and where someone might go for help. Ending homelessness will only be possible when society as a whole understands its impact on the people who experience and how we can successfully address it.

In addition, for someone experiencing a housing crisis, targeted homeless services may not be the first thing they will seek out. More likely, an individual or family will engage a system that they are already familiar with, such as schools, libraries, a faith community, or a hospital. Therefore, it is important that these systems have the education and resources to respond effectively when people in crises present.

KEY STAKEHOLDERS AND CURRENT ROLES IN RED WING

Organization	Housing (own, manage or administer vouchers)	Supportive services for people experiencing homelessness	Prevention/one-time crisis funding	Emergency shelter/motel vouchers	General advocacy or other services	Funder
CommonBond	✓	✓				
Goodhue County Human Services			✓	✓	✓	
Hispanic Outreach			✓		✓	
Hope and Harbor				✓		
HOPE Coalition	✓	✓	✓	✓	✓	
Local philanthropic donors						✓
Red Wing Area Homeless Committee				✓	✓	
Red Wing HRA	✓					
Red Wing Youth Outreach			✓		✓	
The Salvation Army				✓		✓
Three Rivers CAP	✓	✓	✓	✓	✓	
United Way						✓
YMCA					✓	

RECOMMENDATIONS

1. Use collective impact and/or Results Based Accountability framework to create a shared vision and identify outcomes.
2. Conduct a person-centered design process to map Red Wing's homeless response system with stakeholder roles and networks.
3. Clearly define roles of stakeholders in the homeless response system and plan to move forward on recommendations.
4. Strengthen the roles of non-housing stakeholders within the homeless response system.
   - Agencies serving special populations (youth, culturally-specific providers, veterans services, faith community)
   - Community resources (e.g., the Red Wing Library and the YMCA, volunteers, police)

Given the multiple pathways into homelessness and the diversity of the homeless population, a one-size-fits-all approach is inadequate. Collaborations represent a flexible strategy to address homelessness. However, system performance toward ending homelessness depends in large part on continuous investments in partnerships.

Source: Solving Homelessness from a Complex Systems Perspective: Insights for Prevention Responses, Annual Review of Public Health

SUMMARY OF RECOMMENDATIONS WITH NEXT STEPS FOR FACILITATION PROCESS

Hold three large group stakeholder meetings
Goal: Develop a roadmap to creating an effective, equitable system for ending homelessness in Red Wing.
Meeting #1: Use collective impact and/or Results Based Accountability framework to create a shared vision and identify outcomes.
Meeting #2: Conduct a person-centered design process to map Red Wing's homeless response system with stakeholder roles and networks.
Meeting #3: Clearly define roles of stakeholders in the homeless response system and plan to move forward on recommendations.

Convene smaller workgroups to focus on specific homeless interventions

Developing supportive housing and increasing access to affordable housing.

- Build capacity of local agencies to access healthcare funding and increase availability of support services for people who may benefit from additional support.
- Advocate for funding and resources to increase supportive housing options in Red Wing. Recommendation based on available data:
    - Increase Rapid Rehousing capacity to serve 20 additional households at any time (rental assistance for up to 2 years and supportive services)
    - Development of 15 new Permanent Supportive Housing units

    Ensure the city and county are maximizing new funding opportunities through the federal and state government to support this increase and other ending homelessness efforts.
- Increase navigation services to help people on the Coordinated Entry System priority list with accessing housing and services.
- Develop a housing access improvement plan that includes:
    - Infrastructure to track affordable housing options in Red Wing and streamline access (staffing and/or systems)
    - Proactive engagement of property owners and managers to reduce barriers and incentivize partnership
    - Strategies to prevent discrimination of protected classes

Emergency shelter

- Community members and stakeholders should work together to develop one comprehensive plan to address emergency shelter needs in Red Wing. The plan should include strategies for evaluating outcomes for the emergency shelter and related interventions.
- Any funding or resources dedicated to the development of an emergency shelter should be matched by added funding or resources to increases resources across the homeless response continuum, including prevention, supportive services and affordable housing. The NAEH recommends that communities maintain one permanent supportive housing unit and four rapid re-housing units for every emergency shelter bed.
- If a congregate shelter model is pursued, a broad community buy-in effort will need to be established.

Homeless prevention and crisis response

- Develop a centralized, low barrier, publicized access point for emergency funds.
- Pair supportive services with emergency funding when needed.
- Strengthen the roles of non-housing stakeholders within the homeless response system.

APPENDIX A: SOURCES

North Star Policy Consulting would like to thank the following people for their time and contributions to this report:

- Anna McCann, Three Rivers Community Action Partnership
- Beth Breeden, Red Wing Area Homeless Committee
- Heather Flock, Red Wing YMCA
- Jerry O'Rourke, Red Wing Area Homeless Committee
- Justin Vorbach, Southwest Mental Health Partnership
- Katelyn Warburton, Minnesota Department of Human Services
- Kay Moshier McDivitt, National Alliance to End Homelessness
- Leah Hall, Three Rivers Community Action Partnership
- Liz Magill, Hope and Harbor Emergency Shelter
- Lucy Richardson, Hispanic Outreach
- Mandy Arden, Red Wing Youth Outreach
- Maureen Nelson, United Way of Goodhue, Wabasha and Pierce Counties
- Megan O'Dell, Goodhue County Human Services
- Michelle Leise, City of Red Wing
- Michelle Gerrard, Wilder Foundation
- Randi Callahan, Three Rivers Community Action Partnership
- Randy Decker, Red Wing Library
- Rebecca O'Malley, CommonBond
- Regan Kilbride, Red Wing Housing and Redevelopment Authority
- Sara Kern, HOPE Coalition
- Temeka Wirkkala, Every Hand Joined

APPENDIX B: EXISTING RESOURCES IN RED WING

Intervention	Program/Agency	Notes
Emergency shelter	Hope and Harbor	Seasonal, volunteer-based shelter 10 beds for single adults Serves about 24 guests per night Annual budget of $55,000
Emergency shelter	Housing Support/HOPE Coalition	Motel vouchers for emergency use Served 114 people in 2020 Variety of funds, including $30,000 per year from the Red Wing Area Homeless Committee
Permanent supportive housing	Maple Hills/CommonBond	8 units for high-priority homeless households
Prevention	FHPAP/Three Rivers CAP	Served 22 families last year with financial assistance and supportive services; 6 of the families were in Red Wing
Prevention	Community Care Fund/HOPE Coalition	Serves around 550 people annually Pays for basic needs and living expenses Funding is from private donations and the United Way
Rapid re-housing	Hill Street Project/Red Wing HRA/Three Rivers CAP	3 units Families receive temporary rental assistance and services but can stay as long as needed
Rapid re-housing	Three Rivers CAP	8-10 households at any given time Scattered-site model
Transitional housing	Housing Support/HOPE Coalition	3 units