



Legislative Report

Activities to Reduce Homelessness Report

**Homelessness, Housing, and Support Services
Administration**

May 2025

For more information contact:

Minnesota Department of Human Services
Homelessness, Housing, and Support Services
Administration

P.O. Box 64842
St. Paul, MN 55164-0842

651-431-3941



For accessible formats of this information or assistance with additional equal access to human services, email us at housing.dhs@state.mn.us, call 651-431-3941, or use your preferred relay service. ADA1 (3-24)

Minnesota Statutes, Chapter 3.197, requires the disclosure of the cost to prepare this report. The estimated cost of preparing this report is \$1,265.

Printed with a minimum of 10 percent post-consumer material. Please recycle.

Contents

I. Legislation.....4

 HOMELESSNESS PRIORITY; HOMELESSNESS REPORT.4

II. Introduction and Purpose of Report4

III. Agency Activities.....4

 Department of Human Services, Homelessness, Housing, and Support Services Administration4

 Organizational Restructure.....4

 Community Living Supports.....4

 Grant Programs5

 Income Supports.....6

 Minnesota Housing.....8

 Facilitating Interagency Alignment.....9

 Crossroads to Justice Strategic Plan9

 Governor’s Office Commitment to Reducing Homelessness9

 Strengthening Supportive Housing..... 10

 Other Interagency Efforts..... 10

I. Legislation

Minnesota Session Laws 2024, Chapter 127, Article 51, Section 5

HOMELESSNESS PRIORITY; HOMELESSNESS REPORT.

The governor and lieutenant governor and the legislature find that addressing homelessness is a pressing public need. The Department of Human Services administers programs to provide shelter, support services, and housing stability to low-income Minnesotans and people experiencing homelessness. No later than January 15, 2025, the commissioner, in cooperation with the commissioner of the Minnesota Housing Finance Agency and other relevant departments, must report to the chairs and ranking minority members of the legislative committees with jurisdiction over human services policy and finance on the departments' activities to reduce homelessness.

II. Introduction and Purpose of Report

This report describes the activities of the Minnesota Department of Human Services (DHS) to reduce homelessness in collaboration with Minnesota Housing and other relevant departments.

This report is submitted to the Minnesota Legislature pursuant to Minnesota Statutes 2024, Chapter 127, Article 51, Section 5. The Homelessness, Housing, and Support Services Administration (HHSSA) of the Minnesota Department of Human Services prepared this report. The report is organized into separate sections for the HHSSA, Minnesota Housing, and interagency efforts.

III. Agency Activities

Department of Human Services, Homelessness, Housing, and Support Services Administration

Organizational Restructure

On July 31, 2024, the Department of Human Services (DHS) reorganized the agency's primary programs, staff, and activities related to homelessness and housing into the new Homelessness, Housing, and Support Services Administration (HHSSA). HHSSA integrates programs previously administered by the DHS Office of Economic Opportunity, the DHS Housing and Support Services Division, and the DHS Behavioral Health Division. HHSSA is comprised of the following teams: Community Living Supports, Grant Programs, and Income Supports, each of which are described below. Operating within a specialized, housing-focused administration allows for better collaboration and alignment across programs.

Community Living Supports

Housing Stabilization Services, Bridging Benefits, Section 811 Project-Based Rental Assistance

Activities to Reduce Homelessness Report

Housing Stabilization Services is a Medical Assistance (MA) benefit authorized as a 1915(i) Home and Community-Based Service state plan amendment that is designed to help people with disabilities and seniors find and keep housing. Housing Stabilization Services support people who are experiencing homelessness, at risk of homelessness, at risk of institutionalization, or living in an institution in finding and keeping stable housing in their communities of choice.

There are presently four service lines for Housing Stabilization Services:

- **Housing Consultation:** A housing consultant helps an eligible person who is not receiving another similar service develop a person-centered plan that addresses their needs, wants, and goals for community living. Engagement with Housing Stabilization Services begins with a Housing Consultation.
- **Housing Transition Services:** A housing transition services provider (a person or agency) helps a person plan for, find, and move into housing.
- **Moving Expenses:** People receiving Housing Transition Services and exiting a Medicaid-funded institution or provider-operated living arrangement into their own home can access funds for moving expenses.
- **Housing Sustaining Services:** A housing sustaining services provider (a person or agency) helps a person keep their housing after they have moved in, providing ongoing support to prevent housing loss.

Bridging Benefits helps people at risk of homelessness who are leaving Minnesota correctional facilities. Through this unique and innovative program, Bridging Benefits staff help individuals prior to their release from a Minnesota prison apply for food benefits, cash assistance, and health insurance so that those who are eligible have access to these benefits upon their return to community. Referrals for Bridging Benefits are submitted by Department of Corrections release planners, transition coordinators, and case managers.

Section 811 Project-Based Rental Assistance is administered in partnership with Minnesota Housing. It offers subsidized rental units in designated properties for people who are under 62 years of age, receiving Medical Assistance Home and Community Based Waiver Services, and enrolled in Moving Home Minnesota. It is further targeted toward individuals who are experiencing long-term homelessness, serious mental illness, and receiving PATH services (Projects for Assistance in Transition from Homelessness) or who are at risk of institutionalization. DHS staff work in partnership with property managers and community agencies to coordinate Section 811 referrals and access to ongoing supportive services that help sustain housing stability.

Grant Programs

Shelter Capital, Emergency Services Program, Federal Emergency Solutions Grant, Safe Harbor Shelter and Housing, Homeless Youth Act, Transitional Housing Program, Shelter-Linked Mental Health, Homeless Youth Cash Stipend Pilot Project, Project for Assistance in Transition from Homelessness, Housing Supports for Adults with Serious Mental Illness, Long-Term Homeless Supportive Services Fund, State Opioid Response, Community Living Infrastructure

The newly established Grant Programs Team (GPT) combines more than a dozen homelessness and housing-related grant programs previously administered by the DHS Office of Economic Opportunity, the DHS Housing

Division, and the DHS Behavioral Health Division. Additionally, GPT manages the distribution of grant funds for several one-time funding sources (e.g., pandemic-related aid) and legislatively directed grants and initiatives.

Grant programs managed in this area fund a variety of activities including, but not limited to, the following:

- Integration of housing into local health and human services systems
- Emergency shelter (day shelter, drop-in centers, and overnight shelter) services and operations
- Street and community-based outreach
- Emergency shelter construction, renovation, and/or acquisition
- Case management, housing navigation, housing consultation
- Site-based housing with supports for adults with serious mental illness
- Short-term housing assistance for individuals receiving residential behavioral health treatment
- Site-based and scattered-site transitional housing for individuals and families
- Mental health supports for youth in shelter and housing settings
- Permanent supportive housing for youth
- Specialized outreach, shelter, and housing services for youth experiencing sexual exploitation

Entities eligible for most funds administered by GPT include non-profit organizations, Tribal governments, and local units of government to address homelessness and provide support services to individuals experiencing mental illness and/or housing instability. GPT's role in the distribution of these funds includes developing competitive application and selection processes (if applicable), establishing contracts with grantees, fiscal reviews, monitoring grantee performance and reporting, and providing technical assistance and quality assurance support to grantees. GPT staff follow both state policy (especially the Office of Grants Management policies) and where applicable relevant federal requirements for overseeing grant programs. Since being established in July 2024, GPT seeks to create efficiencies and reduce the burden on grantees (e.g., streamlining application and grantee monitoring processes) while supporting accountability and positive outcomes.

As part of a year-long start-up period, grants previously managed by the DHS Office of Economic Opportunity are being supported by the Office of Economic Opportunity in the Department of Children, Youth, and Families under an Interagency Agreement; GPT also receives contract and operations support from DHS's Behavioral Health Administration for the behavioral health focused grant programs (i.e. Projects for Assistance in Transition from Homelessness and Housing with Supports for Adults with Serious Mental Illness). By July 2025, HHSSA will have established additional capacity for these contract functions and will assume full responsibility for these contracting and operations roles.

Income Supports

Housing Support, General Assistance, Minnesota Supplemental Aid, Social Security Advocacy Services

The income support programs (Housing Support, General Assistance, and Minnesota Supplemental Aid) function as individual cash benefits that are forecasted to support individuals with disabilities and low incomes to pay for expenses. HHSSA partners with the Department of Children, Youth, and Families to align eligibility and verification policies wherever possible with other Minnesota public benefits like the Minnesota Family

Investment Program, Refugee Cash Assistance, and Childcare Assistance Programs. DHS works in coordination with lead agencies who administer these programs locally.

Housing Support covers housing expenses for individuals in many settings, including supportive housing and emergency shelter. One setting where people use the Housing Support benefit is called Long-Term Homeless (LTH) Supportive Housing, a model that pays for housing expenses and services for persons who meet Minnesota's [LTH definition](#) and have their own lease in a community setting. Providers operating LTH Supportive Housing programs receive Supplemental Service Rate funding to cover the supportive services related to housing stability for eligible recipients. Many counties and Tribes use LTH Housing Support as an important component of their local homelessness response system.

Housing Support recently reformed policies to allow people to maintain their housing while they attend behavioral health treatment or receive health services in a hospital or nursing home, preventing recurring episodes of homelessness. People who are exiting behavioral health treatment facilities or Minnesota Correctional Facilities without stable housing also have streamlined access to Housing Support upon exiting those institutions.

Effective October 1, 2024, updated Housing Support policies cap at 30% the amount of unearned income people must pay toward supportive housing expenses. Allowing individuals to keep more of their money may increase utilization among individuals experiencing homelessness who previously refused Housing Support referrals by removing the financial disincentives that otherwise claimed up to 90% of an individual's monthly income.

Minnesota Supplemental Aid (MSA) provides cash assistance for Minnesotans with Supplemental Security Income (SSI) or who would be receiving SSI if their income was not above the SSI limit. For recipients with high housing costs, MSA Housing Assistance is an additional benefit which provides recipients an additional \$471.50 per month.

General Assistance (GA) is temporary aid that helps Minnesotans with little or no income meet their basic needs. It offers a monthly cash grant to those with a serious illness, disability, or other issues limiting ability to work. Effective October 1, 2024, the assistance standard for GA recipients living in the community increased to \$350, with annual adjustments based on the Consumer Price Index from the prior year. This is the first increase to this standard since 1986. People who are living in facilities or receiving substance use disorder treatment receive \$125 in GA as a personal needs allowance which is updated annually to reflect changes in the cost of living.

Applying for or maintaining Social Security disability benefits can be challenging, particularly for people with disabilities who are experiencing homelessness or who are at risk of homelessness. Support from a Social Security advocate increases a person's chances of obtaining these essential, federally funded benefits. DHS contracts with various agencies around the state to help people apply for or maintain their Supplemental Security Income (SSI) and Social Security Disability Insurance (SSDI) benefits. The Social Security Advocacy Services team supports the contracted agencies and advocates by providing technical assistance and trainings, payment for services provided, and monitoring for program compliance.

DHS Social Security Advocacy Services also collaborates monthly with the Minnesota Department of Veterans Affairs, Social Security Administration, and Minnesota Disability Determination Services. This collaborative is

committed to reducing barriers, creating innovative strategies, increasing access to Social Security disability benefits, and upholding the individual's dignity throughout the process.

Minnesota Housing

The Housing Stability Division at Minnesota Housing is focused on helping Minnesotans prevent or end homelessness, achieving housing stability through financing supportive housing development, and providing grant funding to community-based organizations, counties, and Tribal Nations.

Minnesota Housing has financed over 7,000 units of site-based supportive housing throughout Minnesota using several sources of housing development resources. The primary source of capital provided by the state is Housing Infrastructure Bonds, which is unique across the country and finances several types of housing development, including supportive housing developments. The agency also utilizes low-income housing tax credits, state appropriations, and agency resources for supportive housing development.

These homes allow individuals and families to live in permanent and affordable housing, with access to support services to help them thrive.

Minnesota Housing receives state appropriations each biennium for four grant programs that provide housing stability:

- **Family Homeless Prevention and Assistance Program (FHPAP)** is used by counties, Tribal Nations, and community-based organizations to prevent evictions and help people transition from homelessness into housing. Funding includes supportive services, housing navigation, street outreach, and coordinated entry. The majority of FHPAP resources are utilized to prevent homelessness. Ongoing, base funding for FHPAP is \$10.3 million per year, but the program received additional one-time resources of over \$110 million for the 2023-2025 biennium that allowed administrators to meet more of their local needs. Working with partners, FHPAP assisted over 10,200 households in 2023 by providing short-term housing and services, primarily to families with children with a median annual income of roughly \$11,000.
- **Bridges Rental Assistance** supports people with a mental illness to transition from institutions into permanent housing in the community by providing rental assistance and access to support services. Ongoing, base funding for the program is \$5.3 million per year. In 2023, the program assisted over 700 households whose median annual income was \$11,208.
- **Housing Trust Fund (HTF)** helps families, youth, and singles experiencing housing instability by providing rental assistance and access to support services. HTF resources may be used to cover the unique operating expenses of some Minnesota Housing financed supportive housing developments. Ongoing, base funding for the program is \$11.6 million per year. In 2023, the program supported nearly 2,000 households or units with a median annual income of around \$10,000.
- **Homework Starts with Home** provides community-based partnerships, including staff from local schools, to support families with school-aged children achieve housing stability through rental assistance and homelessness prevention resources. Ongoing, base funding for the program is \$2.8 million per year. In 2023, the program supported 332 families with a median annual income of \$14,925.

Minnesota Housing also receives federal funding to administer programs to help prevent and end homeless:

- **Housing Opportunities for People with AIDS (HOPWA)** helps people living with AIDS remain housed by covering rent, mortgages, and utilities on a short-term basis to people living in Greater Minnesota.

- **Section 811 Project-Based Rental Assistance** allows for the expansion of supply of supportive housing units that promote and facilitate community integration for people with significant and long-term disabilities that also have extremely low incomes and have experienced homelessness. It incentivizes development of units, provides rental assistance for those units, and can help residents with service coordination in partnership with DHS, as referenced above. Using Section 811, people who are transitioning out of institutions or homelessness may move into permanent housing and pay no more than 30% of their income toward housing.
- Ongoing development resources through **federal low-income tax credits**, the **National Housing Trust Fund**, and **HOME Investment Partnerships** program provide funding to support the creation and preservation of affordable housing. Often these resources are used in supportive housing developments or developments serving renters with very low incomes.

Facilitating Interagency Alignment

Crossroads to Justice Strategic Plan

State efforts to prevent and end homelessness are guided by the [Minnesota Interagency Council on Homelessness \(MICH\)](#) strategic plan, [Crossroads to Justice: Minnesota's New Pathways to Housing, Racial and Health Justice for People Facing Homelessness](#). On October 27, 2023, the Council, led by Lieutenant Governor Flanagan and comprised of the Commissioners of fifteen state agencies, committed to the Plan. Implementation of the Plan began in early 2024. Fourteen Implementation Consultants with lived experience of homelessness were onboarded in April and assigned agencies to support in May. The Implementation Consultants and the community are at the center of the Plan's implementation structure. Their expertise and priorities help shape the work of agency Action Leads, who implement actions grounded in the Plan's Strategies and Results. MICH staff alongside the Council's Senior Leadership Team and Equity Action Team support agency staff and Consultants. They also monitor the progress of the Plan and ensure that equity is at the center of the work. MICH reports quarterly on the Plan's progress to the Governor's office and to the Interagency Council.

To date, nearly half (72 of 156) of the Justice Plan's action items are in progress. Many of the items in progress are fueled by the [2023 Housing Stability budget](#).

In addition, there are several direct allocations being made through the Department of Revenue to Tribal Nations, cities, and counties where jurisdictions have discretion for how to allocate funds. These include Tribal Nations Aid, Statewide Local Housing Aid, Local Affordable Housing Aid, and Local Homeless Prevention Aid.

Other work underway is aimed toward structural change, including efforts by the Department of Administration to identify and remove barriers to state agencies contracting directly with individuals with lived expertise.

Commitment to Reducing Homelessness

Housing Stability was chosen as a key goal area of the One Minnesota Plan by Governor Walz and the Executive Branch Cabinet. With facilitation and support from Minnesota Management and Budget (MMB), the One Minnesota interagency structure brings together key agencies to collaborate on solutions to increase housing stability and to reduce the number of Minnesotans experiencing homelessness, including a reduction in the

inequities of who experiences homelessness. Guided by the Crossroads to Justice Plan, a focus area is selected to align and coordinate interagency efforts.

The area of focus in 2024 was permanent supportive housing, a key resource for people who need help in acquiring and maintaining housing. In partnership with providers, Minnesota Housing, DHS, and MICH identified three key challenge areas related to permanent supportive housing: services funding, unfunded unique operating costs, and access improvements to better utilize available housing. The interagency team solicited community feedback using independent consultants and developed a legislative proposal to improve the Housing Stabilization Services program based on the findings from community engagement. The changes include operational and administrative changes, and policy changes to ease providers access to and use of the program.

Strengthening Supportive Housing

In the 2023 legislative session, Minnesota Housing was authorized to establish a program to strengthen supportive housing, including exploring the alignment of capital and service funding. The Legislature appropriated \$25 million to (1) assist with supportive housing operating costs and (2) create partnerships that will lead to successful outcomes for people living in supportive housing. In the 2024 legislative session, \$15 million was shifted to the Community Stabilization Recapitalization of Distressed Properties program for supportive housing.

In partnership with DHS, Minnesota Housing held multiple community listening sessions with housing providers, service providers, Tribal Nations, and other key community partners. Participants consistently indicated that financial resources are needed to support unique supportive housing operating costs.

Minnesota Housing will issue an RFP for the Community Stabilization program in 2025 that includes \$15 million to support distressed supportive housing properties and create short-term stabilization for those providers.

Providers also expressed that they need help to access available federal resources and that housing providers need help to create a new financial model for supportive housing. Minnesota Housing is planning to use the remaining \$10 million to:

- Increase capacity of service providers to access Medicaid funding opportunities, including Housing Stabilization Services.
- Establish a cohort of supportive housing providers to examine the current financial model of supportive housing and develop recommendations for long-term financial stability.
- Explore other uses to be identified in partnership with providers and state agency partners, aimed at long-term financial sustainability of supportive housing.

Other Interagency Efforts

As a system-spanning problem requiring multidisciplinary solutions, it is important to note that there are other critical programs and initiatives across state government supporting people experiencing homelessness, including those implemented by the Departments of Children, Youth and Families; Corrections; Education; Employment and Economic Development; Health; Public Safety; Revenue; Transportation; and Veterans Affairs; as well as by the Metropolitan Council, Office of Addiction and Recovery, and Office of Higher Education.

Additional information about other initiatives is available through the Minnesota Interagency Council on Homelessness or agencies directly.