

930397

3 copies

TRANSITIONAL HOUSING PROGRAM

**Report to the Legislature
State Fiscal Year 1992**

**MINNESOTA DEPARTMENT OF JOBS AND TRAINING
COMMUNITY BASED SERVICES DIVISION
March, 1993**

**IN ACCORDANCE WITH
MINNESOTA STATUTES CHAPTER 268.38**

JUN 29 1993

LEGISLATIVE REFERENCE LIBRARY

STATE CAPITOL

ST. PAUL, MN. 55155

Total \$420.000

STATUTORY AUTHORITY

The purpose of this report is to fulfill the reporting requirements as stated in Minnesota Statutes Chapter 268.38, which pertains to the Minnesota Transitional Housing Program administered by the Minnesota Department of Jobs and Training. The report includes the following required information:

- (A) The number of programs funded;
- (B) The results of the evaluation of those programs;
- (C) The evaluation of data collected on the programs funded and additional data available to the commissioner to further identify the need for transitional housing and available resources; and
- (D) Recommendations for future action to be taken by the Legislature.

The information in this report is based on the total number of households who were reported to have graduated or exited from the transitional housing programs.

LEGISLATIVE HISTORY

In May 1984, the Minnesota Legislature established the Temporary Housing Demonstration Program to assist homeless individuals in the progression towards securing stabilized housing. In 1989, the Legislature recognized the effectiveness of the program and changed the name to the Minnesota Transitional Housing Program (MTHP).

Transitional housing is currently defined under state law as housing designed for independent living and provided to a homeless person or family at a rental rate of at least 25 percent of the family income for a period of up to twenty-four months. The Minnesota Department of Jobs and Training assists transitional housing programs in meeting operational costs such as rent, utilities, supportive services, transportation, and program administration.

DESCRIPTION OF TRANSITIONAL HOUSING

Transitional housing provides housing and supportive services for homeless persons to enable them to move to independent living in stable, permanent housing.

Transitional housing programs work with participants in developing self-sufficiency plans through which life skills are taught and developed and needed services and resources are accessed. Transitional housing program staff act in a coordinating capacity by connecting participants to existing resources. The self sufficiency plans vary widely according to the individual participants needs. While some programs assist homeless individuals with specific issues, others serve individuals with diverse needs.

The housing component can take a number of configurations, but it generally involves the use of congregate or scattered site facilities. Congregate facilities often make use of rectories or apartment buildings, while scattered site programs may own housing or choose to utilize market rental housing or HUD owned properties. Scattered site programs strive to enable participants to continue living in the housing after they have completed the program, preserving established community ties and school enrollment.

PROGRAM FUNDING

Funding for transitional housing programs come from a number of state, local, federal and private resources including the State Transitional Housing Program.

FUNDING BY YEAR

Table 1

Fiscal Year	Appropriation Level	Supplemental Funding (DJT-CSBG)	Total Funding	Number of Agencies Funded	Average Grant Amount
1985	\$250,000	\$28,425	\$278,425	9	\$30,936
1986	\$170,000	\$0	\$170,000	10	\$17,000
1987	\$170,000	\$52,000	\$222,000	13	\$17,076
1988	\$170,000	\$47,000	\$217,000	16	\$13,502
1989	\$170,000	\$12,500	\$182,500	21	\$ 8,690
1990	\$220,000*	\$10,000	\$230,000	27	\$ 8,518
1991	\$220,000*	\$0	\$220,000	27	\$ 8,148
1992	\$420,000	\$0	\$420,000	39	\$10,769

* Includes \$50,000 transfer from the Minnesota Housing Finance Special Needs Program.

GEOGRAPHIC DISTRIBUTION OF FUNDS

Table 2

	Number of Programs Funded	Total Program Funding Received	Percent of Program Funding Received	Percent of State Shelter Capacity*
Anoka County	2	\$ 27,500	6.5%	3.4%
Minneapolis	10	\$112,000	26.7%	49.3%
Duluth	4	\$ 59,000	14.0%	6.4%
Grand Rapids	1	\$ 5,000	1.2%	1.3%
St. Paul	8	\$ 74,000	17.6%	17.7%
Suburban Hennepin	2	\$ 23,000	5.5%	1.7%
Bemidji	1	\$ 8,000	1.9%	0.8%
Crookston	1	\$ 10,000	2.4%	1.9%
Moorhead	1	\$ 7,500	1.8%	3.1%
Rochester	2	\$ 22,500	5.4%	3.1%
Mankato	1	\$ 13,500	3.2%	2.0%
Willmar	1	\$ 5,000	1.2%	0.8%
Marshall	1	\$ 8,000	1.9%	0.8%
Northfield	1	\$ 7,500	1.8%	0.0%
St. Cloud	1	\$ 20,000	4.8%	3.2%
Dakota County	2	\$ 17,500	4.2%	2.4%
Total	39	\$420,000	100.0%	

*Taken From May 1991 Quarterly Shelter Survey

(A) NUMBER OF PROGRAMS FUNDED

The DJT was first granted an appropriation of \$250,000 in fiscal year 1985. **Table 1** indicates the award levels for the subsequent years and also shows the supplemental funding that the Transitional Housing Program has received in certain years from Community Services Block Grant Discretionary funding. In FY 1992, 47 programs requested funding totalling \$1,023,433. Thirty-nine programs received funding averaging \$10,769 per program.

There were 65 transitional housing programs located throughout the state in SFY 1992, and currently in SFY 1993, there are 66 programs in operation. The capacity of all programs operating in the state in SFY 1992 was 1,284 individuals, with the capacity of the thirty-nine MTHP grantees being 939 persons [**Table 2**].

(B) RESULTS OF THE EVALUATION OF THE PROGRAMS

The DJT has conducted an extensive evaluation of data available on transitional housing in Minnesota. The evaluation was hindered by the lack of follow-up data on the status of past transitional housing participants. Scarce resources have limited the the efforts to conduct a systematic follow-up evaluation.

The findings of the completed evaluation are summarized below:

Transitional housing is effective in assisting homeless persons in gaining independent housing, increasing their sources of income, and in decreasing their reliance on public assistance programs

- At least 43.2% moved into an independent living situation upon graduation (Private Housing-27.5%, and Section 8-15.7%)

- 43.7% of the individuals receiving General Assistance upon entering the program were no longer receiving these funds upon exit

- The number of persons employed full-time doubled from entrance to exit

The capacity of transitional housing programs in Minnesota is not adequate to meet the demand

- 266 requests for service were denied on a sample night in February of 1993. Several times as many persons are turned away from these programs over the course of an entire year.

- Although the total demand for services is difficult to estimate, if it is assumed that five percent of Minnesota's estimated 69,000 annual shelter users would be eligible for transitional housing, 3,451 spaces would need to be made available per night. The current capacity of all transitional housing programs in Minnesota is 1497.

Transitional housing is less expensive than providing emergency shelter

- The average cost of providing transitional housing in Minnesota is \$6,768 per person per year. For those shelter users who could benefit from transitional housing, it is a more cost effective alternative in human and economic terms than is shelter.

Transitional Housing Program funds are distributed to a wide variety of programs and geographic areas in the state

- Funds are distributed equitably among existing transitional providers.

Transitional housing programs are not equally accessible in all parts of the state

For instance, Minneapolis serves approximately 45.7% of the entire states shelter population on a given night, it contains only 29% of the transitional housing capacity.

-Although all transitional housing programs are available to persons of all races, only 34% of transitional housing participants are non-white, compared with 64% of overnight shelter population who are non-white.

-Capacity for single persons, especially males, which make up 77% of the states overnight shelter population, is also in short supply.

(C) EVALUATION OF THE DATA COLLECTED ON THE PROGRAMS FUNDED

Section 268.38, Subdivision 8, Program Information, states:

In order to collect uniform data to better measure the nature and extent of the need for transitional housing, grant recipients shall collect and make available to the Commissioner the following information:

- the number of requests received for transitional housing including the number of persons requiring assistance;
- the number of persons for whom services are provided;
- reasons for seeking assistance;
- length of stay;
- reasons for leaving the transitional housing program;
- the demand for support services;
- follow-up information on the status of persons assisted;
- source of income on entering the program, prior residence, race and sex of persons assisted.

The following findings result from data collected from the programs funded by the DJT for State Fiscal Year 1992. Data is collected monthly from each grantee who provides detailed information on individuals served in their program.

Number of Requests and Number of Persons Served

In FY 1992, over 5,800 requests for assistance were made to Transitional Housing grantees. The transitional housing program provided services to 952 households during SFY 1992. Of these households 498 families, 853 individuals, graduated/left the program during the fiscal year.

Client Characteristics

Nineteen percent (19%) of the individuals served were men, 42% were women, and 39% were children. Of the households, 69% were headed by women and 31% were headed by men. The racial composition of the households served was: 57% percent Caucasian; 21% Afro-American; 11% Native American; 10% Hispanic; and 1% Asian.

Status and Service Needs of Clients Upon Entering the Program

Previous Area of Residence: The majority of households, 69%, enter programs in the same city or area as they were living in before entering transitional housing. Fifteen percent (15%) of the households in transitional housing programs were from within Minnesota but another geographic area of the state and 16% had previously resided outside of Minnesota [Table 3].

Previous Housing Status: Twenty-five (25%) of the clients entered the programs after temporarily staying with friends or relatives; 23% came from emergency shelters; 23% had previously been renting; and 13% had been in a half-way house or treatment for mental illness, chemical dependency or developmental disabilities. Two percent (2%) reported that their previous housing status was in a vehicle, outside, or another non-permanent place of shelter [Table 4].

Reasons for Seeking Transitional Housing: Clients gave a variety of reasons for seeking transitional housing services. Eighteen percent (18%) reported chemical dependency problems; 16% left spouse or child abuse situations; 16% had left other family/friend/roommate friction; 12% had relocated in the area; 6% had lost their jobs; and another 6% indicated mental health problems [Table 5].

A number of transitional housing programs focus their services for people with special needs so the frequency of responses such as chemical dependency, mental health, and abuse issues may be affected by the number of grantees that deal specifically with these issues.

Income Upon Entrance: The main income source for transitional housing residents upon entering the programs was public assistance benefits. Thirty-four (34%) were receiving Aid for Families with Dependent Children (AFDC) and 32% were receiving General Assistance (GA). Several households were working when they entered the transitional housing programs: 10% were employed part-time and 8% were employed full-time [Table 6].

Services Needed Upon Entrance: Transitional housing clients reported a number of support services that they needed when they entered transitional housing. The top ten service needs in order of rank were: counseling, employment, food, financial assistance, education, Section 8 assistance, medical assistance, furniture, sobriety support, and social services [Table 7].

Status of Clients Upon Exiting the Program

Length of Stay: The maximum length of stay allowed by the Transitional Housing Program statute is 24 months, however, many programs limit stays to a shorter period of time. The average length of stay for all programs statewide was **144** days. The variation in the length of stay among programs ranged from 36 for one program to 343 days for another program.

Reasons for Leaving: The main reason clients left the transitional housing programs was because they had found private housing (**28%**). Other reasons included: **18%** were asked to leave; **16%** obtained Section 8 housing assistance; **11%** went to live with a friend or relative; **8%** had stayed as long as the policy allowed; **5%** went into treatment or institutional care; and **14%** left for other or unknown reasons [Table 8].

Income Upon Exiting: The number of households receiving public assistance at the time of exiting the programs was down by **15%**. The number of households working full-time doubled and the number of households working part-time increased **3%** from the time of entrance into transitional housing and the time of exiting the program [Table 6].

Services Accessed: Transitional housing clients had been able to access a number of services while in the programs. The services accessed are listed in order of rank in [Table 7]. The services included: counseling, food shelves, financial assistance, clothing, social services, medical assistance, employment, education, sobriety support, furniture, and Section 8 assistance.

Of the services that clients indicated they needed, those that the transitional housing programs had the most difficulty in helping clients access were: employment, job training, Section 8 assistance, education, child care, and furniture.

The transitional housing programs must generally address the basic needs of clients before beginning to address job training, education, and employment. The lower access rate for Section 8 assistance may be explained by the long waiting lists that exist for the certificates and the difficulty in accessing employment may be due in part to the shortage of available jobs with adequate incomes. Child care and assistance in obtaining furniture may be difficult to access due partly to the limited availability of programs that provide these services.

(D) Recommendations for Future Action to be Taken by the Legislature

The number of transitional housing programs in Minnesota is steadily increasing. In 1985 when the first transitional housing programs were established in Minnesota there were nine programs. As of March 1993, there were 66 programs in operation and another 15 in the planning stages.

The authorizing statute for the THP, 268.38, has not been significantly changed since the program was established as a demonstration in 1985. The Department of Jobs and Training recommends the following changes to the statute:

Recommendation #1

Provide DJT with funds for State level administration and evaluation

The Department currently receives no funding for administration of the THP. The number of transitional housing programs funded under the THP has increased from 9 in 1985 to 45 in 1993. The administrative workload has also increased as a result.

An assessment of the success the program has had in meeting the goal of assisting persons in obtaining independent housing is currently unable to be conducted due to lack of resources for this purpose.

Recommendation #2

Statute requirements should be reassessed in light of the current status of the program

In particular, the requirement that at least two programs be funded in the Twin Cities Metropolitan area and one outside the metropolitan area is felt to be outdated given the large number of programs funded in both areas.

The requirement that each individual transitional housing program conduct follow-up on each program participant has been found to be burdensome given the scarcity of resources to operate programs. A systematic sampling would be a more efficient use of resources.

Previous Area of Residence**Table 3**

	Number of Families	Percent of Families
Same City or Area as Program	344	69.1%
Outside of Minnesota	78	15.7%
Outside of City/Area but within Minnesota	74	14.9%
Unknown	2	0.4%
Total	498	

Previous Housing Status**Table 4**

	Number of Families	Percent of Families
Temp. Staying with Friends/Relatives	123	24.7%
Emergency Shelter	116	23.3%
Rental	112	22.5%
MI/CD/DD half-way house	35	7.0%
MI/CD/DD treatment	29	5.8%
Perm. Staying with Friends/Relatives	24	4.8%
Incarcerated	24	4.8%
Transitional Housing	9	1.8%
No Permanent Address	6	1.2%
Section 8	6	1.2%
Unknown	3	0.6%
Outside	3	0.6%
Owned own home	3	0.6%
Hospitalized	3	0.6%
Foster Home	1	0.2%
Vehicle	1	0.2%
	498	

Reasons for Seeking Transitional Housing

Table 5

	Number of Families	Percent of Families
Chemical Dependency	116	17.7%
Spouse/Child Abuse	105	16.0%
Relocated in Area	76	11.6%
Family Friction	61	9.3%
Friend/Roommate Friction	46	7.0%
Lost Job	40	6.1%
Mental Health Problems	38	5.8%
Overcrowding	27	4.1%
Eviction for Non-payment	26	4.0%
Leaving Correctional Facility	25	3.8%
Eviction - Other	21	3.2%
Stranded in Area	19	2.9%
Substandard Housing	16	2.4%
Ran Away From Home	15	2.3%
Rent Increase	7	1.1%
Told to Leave Home	6	0.9%
Could not locate housing	4	0.6%
Disaster	4	0.6%
Lost Benefits	3	0.5%
Leaving State Hospital	2	0.3%
Utility Problem	0	0.0%
	657	

Types of Income at Entrance and Exit

Table 6

	Upon Entering	Upon Exiting	Upon Entering	Upon Exiting	Difference
AFDC	170	165	34.1%	33.1%	-1.0%
General Assistance	158	89	31.7%	17.9%	-13.9%
Full-time Employ	40	80	8.0%	16.1%	8.0%
Part-time Employ	50	66	10.0%	13.3%	3.2%
Food Stamps	83	59	16.7%	11.8%	-4.8%
Social Security	22	31	4.4%	6.2%	1.8%
SSI	12	18	2.4%	3.6%	1.2%
Disability Payments	13	16	2.6%	3.2%	0.6%
Loans	8	9	1.6%	1.8%	0.2%
Mn Supplemental Aid	6	7	1.2%	1.4%	0.2%
Unemployment Compensation	5	5	1.0%	1.0%	0.0%
Veterans Benefits	4	5	0.8%	1.0%	0.2%
WIC	17	4	3.4%	0.8%	-2.6%
Unknown	34	3	6.8%	0.6%	-6.2%
Child Support	8	2	1.6%	0.4%	-1.2%
Shelter Workshop	2	2	0.4%	0.4%	0.0%
Pension	2	2	0.4%	0.4%	0.0%
Savings	6	1	1.2%	0.2%	-1.0%
Alimony	0	0	0.0%	0.0%	0.0%

Support Services Needed and Accessed

Table 7

	Needed	Accessed	Percent Needed	Percent Accessed	Difference
Counseling	492	472	9.6%	10.2%	0.6%
Food Shelf	402	452	7.8%	9.8%	1.9%
Financial Assistance	380	376	7.4%	8.1%	0.7%
Clothing	330	354	6.4%	7.6%	1.2%
Social Service Agency	266	282	5.2%	6.1%	0.9%
Medical Assistance	296	278	5.8%	6.0%	0.2%
Employment	410	268	8.0%	5.8%	-2.2%
Education	346	254	6.7%	5.5%	-1.2%
Sobriety Support	268	246	5.2%	5.3%	0.1%
Furniture	286	236	5.6%	5.1%	-0.5%
Section 8	330	206	6.4%	4.4%	-2.0%
Moving Assistance	186	204	3.6%	4.4%	0.8%
Deposit Insurance	180	184	3.5%	4.0%	0.5%
Utility Assistance	156	172	3.0%	3.7%	0.7%
Other	162	160	3.1%	3.5%	0.3%
Legal Assistance	148	156	2.9%	3.4%	0.5%
Child Care	192	134	3.7%	2.9%	-0.8%
Job Training	258	118	5.0%	2.5%	-2.5%
Unknown	26	56	0.5%	1.2%	0.7%
Head Start	32	26	0.6%	0.6%	-0.1%
	5146	4634			

Reasons for Leaving

Table 8

	Number of Households	Percent of Households
Private Housing	137	27.5%
Were asked to leave	88	17.7%
Section 8	78	15.7%
Other	26	5.2%
Went to live with Friend/Relative	56	11.2%
Stayed as long as Policy Allows	40	8.0%
Unknown	37	7.4%
Treatment	15	3.0%
Institutional Care	12	2.4%
Dissatisfied with Program	9	1.8%
	498	