MINNESOTA TRANSITIONAL HOUSING PROGRAM

Report to the Legislature State Fiscal Year 1994

MINNESOTA DEPARTMENT OF ECONOMIC SECURITY
COMMUNITY BASED SERVICES

March 1995

IN ACCORDANCE WITH
MINNESOTA STATUTES CHAPTER 268.38

Transitional Housing Program Grantees
State Fiscal Year 1994

Program	Location	Funding
Advocates Against Domestic Abuse	Grand Rapids	$9,484
Anoka County Community Action Program	Blaine	$18,000
Ascension Place Board of Directors	Minneapolis	$10,000
Bi-County Community Action Program	Bemidji	$19,000
Care & Share Inc.	Crookston	$9,000
Catholic Charities	Minneapolis	$25,000
Catholic Charities-Domus Transitional Housing	St. Cloud	$22,000
Center City Housing Corp.	Duluth	$12,000
Central Community Housing Trust	Minneapolis	$15,000
Church of St. Stephen's-Kateri Residence	Minneapolis	$12,000
Community Action Center of Northfield	Northfield	$6,000
Community Action Council, Inc. (CAC)	Apple Valley	$15,000
Cornerstone Advocacy Service	Bloomington	$35,823
East Metro Women's Council	White Bear Lake	$22,500
Elim Transitional Housing	Minneapolis	$35,500
Emma Norton Residence	St. Paul	$15,000
Evergreen House	Bemidji	$14,000
Family & Children's Service	Minneapolis	$7,500
Fargo-Moorhead YWCA	Moorhead	$20,000
Fond du Lac Indian Women's Transitional Housing	Cloquet	$15,000
Freeport West	Minneapolis	$15,000
Heartland Community Action Agency	Willmar	$5,000
Home of the Good Shepherd	St. Paul	$30,000
HRA of Virginia-Range Transitional Housing	Virginia	$15,000
Incarnation House	Minneapolis	$5,000
Juel Fairbanks Chemical Dependency Services	St. Paul	$6,000
Koochiching-Itasca Action Council	Grand Rapids	$15,000
La Oportunidad	St. Paul	$9,977
Life House	Duluth	$20,000
Lutheran Social Service	Minneapolis	$10,899
Mary's Shelter	West St. Paul	$15,000
Minnesota AIDS Project	Minneapolis	$20,000
Mother Cabrini House	Minneapolis	$10,000
Perspectives, Inc.	Minnetonka	$20,000
Red Wing Housing & Redevelopment Authority	Red Wing	$10,500
Rise, Inc.	Spring Lake Park	$15,000
Sarah Family Programs	St. Paul	$10,000
Scott-Carver-Dakota CAP Agency	Shakopee	$20,000
Simpson Transitional Housing	Minneapolis	$30,970
The Salvation Army	Rochester	$18,000
The Salvation Army	Duluth	$25,000
The Salvation Army-Harbor Lights Center	Minneapolis	$25,000
The Shelter at Our Saviour's	Minneapolis	$20,000
Transitional Housing for Veterans	Minneapolis	$15,000
Tri-Valley Opportunity Council	Crookston	$12,000
Welcome Home	Mankato	$16,640
Western Community Action	Marshall	$15,000
Women's Community Housing	Minneapolis	$20,000
Women's Shelter, Inc.	Rochester	$13,500
Women's Transitional Housing Coalition	Duluth	$30,457
YWCA of St. Paul	St. Paul	$28,250
		$860,000

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 Economic Security. 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.

The estimated cost of preparing this report, including data collection, is $8,808.

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 changed the name to the Minnesota Transitional Housing Program (MTHP).

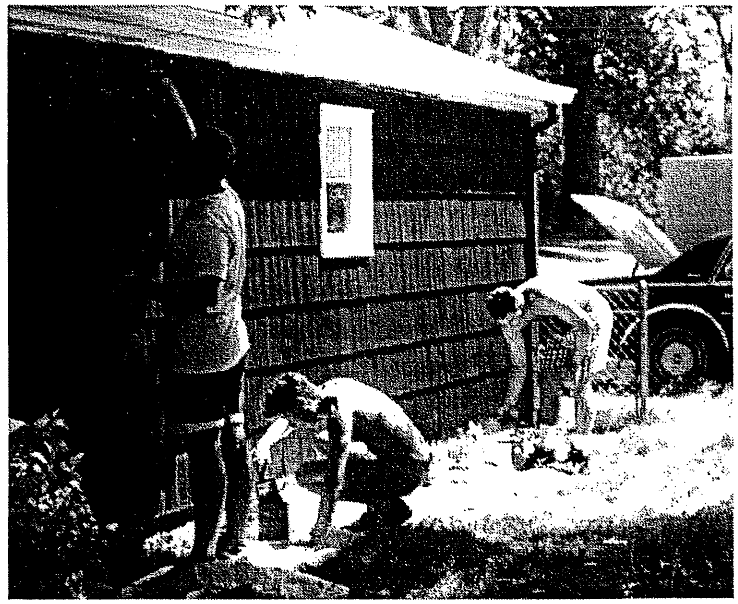
Transitional housing is currently defined under state law as housing designed for independent living and provided to a homeless person or family at a rental rate of at least 25 percent of the family income for a period of up to twenty-four months. The Minnesota Department of Economic Security assists 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 individual participant needs. While some programs assist homeless individuals with specific issues, others serve individuals with diverse needs.

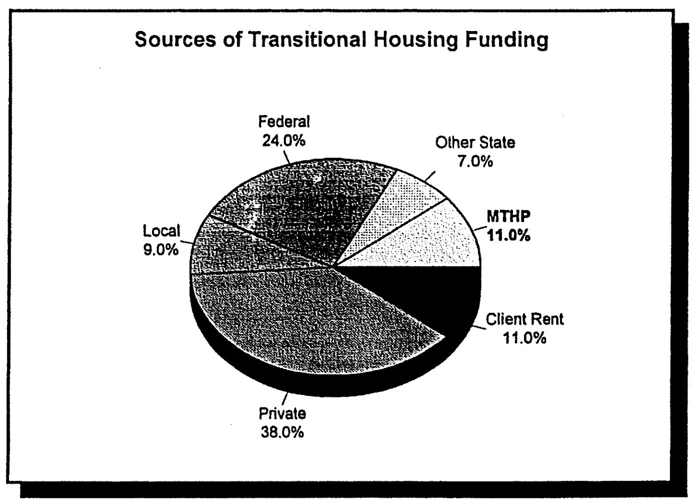
The housing component can take a number of configurations, but it generally involves the use of congregate or scattered site facilities. Congregate settings make use of facilities such as rectories or apartment buildings, while scattered site programs may own housing or choose to utilize market rental 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.



A group of St. Thomas students volunteer to paint a garage at one of Community Action Council's transitional housing sites.

PROGRAM FUNDING

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



(A) NUMBER OF PROGRAMS FUNDED

The MDES 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 which the Transitional Housing Program has received in certain years from Community Services Block Grant Discretionary funding. In FY 1994, 53 programs requested funding totalling $1,471,510. Fifty-one programs received funding averaging $16,863 per program.

FUNDING BY YEAR

Table 1

Fiscal Year	Appropriation Level	Supplemental Funding (MDES-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
1993	$420,000	$0	$420,000	43	$ 9,767
1994	$860,000	$0	$860,000	51	$16,863

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

There were 81 transitional housing programs located throughout the state in SFY 1994, and currently in SFY 1995, there are another ten programs in the planning stages. The capacity of all transitional housing programs operating in the state in SFY 1994 was 2,277 individuals, with the capacity of the 51 MTHP grantees being 1,606 persons **[Table 2]**.

GEOGRAPHIC DISTRIBUTION OF FUNDS

Table 2

	Number of Programs Funded	Total Program Funding Received	Percent of Program Funding Received	Percent of State Shelter Capacity*
Minneapolis	16	$276,869	32.19%	19.50%
St. Paul	7	$114,227	13.28%	8.35%
Duluth	4	$ 87,457	10.17%	5.88%
Suburban Hennepin	2	$ 55,823	6.50%	4.57%
Dakota County	2	$ 35,000	4.07%	3.20%
Anoka County	2	$ 33,000	3.83%	9.97%
Bemidji	2	$ 33,000	3.84%	2.77%
Rochester	2	$ 31,500	3.66%	1.89%
Grand Rapids	2	$ 24,484	2.85%	0.79%
White Bear Lake	1	$ 22,500	2.62%	4.13%
St. Cloud	1	$ 22,000	2.56%	1.62%
Crookston	2	$ 21,000	2.44%	1.84%
Moorhead	1	$ 20,000	2.33%	0.88%
Mankato	1	$ 16,640	1.93%	0.97%
Cloquet	1	$ 15,000	1.74%	0.57%
Marshall	1	$ 15,000	1.74%	1.93%
Virginia	1	$ 15,000	1.74%	0.44%
Red Wing	1	$ 10,500	1.22%	0.66%
Northfield	1	$ 6,000	0.70%	0.13%
Willmar	1	$ 5,000	0.58%	0.44%
Total	51	$860,000	100.0%	70.53%

*Taken From November 1994 Quarterly Shelter Survey

(B) RESULTS OF THE EVALUATION OF THE PROGRAMS

The MDES 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 transitional housing graduates. Scarce resources have limited 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 45% moved into an independent living situation upon graduation (Private Housing -26%, and Section 8/public housing -19%)

-10% of the individuals receiving AFDC or General Assistance upon entering the program were no longer receiving these funds upon exit

-The number of persons employed full-time increased 33% from entrance to exit

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

-436 requests for transitional housing were denied on a sample survey night in November of 1994. 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 is 2,277.

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, while the average cost of providing emergency shelter in Minnesota is $10,767 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 to programs which serve diverse clientele including individuals, families, youth, veterans, persons with chemical dependency and mental health issues, battered women, ex-offenders, women leaving prostitution, and others. Funding is provided in urban, suburban, and rural areas of the state.

(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, unless such information is not available;
> - 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 MDES for State Fiscal Year 1994. 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

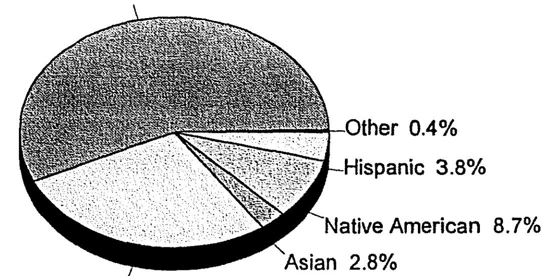
In FY 1994, over **9,280** requests for assistance were made to Transitional Housing Program grantees. The Transitional Housing Program grantees provided services to **1,768** households during SFY 1994. Of these households, **813** graduated/left the program during the fiscal year.

The remainder of this report is based on the data gathered regarding these 813 households.

Client Characteristics

Of the 813 households who completed transitional housing services, **460** were Caucasian; **225** were African-American; **71** were Native American; **31** were Hispanic; **23** were Asian; and **3** were of Other race.

Composition of Transitional Housing Households by Race



Of these households, **74%** were headed by women (N=600), **24%** were headed by men (N=193), and **2%** were two adult member households (N=20).

There were a total of 1,330 individuals in the households who graduated/left the transitional housing program during this fiscal year. Sixteen percent (**16%**) of the individuals served were men (N=213), **47%** were women (N=620), and **37%** were children (N=497).

Of the female-headed households, **48%** had children with them (N=286). **Six** percent (6%) of the male-headed households had children (N=11), and **90%** of the households with two adult members had children (N=18) with them while they resided in transitional housing.

Bi-County CAP transitional housing family

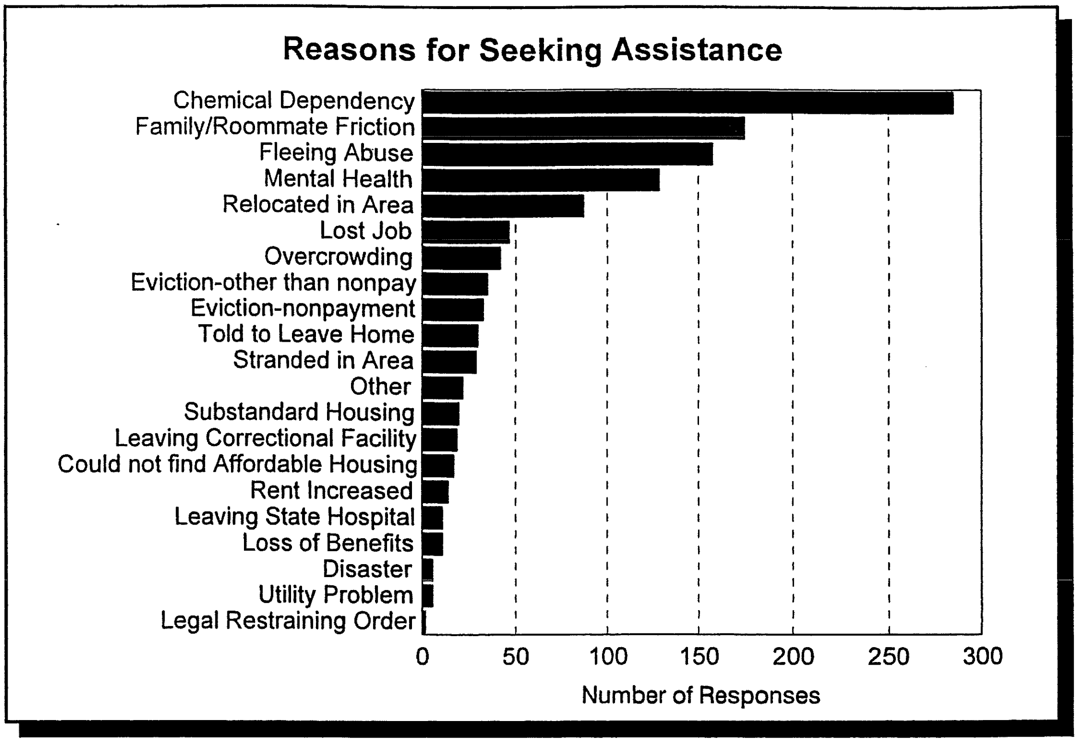
Of the households with children present, **59%** had children under five years of age and **41%** had children age 6 to 17 years in the program.

Forty-three (43%) of the transitional housing households were in Hennepin county (N=352), **27%** were in Ramsey county (N=222), **6%** were in the suburban metropolitan area (N=47), and **24%** were in outstate Minnesota (N=192) programs this fiscal year.

Fifty percent of the households in Hennepin and Ramsey counties were Caucasian (N=285)and fifty percent were persons of color (N=289). In the suburban metropolitan area, **74%** of the households were Caucasian (N=35) and in outstate Minnesota, **73%** were Caucasian (N=140).

Reasons Why Individuals and Families need Transitional Housing

This graph demonstrates the variety and frequency of reasons people indicate as their reason for seeking transitional housing services. A household may have given more than one reason.



Many of the barriers transitional housing participants must overcome in their efforts to obtain independent housing are significant. They range from obtaining adequate financial resources to managing a history of abuse and ongoing personal difficulties.

In examining the top reasons by sub-population we found that Caucasians were most likely to claim fleeing abuse and family friction as one of their main reasons, whereas African Americans, Native Americans and Asians were most likely to claim chemical dependency as one of their main reasons **[Table 3]**.

Reasons for Seeking Assistance by Race

Table 3

Race	Fleeing abuse/friction (N=273)	Chemical dependency (N=285)	Mental health (N=129)
Caucasian	40%	25%	21%
African American	22%	52%	9%
Native American	37%	56%	10%
Hispanic	16%	19%	3%
Asian	31%	43%	4%

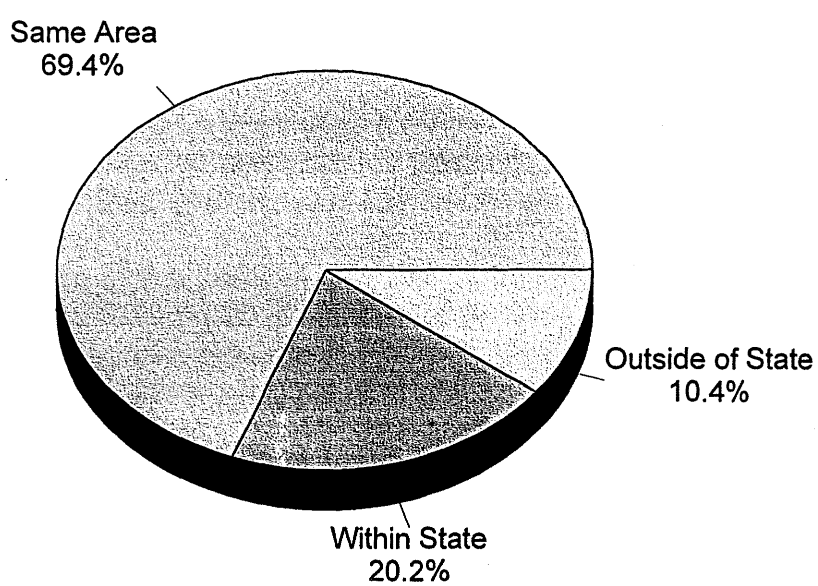
Where the Household was Prior to Entering Transitional Housing

Ninety percent (90%) of all transitional housing households had lived in Minnesota one year prior to entering the program (N=729).

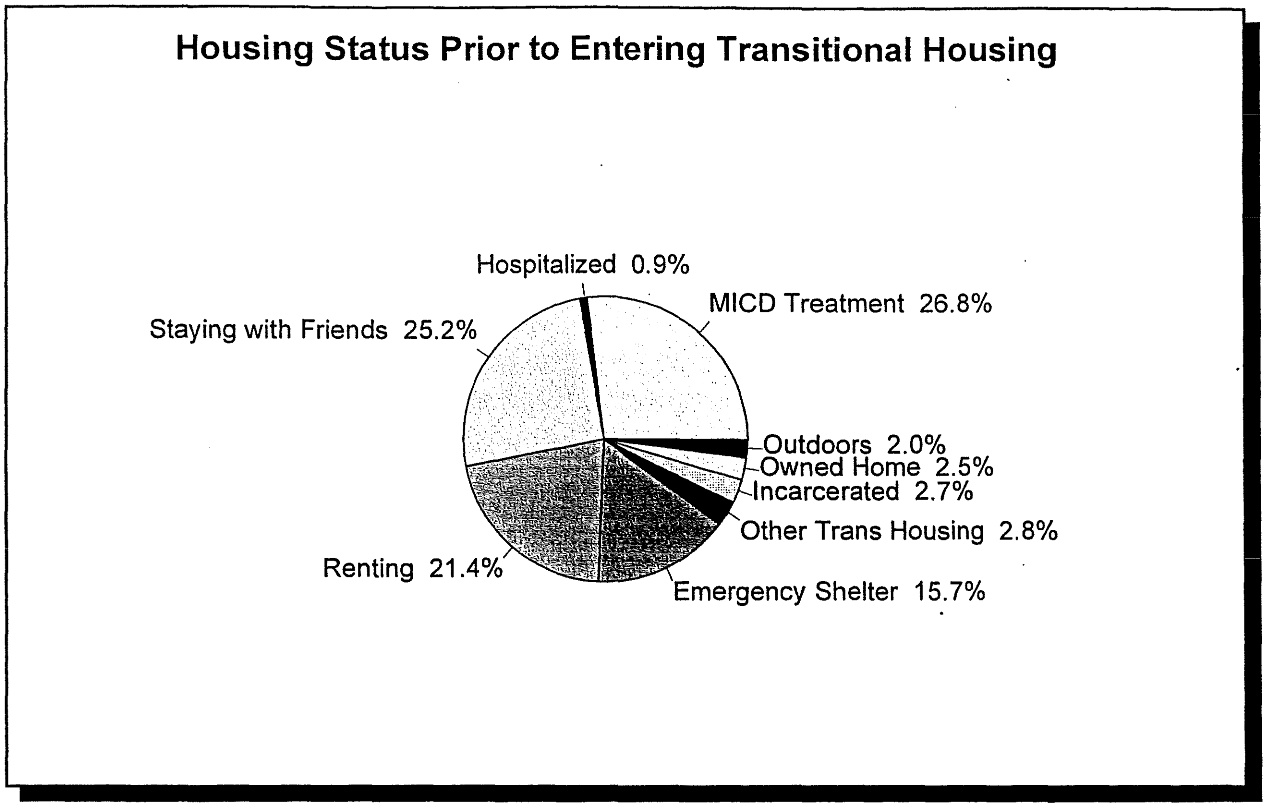
The number of households coming from out of state declined by six percent from last year. Of the 84 households who came into Minnesota from out of state this fiscal year, 47% were Caucasian, 35% were African American, 8% were Hispanic, 5% were Native American, and 5% were Asian. Of these households, 73% were single adults (N=61); 62% females (N=38) and 38% males (N=23).

Caucasian and Hispanic households coming into the state migrated primarily to rural areas while African American, Native American and Asian households moved primarily into the Twin City metropolitan area.

Geographic Location of Households Prior to Entrance



Type of Housing Prior to Entrance

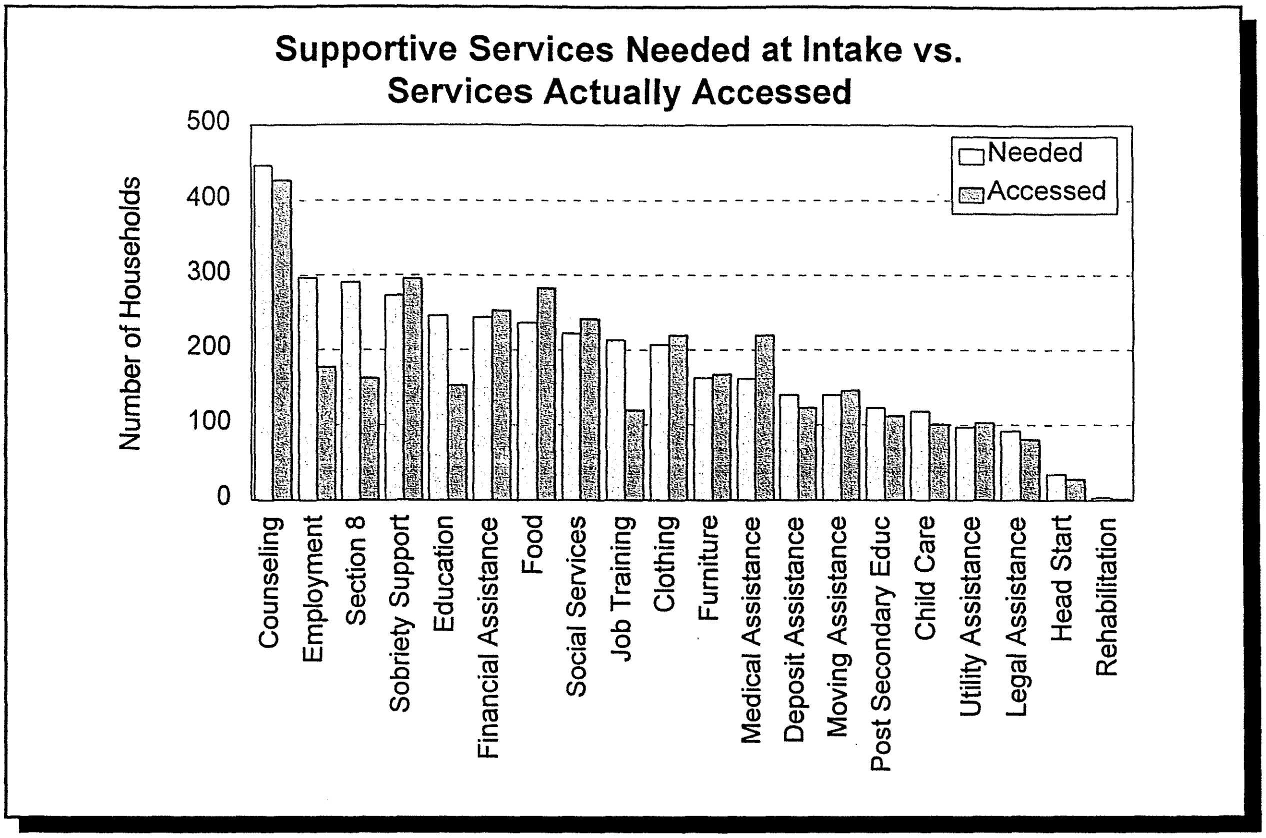


Seventy-three percent (73%) of the households entered the transitional housing programs from non-permanent housing (N=595) and only **27%** came directly from housing they had previously owned or had been renting (N=218).

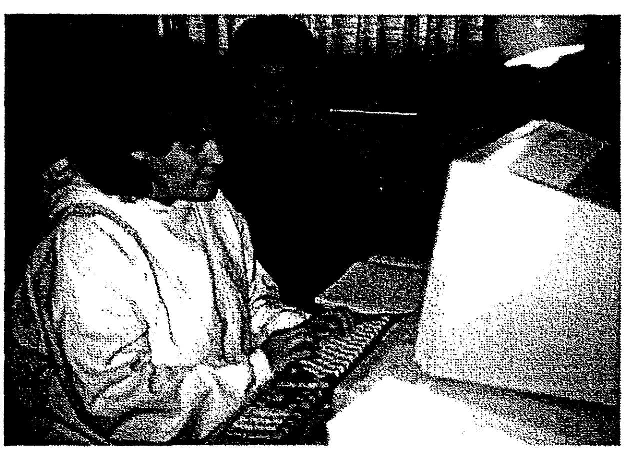
A couple of noticeable changes from last year include: a **five percent** drop in the number of households who entered transitional housing after previously staying with family or friends, and a **seven percent** increase in the number of households who came from a half-way house or treatment facility for mental illness, chemical dependency or developmental disabilities.

One of the reasons for the increase in the number of persons coming from halfway houses or treatment facilities could be due to number of transitional housing programs who focus their services for people with special needs, such as chemical dependency and mental health issues. Three such specialized programs had average lengths of stay ranging from 25 days to 95 days so they were able to have more households enter and exit their program during the fiscal year.

Service Needs of Households Upon Entering and Exiting the Program



Transitional housing participants reported a number of support services that they needed when they entered the program. The graph above shows the order of those needs from the highest (Counseling) to lowest (Rehabilitation). The top ten are consistent with those identified in previous years with the exception that clothing was ranked above furniture this year, dropping furniture out of the highest ten needs.



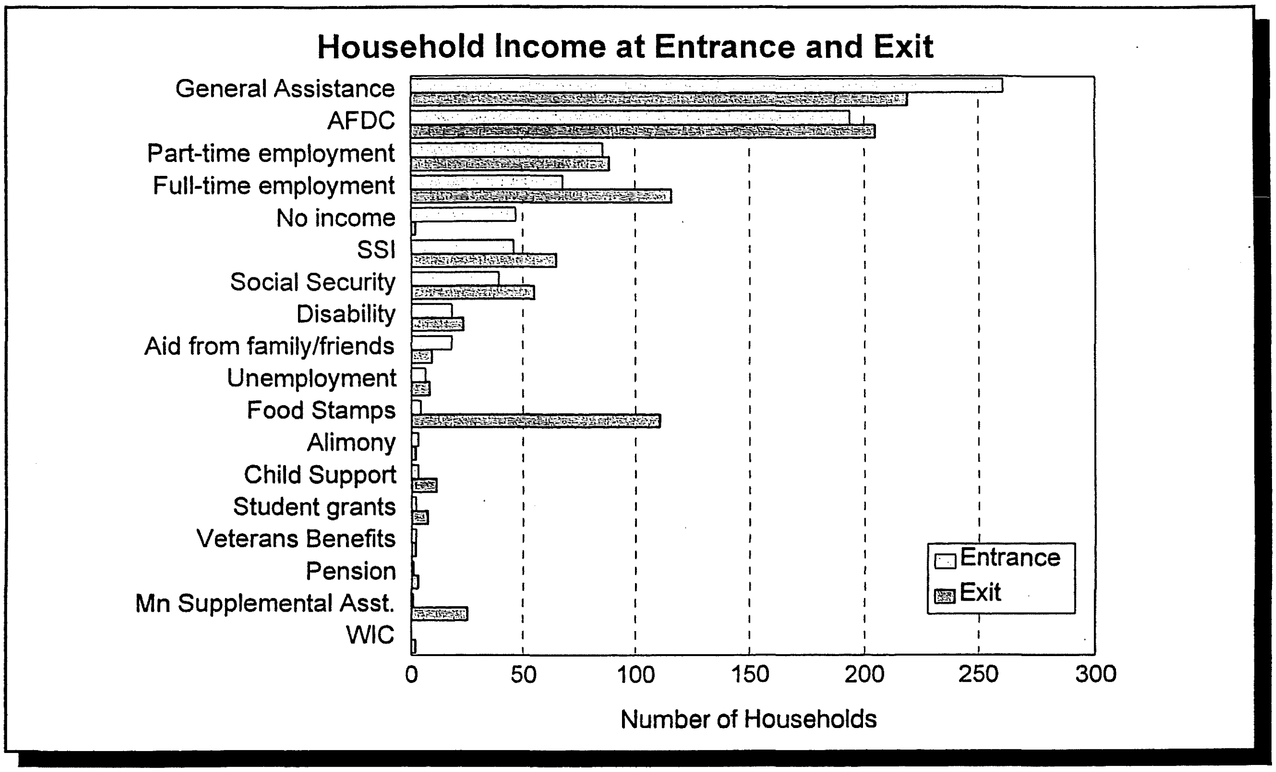
A Home of the Good Shepherd, Wellsprings Transitional Living Center case manager works with a participant in their Job Readiness program

The transitional housing programs were for the greatest part very successful in helping households access the supportive services they needed to move into independent housing. In many instances, as the programs worked with the households, additional services were identified as being needed and were also accessed, ie: sobriety support, financial assistance, food, social services, clothing, furniture, medical assistance, moving assistance, and utility assistance.

The areas where the programs had difficulty in meeting the needs of the households included those that required long term development or availability of limited community resources, ie: employment, job training, education, and Section 8 vouchers or certificates. The gap in meeting some of the service needs could also be a result of the 249 households who left the program before completing their goal plan and accessing the supportive services they desired.

Status of Household Income at Entrance and Exit

The following graph demonstrates the source(s) of income the households had when they entered the program and the source(s) of income the household had when they graduated/left the program.



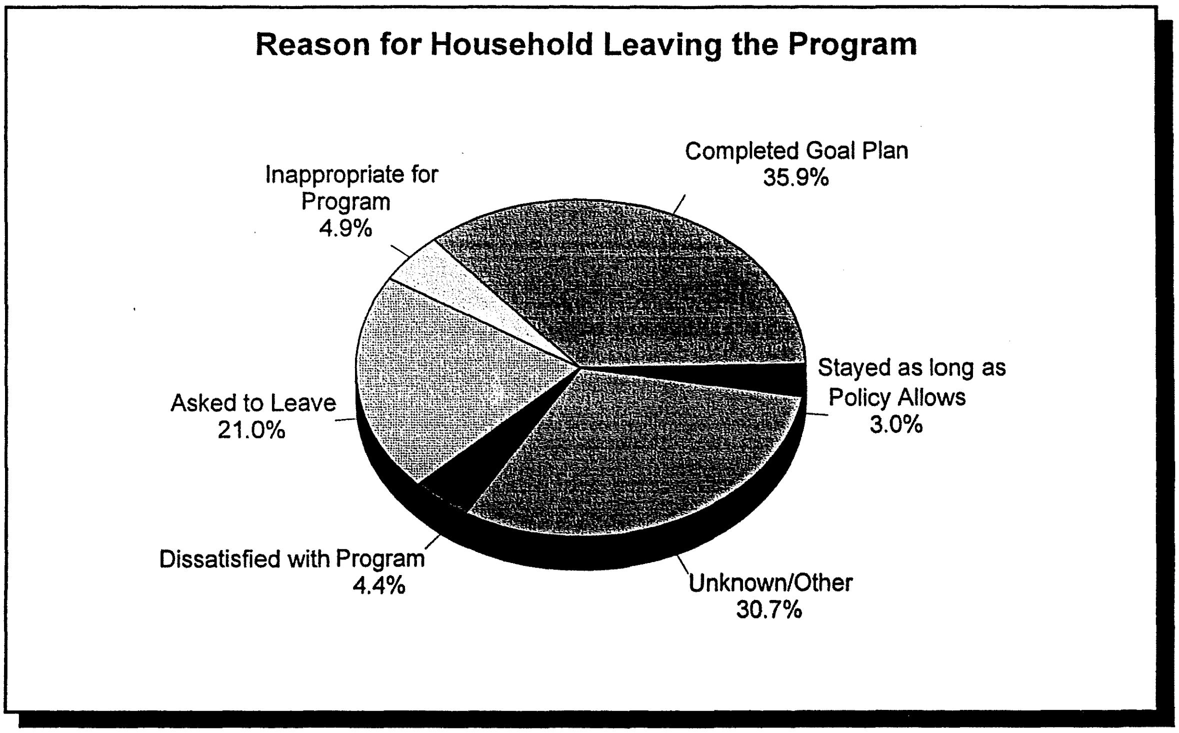
Overall, the transitional housing programs were successful in helping households obtain employment or benefits and in reducing the number of households receiving public assistance. Households exiting the programs with earned income from full or part-time employment increased **33%**, and the number of households receiving Social Security or Supplemental Security Income increased **41%** from entrance to exit. The number of persons receiving Minnesota Supplemental Assistance increased from **one** household at the time of entrance to **25** households at the time of exit. The number of households receiving Food Stamps increased from **4** households to **111** households from entrance to exit.

Transitional housing programs also helped households receive child support, increasing the number of recipient households from **3** to **11** households.

In addition, while **56%** of the households were receiving either AFDC or General Assistance when they entered the transitional housing program, only **44%** were receiving these incomes upon exiting the program.

While some of the households saw their monthly income double between the time they entered and exited transitional housing, the income may not be adequate due to the lack of affordable housing -- only **6%** of the households had incomes greater than $1,000 per month and only **42%** had incomes greater than $500 per month when they exited the program. The average net gain in income from the time of entrance to the time of exit resulted in approximately $57 more per household per month.

Reasons for Exiting Transitional Housing Programs



The majority of households, **36%**, graduated from the transitional housing programs after completing their goal plan. However, **31%** of the households simply left the program for unknown/other reasons and another **21%** were asked to leave. In some respects, this may be due to the difficulty of population served by these programs, the households must be ready and willing to work diligently to achieve their goal plans and obtain independent housing.

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 time households stayed in the transitional housing programs ranged from 25 days in a program that serves only persons with chemical dependency issues to 593 days in a program that serves women with children. The average length of stay among all transitional housing programs was **144** days.

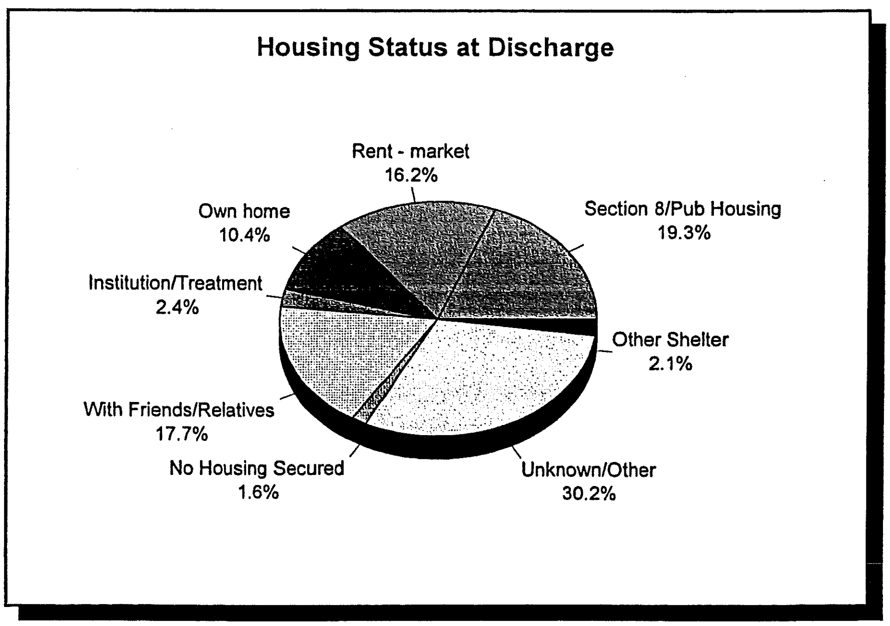
Participant Housing Status at Time of Discharge

Forty-six percent (46%) of all transitional households moved into rented or purchased homes when they exited the transitional housing programs (N=366).

One of Community Action Council's (Apple Valley) transitional homes.

Fifty-one percent (51%) of the households who entered from rental situations exited into other rental housing as did **37%** of households who entered from living with friends or relatives. **Thirty** percent (30%) of the households who entered from previously owning their own home exited into publicly subsidized rental housing. Of the households who entered from emergency shelters, **36%** had an unknown housing situation at the time of exit and **33%** moved into rental situations.

The graph to the right shows the various places households moved into when they left the programs. Forty-six percent of all households moved into permanent housing (N=366). However, a significant number of households moved in with family or friends (N=141) and it is unknown where a larger number moved to (N=228). This parallels the number of households with an unknown reason for exiting transitional housing.



In examining the large number of unknown housing situations at the time of exit, we found that 64% of those households originally claimed chemical dependency, mental health or abuse issues as a reason for seeking assistance. This again demonstrates the difficulty of the population served by the transitional housing programs and the need for the household to be ready to commit to a goal plan to obtain independent housing.

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 1995, there were 81 programs in operation and another 10 in the planning stages.

The authorizing statute for the Minnesota Transitional Housing Program, 268.38, has not been significantly changed since the program was established as a demonstration in 1985. The Department of Economic Security recommends the following changes to the statute:

Recommendation #1

Provide MDES with funds for State level administration and evaluation

The Department currently receives no funding for administration of the MTHP. The number of transitional housing programs funded under the MTHP has increased from 9 in 1985 to 51 in 1994. The administrative workload has consequently increased as a result.

A more thorough evaluation of the program, including gathering follow-up information, would be beneficial in determining the success of the program.

Recommendation #2

Allow follow up support services under the program

Transitional housing program funds should be allowed to provide minimal support services for up to six months for households graduating from the program to help ensure the stability of the household in the community. This activity could help reduce the incidence of the household becoming homeless before they were able to fully attain independence.

Geographic Locations of Fiscal Year 1994 Transitional Housing Programs