

Heading Home Southeast Minnesota



“BUSINESS PLAN TO END LONG-TERM HOMELESSNESS IN SOUTHEAST AND SOUTH CENTRAL MINNESOTA”

Endorsed by Southeastern and South Central Minnesota:
Housing & Redevelopment Authorities
Human Services
Mental Health Initiatives
Regional Housing Academy
Rochester/Southeastern MN Continuum of Care



EXECUTIVE SUMMARY

In response to “*Ending Long-Term Homelessness: Report and Business Plan of the Working Group on Long-Term Homelessness*” (State Business Plan) produced by the State of Minnesota, the H20 Group, a collaboration of housing professionals in the 20-county Southeastern Minnesota Region, has developed a plan outlining its own five-year strategy for addressing long-term homelessness in the Region. The Southeastern Minnesota Region includes the following counties: Blue Earth, Brown, Dodge, Faribault, Fillmore, Freeborn, Houston, Goodhue, Le Sueur, Martin, Mower, Nicollet, Olmsted, Rice, Sibley, Steele, Wabasha, Waseca, Watonwan and Winona.

As prescribed by the State Business Plan, the essential component of ending long-term homelessness is permanent supportive housing – affordable rental housing linked to an array of community-based services. The concept of permanent supportive housing is relatively easy to envision, but extremely difficult to put into practice. This plan is the first step, in a series of action steps, to help the Region move toward its ultimate goal of preventing and ending long-term homelessness.

The recommendations in this plan include:

1. The region should adopt the goal of creating *132 additional units of permanent supportive housing* over the next five years for homeless individuals and families.
2. The Region will use different methods of providing permanent supportive housing:
 - *53 of the units will come from the private market.* Rental assistance will be provided so households can find housing in the existing rental stock. Services will be provided as needed by case managers.
 - *80 units would need to be developed through acquisition and rehabilitation of existing properties and new construction.* A 75-25 split between acquisition and rehabilitation and new construction was decided upon. Therefore, 59 units should be developed using acquisition and rehabilitation and another 20 units should be new construction.*
3. The units created should adequately serve both individual and family households.
4. The need for identifying current and future sources of funding to achieve the recommendations in this plan.
5. The need for future planning for prevention of homelessness. Based on the BBC study, it is estimated that there are currently 1,841 family households and 3,409 individual (non-senior) households that are very low-income (less than 30% of MFI) and cost-burdened. Without the necessary supports for these households, the homeless population in the region could continue to grow.

The implementation of the recommendations of this plan will require an extraordinary level of commitment and investment by public and private partners. Using existing local, state and federal funds more effectively can fund a substantial portion of this plan. In addition, existing dollars can be used to leverage new sources of funding as outlined in the State Business Plan. The Region will need to establish mechanisms to prepare developers, landlords and service providers for the challenges of increasing the supply of supportive housing. In the end, the success of this plan is dependent on the leadership and ongoing support of local and state policy makers.

* Unit estimates may not match up throughout report due to rounding error. For example, 59 acquisition/rehabilitation, 20 new construction and 53 rental assistance units does not equal 132.

GOAL

As with any social condition, homelessness has a varying degree of severity, which is gauged by the number of episodes and amount of time a person is homeless. Three levels of homelessness have been identified: crisis, episodic and long-term. Crisis homelessness is defined as one episode of homelessness lasting less than a year. Episodic homelessness is the second or third episode lasting less than a year. Long-term homelessness is four or more episodes within three years or a current episode lasting more than a year.

The State Business Plan has identified long-term homelessness as the focus of its efforts. Persons experiencing long-term homelessness are extensive users of public services including emergency shelters, hospitals, mental health facilities, child protection, foster care and correctional facilities.¹ The mechanism of choice to remedy the costly expenses associated with long-term homelessness is permanent supportive housing since it has been demonstrated that supportive housing can reduce crisis service costs.²

Providing more permanent supportive housing not only reduces service costs, but it also frees up emergency shelter and transitional housing beds that could otherwise be used for homeless persons that experience less severe forms of homelessness. The State Business Plan has estimated that 36% of homeless Minnesotans are crisis homeless, 16% are episodic and 48% are long-term (p.14). Thus, 52% of homeless persons eventually work their way through the emergency shelter and transitional housing systems into other stable housing options.

In summary, the goal of this plan is to prevent and end long-term homelessness.

ESTIMATE OF NEED

The federal government defines persons who are homeless as those who reside in:

- Places not meant for human habitation, such as cars, parks, sidewalks, and abandoned buildings.
- An emergency shelter.
- Transitional housing for homeless persons who originally came from the streets or emergency shelters.

And if a person is in one of the three categories listed above, but most recently spent less than 30 days in a jail or institution, he/she qualifies as coming from one of these three categories.

¹ “The US Department of Health and Human Services found that individuals experiencing chronic homelessness are heavy users of services – 10% of the users of homeless shelters consume 50% of the days” that shelters operate (State Business Plan, 2004, p.15).

² In Hennepin County, “one supportive housing development resulted in a reduction of crisis costs of \$6,200 per family and a shift to supportive and preventive services.” Similarly, supportive housing prevented 1,032 detox admissions and reduced the median health care cost from about \$9,000 to \$5,000 per year per resident (State Business Plan, 2004, p.4).

Using a listing of service providers furnished by the Minnesota Office of Economic Opportunity, the Southeastern Continuum of Care conducted a homeless survey on the night of January 27, 2005. The survey revealed that there were 458 homeless persons:

- 37 persons using motel vouchers (22 individuals, 0 unaccompanied youth and 6 families);
- 134 persons in emergency shelters (57 individuals, 12 unaccompanied youth and 20 families);
- 248 persons in transitional housing (21 individuals, 1 unaccompanied youth and 69 families);
- 39 unsheltered homeless persons were counted on the streets.

The point-in-time snapshot of homelessness is indicative of the need for providing sufficient affordable supportive housing for those that are homeless and also for the many more at risk of becoming homeless. *For full results of the survey, see Appendix A.*

In addition, homeless subpopulations were identified for those persons that would be in need of specialty permanent supportive housing – permanent supportive housing utilizing a special treatment model. As identified in the Southeastern Minnesota Continuum of Care Exhibit 1:

- 13 homeless youth;
- 44 homeless persons with mental illness;
- 34 homeless persons with chronic substance abuse;
- 8 homeless veterans;
- 4 homeless with HIV/AIDS.

For Exhibit 1 Homeless and Subpopulations Charts, see Appendix B.

Table 1: Homeless Need as Determined by Homeless Counts

Household Type	Need
Homeless	
Homeless Adults in Shelters and Other Temporary Shelters	138
<i>Homeless Youth</i>	13
<i>Persons with Mental Illness</i>	44
<i>Persons with Chronic Substance Abuse</i>	34
<i>Veterans</i>	8
<i>Persons with HIV/AIDS</i>	4
Total Homeless Individuals	138
Homeless Families in Shelters and Other Temporary Shelters	98
<i>Persons in Homeless Families</i>	320
Total Homeless Families	98
Total Homeless Need	236

Source: Point-in-Time Survey conducted January 27, 2005.

The estimate of need in Southeastern Minnesota is shown in Table 1. The homeless counts will be used as a basis for determining the number of permanent supportive housing units needed in the Region.

PERMANENT SUPPORTIVE HOUSING UNITS TO BE CREATED

The stated goal of this plan is to use permanent supportive housing to prevent and end long-term homelessness in Southeastern Minnesota. So it is critical to determine how many units of permanent supportive housing are needed in the Southeastern Region of Minnesota. Currently, there are 38 family units serving 138 persons and 37 individual units. *For a current and anticipated inventory of permanent supportive housing, see Appendix C.* Additional units will need to be created to achieve the goal of preventing and ending long-term homelessness.

Using the homeless counts as a basis and assumptions produced in the State Business Plan, the number of units that should be created can be calculated. As stated earlier, it estimated that 48% of Minnesota’s homeless are long-term homeless. Thus, the homeless counts can be multiplied by 48% to determine the number of long-term homeless.

Since this provides only a current estimate of long-term homeless, it is necessary to project the estimated need over the next five years. The State Business Plan assumes that a 40% increase above the current number of long-term homeless be used to accommodate growth in the homeless population.

These assumptions have been applied to the homeless counts and the results are shown in Table 2.

Table 2: Permanent Supportive Housing Units to be Created

Household Type	Units to be Created
Homeless	
Homeless Adults in Shelters and Other Temporary Shelters	93
<i>Homeless Youth</i>	9
<i>Persons with Mental Illness</i>	30
<i>Persons with Chronic Substance Abuse</i>	23
<i>Veterans</i>	5
<i>Persons with HIV/AIDS</i>	3
Total Homeless Units Needed for Individuals	102
<i>Minus Units Currently Planned, Funded or Under Development</i>	37
Individuals Units for 5 Year Plan	65
Family Units for 5 Year Plan	66
Total Homeless Need	132

It should be noted that there are currently 37 units of permanent supportive housing in the pipeline targeted at homeless individuals. If any of these units should *not* be built, then the number of units to be created for this population should be increased.

For many reasons, it is highly unlikely that 132 units of permanent supportive housing could be built within one year; thus, the creation of these units needs to be spread out over time. In order to reach the goal of ending long-term homelessness by 2010, a time line of five years will be used. For ease of cost estimation, it will be assumed that these units are built uniformly over the next five years with 20% of the units being built each year.* The number of units to be created over the five year span is approximated in Table 3 on the next page.

* In order to take advantage of economies of scale for certain unit types for specific populations, it will be necessary to complete more units for that population one year and less another year.

Table 3: Permanent Supportive Housing Units to be Created Over Five Years

Housing Models	Number of Units	Year 1	Year 2	Year 3	Year 4	Year 5
Rental Assistance in Private Units	53	11	11	11	11	11
Individual Units (One Bedroom)	26	5	5	5	5	5
Family Units (2+ Bedroom)	27	5	5	5	5	5
Rehabilitation	59	12	12	12	12	12
Individual Units (One Bedroom)	29	6	6	6	6	6
Family Units (2+ Bedroom)	30	6	6	6	6	6
New Construction	20	4	4	4	4	4
Individual Units (One Bedroom)	10	2	2	2	2	2
<i>Apartments</i>						
Family Units (2+ Bedroom)	10	2	2	2	2	2
<i>Townhomes</i>						
<i>Single Family</i>						
TOTAL Units	132	26	26	26	26	26

COST ESTIMATES

Development Cost Estimates

There are several models of permanent supportive housing to be utilized:

1. Rental assistance provided to the household where a social service provider will agree with a landlord and tenant to provide tenants necessary service. This model does not require development costs only rental assistance and service costs.
2. Multi-unit single room occupancy developments with efficiency or one-bedroom apartments and linkages to support services. This model requires development costs as well as rental assistance and service costs.
3. Scattered site family units with linkages to support services. This model requires development costs as well as rental assistance and service costs.

Thus, there are two options for producing permanent supportive housing. Model #1 uses private market units. Models #2 and #3 can either be constructed using acquisition and rehabilitation of existing units or can be newly constructed. The State Business Plan has identified that 40% of the units should utilize units in the existing housing market, while 60% should be created through new construction or acquisition and rehabilitation (p.55). Further, there should be a 25-75 split between new construction and acquisition/rehabilitation (p.57).

According to the estimates of the number of units to be created, there is about a 50-50 split of individual units to family units to be developed. Applying these ratios to each housing model type, the number of units to be created in each housing model can be determined.

Table 4: Per Unit Development Cost Estimate

State's Development Cost Assumptions	
Individual - New Construction	\$120,000
Individual - Acquisiton & Rehabilitation	\$60,000
Family - New Construction	\$185,000
Family - Acquisiton & Rehabilitation	\$90,000

Multiplying the development cost estimates for each model by the number of units for each model allows for an estimate of total development costs. Average development cost estimates were also taken from the State Business Plan and are listed above in Table 4 (p.61). Lastly, as suggested by the State Business Plan, an inflation factor of 5% was applied to the development costs for each year subsequent to the base year's development cost estimates listed above (p.64).

Total development costs for the plan, over five years, are estimated at just under \$8.7 million, which is 2.41% of the \$360 million the State proposes to spend on capital expenses. See Table 5 on next page. According to the State Business Plan, Southeastern Minnesota's share of the State's long-term homeless populatoin is 3% (p. 26). Thus, in terms of development costs, the Region will use less than its share.

When comparing development cost estimates from the State Business Plan and those provided by local housing affordable housing developers, development costs per unit are cheaper in Southeastern Minnesota than for the State. See Table 4 for a comparison of development cost estimates as provided by the State Business Plan for the State (p.61) and those provided by housing development organizations for the Region.

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Table 5: Total Development Cost (TDC) Estimates

Housing Models	# of Units	Base	Year 1			Year 2			Year 3		
		TDC	# of Units	TDC	Year Total	# of Units	TDC	Year Total	# of Units	TDC	Year Total
Rental Assistance in Private Units	53		11		\$0	11		\$0	11		\$0
Individual Units (One Bedroom)	26	\$0	5	\$0	\$0	5	\$0	\$0	5	\$0	\$0
Family Units (2+ Bedroom)	27	\$0	5	\$0	\$0	5	\$0	\$0	5	\$0	\$0
Rehabilitation	59		12		\$934,934	12		\$981,680	12		\$1,030,764
Individual Units (One Bedroom)	29	\$60,000	6	\$63,000	\$370,255	6	\$66,150	\$388,767	6	\$69,458	\$408,206
Family Units (2+ Bedroom)	30	\$90,000	6	\$94,500	\$564,679	6	\$99,225	\$592,913	6	\$104,186	\$622,559
New Construction	20		4		\$633,746	4		\$665,434	4		\$698,705
Individual Units (One Bedroom)	10	\$120,000	2	\$126,000	\$246,836	2	\$132,300	\$259,178	2	\$138,915	\$272,137
<i>Apartments</i>											
Family Units (2+ Bedroom)	10	\$185,000	2	\$194,250	\$386,910	2	\$203,963	\$406,255	2	\$214,161	\$426,568
<i>Townhomes</i>											
<i>Single Family</i>											
TOTAL Units	132		26		\$1,568,680	26		\$1,647,114	26		\$1,729,470
Cumulative Total					\$1,568,680			\$3,215,794			\$4,945,264

Housing Models	Year 4			Year 5		
	# of Units	TDC	Year Total	# of Units	TDC	Year Total
Rental Assistance in Private Units	11		\$0	11		\$0
Individual Units (One Bedroom)	5	\$0	\$0	5	\$0	\$0
Family Units (2+ Bedroom)	5	\$0	\$0	5	\$0	\$0
Rehabilitation	12		\$1,082,303	12		\$1,136,418
Individual Units (One Bedroom)	6	\$72,930	\$428,616	6	\$76,577	\$450,047
Family Units (2+ Bedroom)	6	\$109,396	\$653,687	6	\$114,865	\$686,371
New Construction	4		\$733,640	4		\$770,322
Individual Units (One Bedroom)	2	\$145,861	\$285,744	2	\$153,154	\$300,031
<i>Apartments</i>						
Family Units (2+ Bedroom)	2	\$224,869	\$447,896	2	\$236,112	\$470,291
<i>Townhomes</i>						
<i>Single Family</i>						
TOTAL Units	26		\$1,815,943	26		\$1,906,740
Cumulative Total			\$6,761,207			\$8,667,947

Rental Assistance Estimates

Rental assistance was estimated using income data provided by the State Business Plan and 2005 Fair Market Rents (FMRs) for counties in the Southeastern Minnesota Region.

Table 6: Rental Assistance Estimates

Income Source	Income			Rent		Estimated Assistance	
	Monthly	Annually	30% of Income	0 & 1 Bedroom Average	2, 3 & 4 Bedroom Average	0 & 1 Bedroom Rental Assistance	2, 3 & 4 Bedroom Rental Assistance
Average Income Wilder Survey Greater MN	\$494	\$5,928	\$1,778	\$4,784	\$7,871	\$3,005	\$6,092
MFIP (1 Parent, 2 Children)	\$532	\$6,384	\$1,915	\$4,784	\$7,871	-	\$5,956
SSI (Single Adult)	\$564	\$6,768	\$2,030	\$4,784	\$7,871	\$2,753	\$5,840

The State Business Plan estimates three sources of income for homeless individuals and families: earned income, income from MFIP and income from SSI. Those incomes are estimated on an annual basis at \$5,928; \$6,384; and \$6,768, respectively. Since 30% of one’s income is the standard for affordability, that amount was used to determine estimated rental assistance.

Using 2005 FMRs, an average rent for the Region was calculated for: efficiency and one-bedroom for homeless individuals; and two-, three- and four-bedroom apartments for homeless families. Average rents for individuals will be about \$399 (or \$4,784 annually) and \$656 (or \$7,871 annually) for families. *For 2005 Fair Market Rents by County, see Appendix D.*

Rental assistance was calculated as the difference of average rent and the estimated amount each household could pay for the base year. In addition, an inflation factor of 5% was applied to the rental assistance of the ensuing years. Results are shown above in Table 7 on the next page. Over the next five years, the total rental assistance would be estimated at \$697,102.

Annual Service Costs

Annual service costs are more difficult to estimate. The State Business Plan provides a starting point for estimating service costs: \$10,000 per year per individual and \$15,000 per year per family (p. 51). In light of these estimates, it is good to keep in mind that the amount of services an individual or family will need will vary depending on the particular issues each household faces.

Given recent trends, it is assumed that service costs will increase at 3% a year. Thus, the total service costs for five years would be estimated at just over \$1.8 million. See Table 8 on page 10.

The total service costs estimates are high considering that some of those households served will not need any services at all. The State Business Plan estimates that about 10% of persons experiencing long-term homelessness will just need affordable housing (p. 24).

In addition, total service costs “are not all new costs, since an estimated 66% of homeless households surveyed reported receiving income from MFIP or GA, employment services from MFIP, any kind of medical care through regular medical benefit or insurance program, or reported being covered by MA of GAMC.” On the other hand, the service cost estimates provided by the do not account for health care, chemical dependency treatment and mental health care (State Business Plan, 2004, p. 52).

Table 7: First Year Annual Rental Assistance Cost Estimates

Housing Models	Base		Year 1			Year 2			Year 3			Year 4			Year 5		
	# of Units	RA	# of Units	RA	Year Total	# of Units	RA	Year Total	# of Units	RA	Year Total	# of Units	RA	Year Total	# of Units	RA	Year Total
Rental Assistance in Private Units	53		11		\$50,463	11		\$52,986	11		\$55,636	11		\$58,417	11		\$61,338
Individual Units (One Bedroom)	26	\$3,005	5	\$3,156	\$16,485	5	\$3,313	\$17,310	5	\$3,479	\$18,175	5	\$3,653	\$19,084	5	\$3,836	\$20,038
Family Units (2+ Bedroom)	27	\$6,092	5	\$6,397	\$33,978	5	\$6,717	\$35,677	5	\$7,053	\$37,461	5	\$7,405	\$39,334	5	\$7,776	\$41,300
Rehabilitation	59		12		\$56,771	12		\$59,610	12		\$62,590	12		\$65,720	12		\$69,006
Individual Units (One Bedroom)	29	\$3,005	6	\$3,156	\$18,546	6	\$3,313	\$19,473	6	\$3,479	\$20,447	6	\$3,653	\$21,469	6	\$3,836	\$22,543
Family Units (2+ Bedroom)	30	\$6,092	6	\$6,397	\$38,225	6	\$6,717	\$40,136	6	\$7,053	\$42,143	6	\$7,405	\$44,250	6	\$7,776	\$46,463
New Construction	20		4		\$18,924	4		\$19,870	4		\$20,863	4		\$21,907	4		\$23,002
Individual Units (One Bedroom) <i>Apartments</i>	10	\$3,005	2	\$3,156	\$6,182	2	\$3,313	\$6,491	2	\$3,479	\$6,816	2	\$3,653	\$7,156	2	\$3,836	\$7,514
Family Units (2+ Bedroom) <i>Townhomes</i> <i>Single Family</i>	10	\$6,092	2	\$6,397	\$12,742	2	\$6,717	\$13,379	2	\$7,053	\$14,048	2	\$7,405	\$14,750	2	\$7,776	\$15,488
TOTAL Units	132		26		\$126,158	26		\$132,466	26		\$139,089	26		\$146,044	26		\$153,346
Cumulative Total					\$126,158			\$258,624			\$397,713			\$543,756			\$697,102

Table 8: First Year Annual Service Cost Estimates

Housing Models	# of Units	Base	Year 1			Year 2			Year 3			Year 4			Year 5		
		SC	# of Units	SC	Year Total	# of Units	SC	Year Total	# of Units	SC	Year Total	# of Units	SC	Year Total	# of Units	SC	Year Total
Rental Assistance in Private Units	53		11		\$135,870	11		\$139,947	11		\$144,145	11		\$148,469	11		\$152,923
Individual Units (One Bedroom)	26	\$10,000	5	\$10,300	\$53,808	5	\$10,609	\$55,422	5	\$10,927	\$57,085	5	\$11,255	\$58,797	5	\$11,593	\$60,561
Family Units (2+ Bedroom)	27	\$15,000	5	\$15,450	\$82,063	5	\$15,914	\$84,525	5	\$16,391	\$87,060	5	\$16,883	\$89,672	5	\$17,389	\$92,362
Rehabilitation	59		12		\$152,854	12		\$157,440	12		\$162,163	12		\$167,028	12		\$172,039
Individual Units (One Bedroom)	29	\$10,000	6	\$10,300	\$60,534	6	\$10,609	\$62,350	6	\$10,927	\$64,220	6	\$11,255	\$66,147	6	\$11,593	\$68,131
Family Units (2+ Bedroom)	30	\$15,000	6	\$15,450	\$92,321	6	\$15,914	\$95,090	6	\$16,391	\$97,943	6	\$16,883	\$100,881	6	\$17,389	\$103,908
New Construction	20		4		\$50,951	4		\$52,480	4		\$54,054	4		\$55,676	4		\$57,346
Individual Units (One Bedroom)	10	\$10,000	2	\$10,300	\$20,178	2	\$10,609	\$20,783	2	\$10,927	\$21,407	2	\$11,255	\$22,049	2	\$11,593	\$22,710
<i>Apartments</i>																	
Family Units (2+ Bedroom)	10	\$15,000	2	\$15,450	\$30,774	2	\$15,914	\$31,697	2	\$16,391	\$32,648	2	\$16,883	\$33,627	2	\$17,389	\$34,636
<i>Townhomes</i>																	
<i>Single Family</i>																	
TOTAL Units	132		26		\$339,676	26		\$349,866	26		\$360,362	26		\$371,173	26		\$382,308
Cumulative Total					\$339,676			\$689,543			\$1,049,905			\$1,421,078			\$1,803,387

Total Costs

Taking into account all of the preceding information, it is estimated that it would cost about \$16.3 million to develop, and operate for five years, 132 additional units of permanent supportive housing in Southeastern Minnesota.

The Southeastern Minnesota Region’s share of the Minnesota’s homeless is 3%. Thus, the total development and operating cost estimate seems reasonable since it would account for about 3.03% of the \$540 million dollar budget proposed by the State Business Plan (p.7).

Table 9: First Year Total Development and Operating Costs

Housing Models	# of Units	Year 1					Year 2				
		# of New Units	Year's TDC	Year's Total Rental Assistance	Year's Total Service Cost	Year's Total Cost	# of New Units	Year's TDC	Year's Total Rental Assistance	Year's Total Service Cost	Year's Total Cost
Rental Assistance in Private Units	53	11	\$0	\$50,463	\$135,870	\$186,334	11	\$0	\$105,973	\$279,893	\$385,866
Individual Units (One Bedroom)	26	5	\$0	\$16,485	\$53,808	\$70,293	5	\$0	\$34,619	\$110,844	\$145,463
Family Units (2+ Bedroom)	27	5	\$0	\$33,978	\$82,063	\$116,041	5	\$0	\$71,353	\$169,049	\$240,403
Rehabilitation	59	12	\$934,934	\$56,771	\$152,854	\$1,144,559	12	\$981,680	\$119,219	\$314,880	\$1,415,779
Individual Units (One Bedroom)	29	6	\$370,255	\$18,546	\$60,534	\$449,334	6	\$388,767	\$38,947	\$124,699	\$552,413
Family Units (2+ Bedroom)	30	6	\$564,679	\$38,225	\$92,321	\$695,225	6	\$592,913	\$80,273	\$190,180	\$863,366
New Construction	20	4	\$633,746	\$18,924	\$50,951	\$703,621	4	\$665,434	\$39,740	\$104,960	\$810,133
Individual Units (One Bedroom)	10	2	\$246,836	\$6,182	\$20,178	\$273,196	2	\$259,178	\$12,982	\$41,566	\$313,727
<i>Apartments</i>											
Family Units (2+ Bedroom)	10	2	\$386,910	\$12,742	\$30,774	\$430,425	2	\$406,255	\$26,758	\$63,393	\$496,406
<i>Townhomes</i>											
<i>Single Family</i>											
TOTAL Units	132	26	\$1,568,680	\$126,158	\$339,676	\$2,034,514	26	\$1,647,114	\$264,932	\$699,733	\$2,611,778
						\$2,034,514					\$4,646,292

Table 9 cont'd: First Year Total Development and Operating Costs

Housing Models	Year 3					Year 4				
	# of New Units	Year's TDC	Year's Total Rental	Year's Total Service	Year's Total Cost	# of New Units	Year's TDC	Year's Total Rental	Year's Total Service	Year's Total Cost
Rental Assistance in Private Units	11	\$0	\$166,907	\$432,435	\$599,342	11	\$0	\$233,670	\$593,877	\$827,547
Individual Units (One Bedroom)	5	\$0	\$54,525	\$171,254	\$225,779	5	\$0	\$76,336	\$235,189	\$311,524
Family Units (2+ Bedroom)	5	\$0	\$112,382	\$261,181	\$373,563	5	\$0	\$157,334	\$358,689	\$516,023
Rehabilitation	12	\$1,030,764	\$187,770	\$486,489	\$1,705,024	12	\$1,082,303	\$262,878	\$668,112	\$2,013,293
Individual Units (One Bedroom)	6	\$408,206	\$61,341	\$192,661	\$662,207	6	\$428,616	\$85,877	\$264,587	\$779,081
Family Units (2+ Bedroom)	6	\$622,559	\$126,429	\$293,829	\$1,042,817	6	\$653,687	\$177,001	\$403,525	\$1,234,212
New Construction	4	\$698,705	\$62,590	\$162,163	\$923,458	4	\$733,640	\$87,626	\$222,704	\$1,043,971
Individual Units (One Bedroom)	2	\$272,137	\$20,447	\$64,220	\$356,804	2	\$285,744	\$28,626	\$88,196	\$402,566
<i>Apartments</i>										
Family Units (2+ Bedroom)	2	\$426,568	\$42,143	\$97,943	\$566,654	2	\$447,896	\$59,000	\$134,508	\$641,405
<i>Townhomes</i>										
<i>Single Family</i>										
TOTAL Units	26	\$1,729,470	\$417,267	\$1,081,087	\$3,227,824	26	\$1,815,943	\$584,174	\$1,484,693	\$3,884,811
					\$7,874,117					\$11,758,927

Housing Models	Year 5				
	# of New Units	Year's TDC	Year's Total Rental	Year's Total Service	Year's Total Cost
Rental Assistance in Private Units	11	\$0	\$306,692	\$764,617	\$1,071,308
Individual Units (One Bedroom)	5	\$0	\$100,190	\$302,805	\$402,996
Family Units (2+ Bedroom)	5	\$0	\$206,501	\$461,812	\$668,313
Rehabilitation	12	\$1,136,418	\$345,028	\$860,194	\$2,341,640
Individual Units (One Bedroom)	6	\$450,047	\$112,714	\$340,656	\$903,417
Family Units (2+ Bedroom)	6	\$686,371	\$232,314	\$519,538	\$1,438,223
New Construction	4	\$770,322	\$115,009	\$286,731	\$1,172,063
Individual Units (One Bedroom)	2	\$300,031	\$37,571	\$113,552	\$451,155
<i>Apartments</i>					
Family Units (2+ Bedroom)	2	\$470,291	\$77,438	\$173,179	\$720,909
<i>Townhomes</i>					
<i>Single Family</i>					
TOTAL Units	26	\$1,906,740	\$766,729	\$1,911,542	\$4,585,011
					\$16,343,939

FUNDING

Funding is always the biggest challenge to any development project – it is no different here. The State Business Plan has proposed a budget of \$540 million dollars to develop 4,000 permanent supportive housing in Minnesota, of which: \$360 million is for construction, acquisition/ rehabilitation or rental assistance; and \$180 million is for support services.

The State Business Plan proposed that \$90 million would come from State General Obligation Bonds, \$90 million from MHFA appropriated programs, \$60 million from tax credit equity, \$120 million from DHS and \$180 million from other sources like the federal government, local government, philanthropies/non-profits, and other state sources. Unfortunately, the State of Minnesota is behind schedule in making these funds available.

Leveraging is a focal point of the State Business Plan. The dollars put in by the State is expected to maximize dollars from outside sources such as those stated above.

The State Business Plan also makes it clear that the State will phase-in the funding and after completion of the units, by 2010, the ongoing costs for rental assistance and supportive services will be passed on to other parties. In other words, the State Business Plan calls for a “mainstreaming” of the funding sources for rental assistance and supportive services. For example, on-going rental assistance would come from the Housing Choice Voucher or Shelter Plus Care programs. Similarly, on-going supportive service funding would come from traditional sources like MFIP, GA, MA, etc. It seems the hope is that over time and as more homeless households get better “plugged” into these sources, less upfront appropriations for supportive services will be needed.

In light of this information and the cost estimates developed in this plan , a crucial next step for the Southeastern Minnesota Region is identifying current and future sources of funding to achieve the recommendations in this plan.

Southeastern Minnesota Regional Plan to End Long-term Homelessness

MOTEL VOUCHER				2005 CoC Inventory				MN OEO: Point-in-Time (1/27/05)				
				Family Units	Family Beds	Individual Beds	Total Beds	Homeless Individuals	Homeless Youth	Homeless Families w/ Children	Persons: Homeless Families w/ Children	Total Persons
Provider	Facility or Program	Population	County									
Brown County Family Services	Emergency Shelter	General	Brown	-	-	-	-	0	0	0	0	0
Semcac	Dodge County Emergency Shelter	General	Dodge	-	-	-	-	0	0	0	0	0
Semcac	Fillmore County Emergency Shelter	General	Fillmore	-	-	-	-	0	0	0	0	0
Three Rivers Community Action	Goodhue County Emergency Shelter	General	Goodhue	-	-	-	-	0	0	0	0	0
Semcac	Houston County Emergency Shelter	General	Houston	-	-	-	-	0	0	0	0	0
Semcac	Mower County Emergency Shelter	General	Mower	-	-	-	-	0	0	0	0	0
Three Rivers Community Action	Rice County Emergency Shelter	General	Rice	-	-	-	-	0	0	0	0	0
Semcac	Steele County Emergency Shelter	General	Steele	-	-	-	-	0	0	1	3	3
Three Rivers Community Action	Wabasha County Emergency Shelter	General	Wabasha	-	-	-	-	0	0	0	0	0
Semcac	Winona County Emergency Shelter	General	Winona	-	-	-	-	0	0	0	0	0
Catholic Charities	LeSueur County Emergency Shelter	General	LeSueur	-	-	-	-	0	0	0	0	0
Catholic Charities	Rice County Emergency Shelter	General	Rice	-	-	-	-	0	0	0	0	0
Salvation Army	Albert Lea Emergency Shelter	General	Freeborn	-	-	-	-	0	0	0	0	0
Salvation Army	Mankato Emergency Shelter	General	Blue Earth	-	-	-	-	17	0	0	0	17
Wabasha County Social Services	Wabasha County Emergency Shelter	General	Wabasha	-	-	-	-	0	0	0	0	0
Nicollet County Social Services	Nicollet County Emergency Shelter	General	Nicollet	-	-	-	-	0	0	0	0	0
Olmsted Community Action Program	Olmsted County Emergency Shelter	General	Olmsted	-	-	-	-	0	0	0	0	0
Salvation Army	Rochester Emergency Shelter	General	Olmsted	-	-	-	-	2	0	0	0	2
Dodge County Human Services	Steele County Emergency Shelter	General	Steele	-	-	-	-	0	0	0	0	0
Steele County Human Services	Dodge County Emergency Shelter	General	Dodge	-	-	-	-	3	0	0	0	3
Fillmore County Social Services	Fillmore County Emergency Shelter	General	Fillmore	-	-	-	-	0	0	0	0	0
Freeborn County Human Services	Freeborn County Emergency Shelter	General	Freeborn	-	-	-	-	0	0	0	0	0
Goodhue County Social Service Center	Goodhue County Emergency Shelter	General	Goodhue	-	-	-	-	0	0	0	0	0
Houston County Human Services	Houston County Emergency Shelter	General	Houston	-	-	-	-	0	0	0	0	0
LeSueur Department of Human Services	LeSueur County Emergency Shelter	General	LeSueur	-	-	-	-	0	0	0	0	0
Human Services of Faribault & Martin Counties	Faribault & Martin Counties Emergency	General	Faribault/Martin	-	-	-	-	0	0	0	0	0
Mower County Human Services	Mower County Emergency Shelter	General	Mower	-	-	-	-	0	0	0	0	0
Rice County Social Services	Rice County Emergency Shelter	General	Rice	-	-	-	-	0	0	0	0	0
Sibley County Human Services	Sibley County Emergency Shelter	General	Sibley	-	-	-	-	0	0	0	0	0
Semcac	Freeborn County Emergency Shelter	General	Freeborn	-	-	-	-	0	0	0	0	0
Blue Earth County Human Services	Blue Earth County Emergency Shelter	General	Blue Earth	-	-	-	-	0	0	0	0	0
Salvation Army	Fairmont Emergency Shelter	General	Martin	-	-	-	-	0	0	0	0	0
Salvation Army	Austin	General	Mower	-	-	-	-	0	0	0	0	0
Waseca County Human Services	Waseca County Emergency Shelter	General	Waseca	-	-	-	-	0	0	0	0	0
Winona County Human Services	Winona County Emergency Shelter	General	Winona	-	-	-	-	0	0	0	0	0
MET		General		-	-	-	-	0	0	3	7	7
Northfield CAC	Northfield Emergency Shelter	General	Rice	-	-	-	-	0	0	0	0	0
Catholic Charities	Goodhue County Emergency Shelter	General	Goodhue	-	-	-	-	0	0	2	5	5
Watsonwan County Human Services Center	Watsonwan County Emergency Shelter	General	Watsonwan	-	-	-	-	0	0	0	0	0
TOTAL MOTEL VOUCHER								22	0	6	15	37

Southeastern Minnesota Regional Plan to End Long-term Homelessness

EMERGENCY SHELTER				2005 CoC Inventory				MN OEO: Point-in-Time (1/27/05)				
				Family Units	Family Beds	Individual Beds	Total Beds	Homeless Individuals	Homeless Youth	Homeless Families w/ Children	Persons: Homeless Families w/ Children	Total Persons
Provider	Facility or Program	Population	County									
Houston County Women's Resources	Emergency Crisis Shelter	Battered Women	Houston	-	-	-	-	0	0	0	0	0
Freeborn County Crime Victim's Center	Emergency Crisis Shelter	Battered Women	Freeborn	-	-	-	-	0	0	0	0	0
Fillmore Family Resources	Same Home Emergency Housing	Battered Women	Fillmore	-	-	-	-	0	0	0	0	0
Committee Against Domestic Abuse	CADA House	Battered Women	Blue Earth	1	21	3	24	3	0	2	7	10
Dorothy Day House	Dorothy Day House	General	Olmsted	0	0	23	23	19	0	0	0	19
Interfaith Hospitality Network of Greater Rochester	Network of Churches	General	Olmsted	1	14	0	14	0	0	2	6	6
Lutheran Social Services	Crossroads of Owatonna	Youth	Steele	0	0	4	4	0	3	0	0	3
Northfield Community Action Center	Northfield Community Action Center Shelter	General	Rice	1	6	0	6	1	0	0	0	1
Partners for Affordable Housing	Welcome Inn	General	Blue Earth	1	15	0	15	3	0	3	9	12
Mankato Salvation Army	Seasonal Shelter (11/1 - 3/31)	General	Blue Earth	0	0	24	24	18	0	0	0	18
Red Wing Area Coalition for Transitional Housing	Battered Women's Center	Battered Women	Goodhue	1	24	0	24	3	0	0	0	3
Semcac	Freeborn County Shelter	General	Freeborn	3	9	0	9	0	0	2	8	8
VonWald Shelter	Youth Overnight Program	Youth		-	-	-	-	0	9	0	0	9
Women's Resource Center of Steele County	Emergency Crisis Shelter	Battered Women	Steele	-	-	-	-	0	0	0	0	0
Women's Shelter (Includes International & Transitional)	Women's Shelter	Battered Women	Olmsted	2	45	12	57	8	0	6	20	28
Crime Victim's Resource Center	Victim's Crisis Center	Battered Women	Mower	2	6	0	6	0	0	0	0	0
Church of St.Peter & St. Paul	Theresa House	General	Blue Earth	0	0	1	1	2	0	5	15	17
TOTAL EMERGENCY SHELTER				10	134	66	200	57	12	20	65	134

Southeastern Minnesota Regional Plan to End Long-term Homelessness

TRANSITIONAL HOUSING				2005 CoC Inventory				MN OEO: Point-in-Time (1/27/05)				
Provider	Facility or Program	Population	County	Family Units	Family Beds	Individual Beds	Total Beds	Homeless Individuals	Homeless Youth	Homeless Families w/ Children	Persons: Homeless Families w/ Children	Total Persons
Winona Catholic Worker	Dan Corcoran House	General	Winona	1	9	2	11	3	0	2	7	10
Winona Catholic Worker	Bethany House	General	Winona	0	0	5	5	7	0	0	0	7
Crime Victim's Resource Center	Transitional Housing	General	Mower	2	6	0	6	0	0	0	0	0
Houston County Women's Resources	June Kjome Place	General	Houston	8	32	0	33	2	0	20	54	56
Lutheran Social Services	Steppin' Out		Steele	0	0	4	4	-	-	-	-	-
Partners for Affordable Housing	Welcome Home	General	Blue Earth	7	34	4	38	2	0	6	30	32
Red Wing Area Coalition for Transitional Housing	Transitional Housing	General	Goodhue	3	15	0	15	1	0	2	7	8
Rochester Family Y	LINK Program	General	Olmsted	5	13	6	19	3	1	7	17	21
Rochester Salvation Army	Transitional Living & Counseling	General	Olmsted	11	45	0	45	0	0	9	30	30
Steele County Transitional Housing	Progress Program		Steele	11	48	0	48	1	0	8	30	31
Three Rivers Community Action	Transitional Housing -Total	General		8	33	1	34	-	-	-	-	-
Three Rivers Community Action	Transitional Housing - Rice County	General	Rice	-	-	-	-	0	0	4	13	13
Three Rivers Community Action	Chamomile Transitional Housing		Rice	-	-	-	-	-	-	-	-	-
Three Rivers Community Action	Chamomile Transitional Housing		Rice	-	-	-	-	-	-	-	-	-
Three Rivers Community Action	Transitional Housing - Goodhue County	General	Goodhue	-	-	-	-	1	0	3	12	13
Three Rivers Community Action	Chamomile Transitional Housing		Goodhue	-	-	-	-	-	-	-	-	-
Three Rivers Community Action	Chamomile Transitional Housing		Goodhue	-	-	-	-	-	-	-	-	-
Ruth's House of Hope	Ruth's House of Hope		Rice					1	0	8	26	27
TOTAL TRANSITIONAL HOUSING				55	226	15	242	21	1	69	226	248

TOTAL HOMELESS COUNT	100	13	95	306	419
TOTAL UNSHELTERED					39
TOTAL HOMELESS					458

Southeastern Minnesota Regional Plan to End Long-term Homelessness

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
1. Homeless Individuals	91	22	25	138
2. Homeless Families with Children	26	69	3	98
2a. Persons in Homeless Families with Children	80	226	14	320
Total (lines 1 + 2a)	171	248	39	458

Part 2: Homeless Subpopulations	Sheltered	Unsheltered	Total
1. Chronically Homeless	40	3	43
2. Severely Mentally Ill	44		
3. Chronic Substance Abuse	34		
4. Veterans	8		
5. Persons with HIV/AIDS	4		
6. Victims of Domestic Violence	76		
7. Youth (Under 18 years of age)	13		

Southeastern Minnesota Regional Plan to End Long-term Homelessness

PERMANENT SUPPORTIVE HOUSING				2005 CoC Inventory			
Provider	Facility or Program	County	City	Family Units	Family Beds	Individual Beds	Total Beds
Blue Earth County	Journey Home	Blue Earth	Mankato	14	56	0	56
Blue Earth County	STEP Program	Blue Earth	Mankato	0	0	16	16
Partners for Affordable Housing	Liberty Homes and Apartments	Blue Earth	Mankato	9	22	4	26
Partners for Affordable Housing	Rivertown Homes	Blue Earth	Mankato	8	36	0	36
Olmsted County Community Services	Housing Options Programs	Olmsted	Rochester	3	7	9	16
Olmsted County Community Services	Right to Recovery Program	Olmsted	Rochester	1	3	5	8
Rice County HRA	Maple Hills Supportive Housing	Rice	Northfield	3	14	3	17
TOTAL EXISTING PERMANENT SUPPORTIVE HOUSING				38	138	37	175

PERMANENT SUPPORTIVE HOUSING UNDER DEVELOPMENT (or PLANNED AND FUNDED)				2005 CoC Inventory			
Provider	Facility or Program	County	City	Family Units	Family Beds	Individual Beds	Total Beds
Mankato Salvation Army	General's Quarters	Blue Earth	Mankato	0	0	10	10
Minnesota Assistance Council for Veterans	Paul and Dorothy Townhomes	Blue Earth	Mankato	0	0	12	12
Olmsted County HRA	Candlerose	Olmsted	Rochester	0	0	15	15
Blue Earth County EDA	Hearth Connection	Blue Earth	Mankato	-	-	-	-
TOTAL PERMANENT SUPPORTIVE HOUSING IN PIPELINE				0	0	37	37

Southeastern Minnesota Regional Plan to End Long-term Homelessness

Place	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	0 & 1 Bedroom Average	2, 3 & 4 Bedroom Average
Blue Earth County	\$402	\$503	\$581	\$836	\$1,022	\$453	\$813
Brown County	\$364	\$414	\$497	\$595	\$612	\$389	\$568
Dodge County	\$348	\$381	\$500	\$605	\$714	\$365	\$606
Faribault County	\$311	\$340	\$425	\$542	\$565	\$326	\$511
Fillmore County	\$339	\$408	\$509	\$664	\$833	\$374	\$669
Freeborn County	\$314	\$368	\$484	\$577	\$761	\$341	\$607
Goodhue County	\$394	\$463	\$607	\$773	\$836	\$429	\$739
Houston County	\$351	\$411	\$541	\$718	\$882	\$381	\$714
Le Sueur County	\$437	\$451	\$543	\$756	\$780	\$444	\$693
Martin County	\$339	\$340	\$409	\$594	\$612	\$340	\$538
Mower County	\$316	\$370	\$472	\$586	\$604	\$343	\$554
Nicollet County	\$456	\$468	\$550	\$71	\$744	\$462	\$455
Olmsted County	\$518	\$567	\$745	\$993	\$1,023	\$543	\$920
Rice County	\$479	\$500	\$658	\$786	\$914	\$490	\$786
Sibley County	\$395	\$412	\$508	\$664	\$683	\$404	\$618
Steele County	\$382	\$464	\$586	\$737	\$961	\$423	\$761
Wabasha County	\$350	\$389	\$499	\$624	\$876	\$370	\$666
Waseca County	\$353	\$415	\$545	\$652	\$681	\$384	\$626
Watsonwan County	\$311	\$340	\$425	\$542	\$565	\$326	\$511
Winona County	\$359	\$424	\$553	\$764	\$970	\$392	\$762
SE MN AVERAGE (Monthly)	\$376	\$421	\$532	\$654	\$782	\$399	\$656
SE MN AVERAGE (Annual)	\$4,511	\$5,057	\$6,382	\$7,847	\$9,383	\$4,784	\$7,871