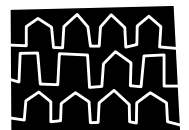


The Supportive Housing Continuum:

A Model For Housing Homeless Families



**FAMILY
HOUSING
FUND**



A Report Prepared for the

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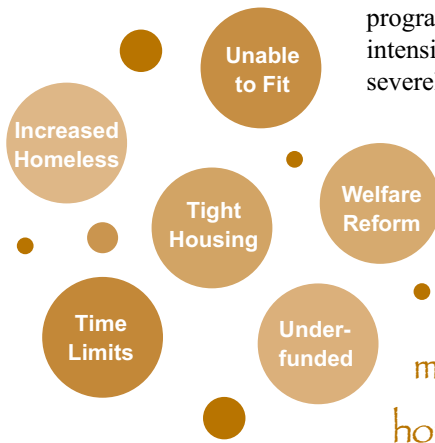
Table of Contents

1. Executive Summary	2
2. Introduction	5
3. The Problem: The Current Transitional Housing System Cannot Meet the Needs of Many Homeless Families	6
4. The Response: Create a Comprehensive System of Supportive Housing for Families	12
5. The Supportive Housing Continuum: Three Models of Supportive Housing	16
6. Cost Savings Associated with Supportive Housing	22
7. Implementing the Supportive Housing Continuum	24
8. Endnotes	26
9. Methods and Acknowledgements	27

1 Executive Summary

The Twin Cities is experiencing a growing problem of family homelessness. The primary response has been the development of *transitional housing* to provide a bridge for families between emergency shelters and permanent housing. Transitional housing programs provide families with a housing unit, usually for a period of six to twenty-four months, along with supportive services.

This report proposes the development of a more comprehensive system of *supportive housing* that combines affordable housing with services for homeless families. While transitional housing is one type of supportive housing, a comprehensive supportive housing system encompasses a wider range of programs, including housing with very intensive services to meet the needs of severely troubled families.



The problem:
The current transitional housing system cannot meet the needs of many homeless families.

Transitional housing is no longer sufficient to meet the needs of homeless families because:

- Family homelessness has increased dramatically in Minnesota.
- The current transitional housing system is under-funded.
- Many homeless families live in circumstances that render them unable to enter or complete transitional housing programs.

The lack of stable housing for these families significantly increases costly interventions in their lives by public agencies.

- The tight housing market makes it difficult for families to find affordable housing upon completion of the transitional housing program.
- Under welfare reform, families need more intensive employment services than are currently found in most transitional housing.
- The 24-month time limit on transitional housing assistance is artificial and may force families out of transitional housing programs before they are ready.

The response: Create a comprehensive system of supportive housing for families.

To provide housing for homeless families, the Twin Cities should create a comprehensive system of supportive housing, combining affordable housing and services, based on the following principles:

- Supportive housing provides affordable housing as the environment in which families receive services.
- Supportive housing providers have the flexibility to determine the families' length of stay in the programs.
- Supportive housing assists families in making the transition to independent living.

- The supportive housing system includes housing for families who have difficulty complying with the requirements of current transitional housing programs.
- Supportive housing builds the capacity of parents to nurture and care for their children.
- Supportive housing encourages productive participation in community and society.
- Supportive housing includes an array of mental health, academic, social, recreational, and child care services to meet the needs of children.
- Supportive housing supports sobriety.

The Supportive Housing Continuum: Three Models of Supportive Housing

Funders and providers should create a continuum of supportive housing programs in response to the needs of three categories of families, including:

Supportive housing for chronically homeless families

Chronically homeless families survive in a continuous cycle of extreme poverty, homelessness and emergency shelter use, and vulnerability. The parent has significant educational deficits and no work experience, and may suffer from substance abuse, mental illness, or both. Children are at risk for poor outcomes developmentally, emotionally, physically, and academically.

To provide the multiple, intensive services and strong peer support that chronically homeless families need, housing should be designed as single-site, congregate developments. Services should assist families in addressing personal crises and achieving family stability, meeting welfare reform requirements, and obtaining services for children. Approximately 1,000 families in the Twin Cities metro area fit this profile.

Supportive housing for families with episodic homelessness

These families may have been homeless several times, but homelessness is caused primarily by economic problems rather than disabilities. Their primary need is to become fully employed to prevent further homelessness.

Housing models for episodically homeless families might include congregate housing or scattered-site units. Services such as child care, transportation, and work-place advocacy would help adults become employed at a living wage. Approximately 1,300 families in the metro area are episodically homeless.

Outreach supportive services for housed families at risk of homelessness

This category includes families who are at risk of homelessness, but whose future homelessness may be preventable through services from supportive housing providers. Many are formerly homeless and have completed transitional housing programs. Typically, these families are working but are unable to maintain housing and child care without financial support. Outreach staff would assist families in finding services such as rent subsidies, child care, transportation, workplace advocacy, job placement, counseling, and financial assistance. Approximately 1,000 families in the metro area fall within this category.



Capital Funding

Operating Subsidies

Service Funding

Cost Savings Associated with Supportive Housing

The housing and intensive services associated with supportive housing do create costs. However, if supportive housing is *not* put in place, the lack of stable housing and services for homeless families will cost public agencies far more in terms of foster care, medical care, and other emergency services for homeless families. This is particularly true for chronically homeless families, whose constant crises result in the use of an array of costly emergency services. An analysis of the costs of interventions on behalf of one chronically homeless family demonstrates that supportive housing can reduce public costs by 52 percent.

Implementing the Supportive Housing Continuum

An implementation group should be formed consisting of funders, policymakers, and housing providers to promote the development of the supportive housing system, link practices among housing and service funders, and build financial resources. Existing transitional housing programs should form the nucleus of the new supportive housing continuum. Policies will need to be implemented to lift externally imposed time limits on these programs and to provide additional capital, operating, and service funding.

The implementation group will need to employ a number of strategies to develop steady sources of funding for the supportive housing continuum, such as the following:

- **Capital Funding:**

Convene a technical committee of federal, state, local, and private funders to identify additional sources of stabilization assistance and development capital.

- **Operating Subsidies:**

Redirect a portion of Section 8 vouchers and certificates to provide rent subsidies for transitional and supportive housing developments.

- **Service Funding:**

Explore the use of TANF and MFIP dollars to create a steady funding stream for employment-related services in supportive housing.

Conclusion

The success of the comprehensive supportive housing system will require a major new financial commitment from the public and private sector. However, doing nothing will generate far higher costs with far fewer satisfactory results. Not only does the provision of supportive housing dramatically reduce the cost of public interventions in families' lives, but families in supportive housing experience greatly improved outcomes.

In addition, the success of the supportive housing system depends on the availability of affordable housing for those who no longer need supportive housing. Preventing the tragedy of family homelessness in the Twin Cities will depend on our community's ability to provide decent, safe, affordable housing, both supportive and not, to all families who need it.

2 Introduction

The 1980's marked the beginning of a new, deeply troubling phenomenon in the Twin Cities and nationwide: homelessness among families with children. The primary response to the growing problem of family homelessness has been the development of transitional housing to provide a bridge for families between emergency shelters and permanent housing. Transitional housing programs provide families with a housing unit, usually for a period of six to twenty-four months, along with supportive services to help the families become self-sufficient. In addition to providing a place to live, transitional housing helps families to increase their life management skills and resolve the crises that have led to their homelessness.

However, conditions have changed in the last decade, and the transitional housing system is no longer sufficient to meet the needs of many homeless families. The sheer number of homeless families has increased dramatically in the past few years, with homeless women and children representing the fastest growing segment of the homeless population.

Many of these families come to transitional housing with more serious, chronic problems than the programs can address. Also, the Twin Cities' newly tight rental housing market and the severe shortage of affordable housing units makes it difficult for families to find affordable housing once they have completed the transitional housing program. Finally, welfare reform has changed the very meaning of family "self-sufficiency" by requiring that all families become financially self-supporting through employment.

Transitional housing programs are expected to help families to achieve more at the very time when worsening conditions make it difficult to achieve even previous levels of success. Despite

the tremendous dedication of local transitional housing providers, most families who complete transitional housing programs remain economically vulnerable to homelessness.

This report proposes the development of a comprehensive system of *supportive housing* for homeless families. Like transitional housing, supportive housing combines affordable housing with supportive services. However, supportive housing does not necessarily impose time limits on families' stay, as does transitional housing. Moreover, a comprehensive supportive housing system encompasses a wider range of programs than does the transitional housing system, including housing with intensive services to meet the needs of severely troubled families within a supportive community environment.

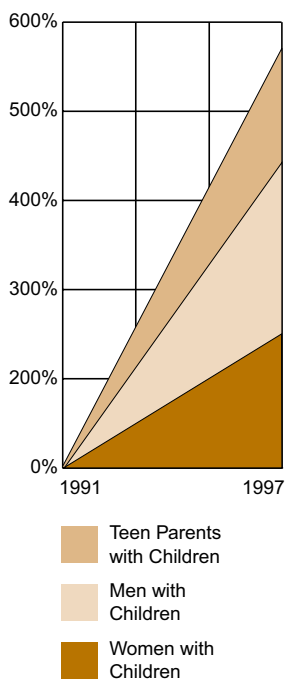
This report examines the conditions that limit the ability of the transitional housing system to fully respond to the problem of family homelessness in the Twin Cities. It then outlines a list of principles under which a comprehensive supportive housing system would operate and describes a continuum of types of supportive housing programs designed to meet the needs of different profiles of homeless families. Next, the report analyzes the costs of providing supportive housing versus the costs of providing emergency services to homeless families. Finally, the report lists strategies for funding the stabilization of current programs and the addition of housing units.

Throughout the report, we have included the stories of three homeless families, headed by "Lynn," "Bonnie," and "Kathy and John," which show how supportive housing can bring new hope, opportunities, and stability to homeless families.

3 The Problem: The Current Transitional Housing System Cannot Meet the Needs of Many Homeless Families

ON ANY GIVEN NIGHT IN MINNESOTA, THERE ARE 16,000 HOMELESS PEOPLE—DOUBLE THE STATE'S HOMELESS POPULATION IN 1991.

There has been a dramatic increase in family homelessness from 1991-1997



Changing conditions have made it more difficult for transitional housing programs to provide the full support needed by homeless families. It is true that transitional housing has helped many families, particularly those with less severe needs, to re-establish stability and opportunity in their lives. The supportive services associated with transitional housing have helped these residents to maintain sobriety, reunify their families, feel a sense of community and safety, and benefit from services available in the wider community.

However, the transitional housing system as it is currently configured cannot meet the needs of many other homeless families in the Twin Cities, for the following reasons:

Family homelessness has increased dramatically in Minnesota.

According to the *Minnesota Statewide Survey of Persons Without Permanent Shelter – Volume 1: Adults and their Children*, conducted by the Wilder Research Center in 1997, on any given night in Minnesota, there are 16,000 homeless persons, including single childless adults, and parents with children. This represents a doubling of the state's homeless population since 1991. In particular, the number of homeless families has steadily increased since 1991; between 1991 and 1997, the number of homeless men with children increased 440%, the number of homeless women with children increased 240%, and the number of teen parents with children increased more than 570%. Women and children now make up the fastest growing segment of the

homeless population. As a result, there simply is not enough capacity in the transitional housing system to serve all families who need it. A survey by the State of Minnesota found that in one night, 234 families were turned away from transitional housing programs because of the shortage of capacity.

The current transitional housing system is under-funded.

In order to function effectively, transitional housing programs need adequate funding in three areas: capital funds to develop the housing, operating funds to support ongoing building management and maintenance costs, and service funds to provide supportive services to residents. Transitional housing programs in the Twin Cities are struggling to meet these costs.

Because no single entity is solely responsible for providing funds for transitional housing, providers of transitional housing must negotiate an extremely complex system to gain access to funding. The federal Department of Housing and Urban Development (HUD) provides the largest source of funding under the McKinney Homeless Assistance Act, but this accounts for just 25 percent of funding for transitional housing in Minnesota. Programs receiving these funds must match them with state, local, and private dollars.¹

Despite multiple sources, funding for transitional housing is inadequate to meet the needs of existing developments. This shortage exists for all three types of funding:

Capital

While it is often easier to raise capital funding than funds for ongoing operations and service costs, initial capital needs are often not fully funded. As housing developments age, these capital needs are becoming more urgent. Of 17 local housing providers surveyed, 65 percent said that capital funding for their projects is inadequate, and five providers are implementing capital campaigns to raise nearly \$3,000,000.

Operations

Nearly 70 percent of programs surveyed need additional funding to support building management and maintenance expenses. Tenant rents, the typical source of operating dollars for rental housing, do not generate sufficient cash flow, resulting in deficits. Foundations are often unwilling to provide the funding for reserves and operating deficits, and public funding is also difficult to obtain for existing programs in competition with expanded or new projects.

Services

Virtually all programs need additional funding to provide supportive services. There is no single dedicated source of public funding for services in transitional housing, and competition is fierce for foundation grants. Moreover, once a program is no longer considered a “start-up,” it faces increased competition with new programs when seeking support from foundations. Local providers identified more than \$5,200,000 in combined operating and service funding needed to maintain basic programs and facilities. As a result of these funding shortages, transitional housing programs often find themselves in the midst of financial crises, choosing between deferring property maintenance and reducing services for families.

Many homeless families live in circumstances that render them unable to enter or complete transitional housing programs. The lack of stable housing for these families significantly increases costly interventions in their lives by public agencies.

Combined with the overall growth in family homelessness, the inability of families to meet entrance criteria for transitional housing has meant that transitional housing programs can serve only a narrow segment of the population of homeless families. The transitional housing system was designed to respond to temporary crises that lead to homelessness, but many homeless families have more chronic, deeply entrenched problems. A report by the Minnesota Department of Children, Families and Learning indicates that 60 percent of requests for transitional housing are denied, either because applicants do not fit the program guidelines or because space is not available.

Chemical dependency is the most common chronic condition that prevents families from entering transitional housing. Most transitional housing programs require that new entrants have been sober for a minimum period of time, often 30 to 180 days. However, reduction in the availability of chemical dependency care has significantly limited access to services, and treatment programs are often of much shorter duration than previously available 30-day inpatient and 120-day outpatient programs.

**CHEMICAL
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OF CAPACITY.**

Lynn's Story Part I: A Chronically Homeless Family

Lynn, 26, is a mother of three: Danny, age 11; Kevin, age 9; and Cassy, age 3. As the oldest of six children born in south Minneapolis to an alcoholic, single-parent mother, hers is a story of lifelong struggle. Lynn has experienced domestic abuse, sexual assault, and chemical abuse – including crack addiction.

As a child, Lynn shuffled in and out of foster care and St. Joseph's Home for Children. When she dropped out of high school at age 14, she read at the second grade level. Several times during her teens and twenties, Lynn received treatment for chemical dependency, but she could not maintain her recovery.

During her first two pregnancies, Lynn returned to her foster mother for assistance. Danny tested positive for drugs at birth and later showed evidence of developmental delays and behavior disorders. Kevin was born drug-free, but later developed severe asthma. Because Lynn was unable to do so, the foster mother raised Danny and Kevin until her own health deteriorated from diabetes and congestive heart failure.

At one point, Lynn was sentenced to jail for drug possession, prostitution, and assault. There, she received chemical dependency treatment and health care for Hepatitis C and the emphysema that had resulted from her crack habit. She was released to a halfway house that continued to support her sobriety. An employment assessment revealed that Lynn had a learning disability.

Shortly after leaving the halfway house program, Lynn became pregnant and returned to her foster mother. Lynn's youngest child, Cassy, was born three months premature and significantly underweight, requiring 28 days in neo-natal intensive care and a number of medical interventions. Lynn continued to live with her foster mother after Cassy was discharged from the hospital. With support from the foster mother and a visiting home nurse, Lynn maintained nearly 19 months of sobriety and cared for her new baby. Under pressure from Child Protective Services, Lynn re-assumed parental responsibilities for Kevin and Danny while continuing to live with her foster mother.

At the same time, Lynn's welfare benefits were converted from AFDC to the new state MFIP program, which required Lynn to work or pursue a job for at least 30 hours per week. While Lynn looked for a job, the foster mother cared for the children, but her health quickly deteriorated to the point that she moved to a nursing home. Without this support, Lynn could not manage the children and the work requirements.

Within a month, her benefits were cut by 10 percent as a sanction for non-compliance; the following month, her check was reduced by 30 percent. The necessary papers for her rent payment went unexecuted because of the foster mother's health condition. Without the foster mother to assist the family, Child Protective Services placed the children in St. Joseph's Home. Under the stress of losing her children and possibly her home, Lynn relapsed and began to use crack again.

Thus, many families are unable to demonstrate the length of sobriety necessary to enter transitional housing. Transitional housing providers also turn away some applicants because the families cannot commit to the program expectations or refuse to submit to program rules.² Many families enter but cannot complete transitional housing programs for similar reasons: they cannot maintain sobriety, they do not pay their rent or otherwise violate their lease agreements, or they cannot comply with program regulations.

Significant public funds are expended on chronically homeless families who cannot meet the requirements of traditional transitional housing programs. The lack of stable housing makes it even more difficult for these families to overcome problems such as chemical dependency, often resulting in expensive public interventions such as foster care and emergency health care. The cost analysis in Section 6, demonstrates that the average annual cost of public interventions in one chronically homeless family’s life could be cut by 52 percent if the family were provided housing with intensive supportive services.

The tight housing market makes it difficult for families to find affordable housing upon completion of the transitional housing program.

The Twin Cities currently faces a severe shortage of affordable housing units for low-income families. Rents are rising rapidly and the vacancy rate for rental housing has fallen to just 1.5 percent, creating extreme pressure on the subsidized housing stock needed by

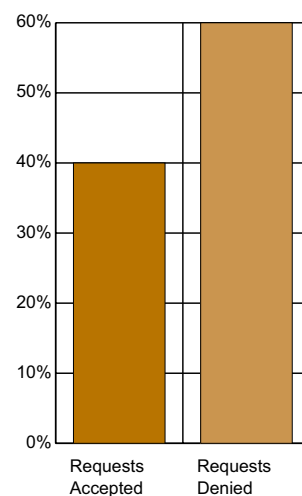
low-income families. There is a particular shortage of large units that can accommodate families. Thus, many families who are now completing transitional housing programs remain vulnerable to homelessness.³ This is particularly true for families entering transitional housing programs who have poor rental histories.

The transitional housing model assumes that families will find long-term housing upon completion of the program. In previous years, most of those leaving transitional housing did find some type of permanent housing,⁴ although a disproportionate percentage moved to subsidized housing because they could not afford market-rate options. Those families who did move into market-rate housing often paid more than 30 percent of their income toward rent and were at risk of losing their housing.⁵ With the tight housing market and shortage of subsidized units, families are at even greater risk of homelessness now.

Under welfare reform, families need more intensive employment services than are currently found in most transitional housing.

Even before welfare reform, many transitional housing programs provided employment services to residents. Adult residents were encouraged to develop educational and job training credentials, and they received support as they pursued volunteer and paid work-place experience. These services led to greater employment rates and decreased usage of public assistance.⁶

Requests for transitional housing are denied more often than accepted, either because applicants do not fit the program guidelines or because space is not available.



Bonnie's Story Part I: An Episodically Homeless Family

Bonnie is a 35-year-old mother of four: Jasmine, age 16; John, age 14; Ann, age 13; and Joseph, age 11. Bonnie was raised on a farm outside of Moose Lake, Minnesota. After high school, she moved to Saint Paul and found work in a factory. There, she met her husband Ray; they got married when Bonnie became pregnant.

The marriage was stormy, with Ray coming in and out of the marriage as he needed money or a place to stay. Ray was verbally and occasionally physically abusive to Bonnie. After John was born, Bonnie went on welfare because she could not afford to work with two in child care.

After Joseph was born, Bonnie volunteered to participate in a workforce training alternative to AFDC, called the PATHS program. Bonnie was tested and found to have an aptitude for electronics. She was accepted into a one-year certificate program at Brown Institute which would certify her to work on copiers and fax machines.

That year, Bonnie battled homelessness twice. The first time, the family was evicted because one of the children vandalized the front entry of the apartment building. The second time, Ray broke into their small garage apartment and Bonnie and Ray were cited for disorderly conduct. In

between evictions, the family lost all of their possessions. Eventually, Bonnie found a \$650 per month, three-bedroom apartment through her classroom instructor. With Bonnie earning \$507 bi-weekly, money remained tight.

Despite her homelessness, Bonnie managed to keep up with her class work at Brown Institute. After earning her certificate, Bonnie found a job fixing copiers. The job required a car, which she obtained through a special loan program for PATHS participants. Bonnie was earning \$9 an hour and was expected to increase her office calls by 50 percent in order to keep her job.

One day, in an effort to get to the next job quickly, Bonnie ran a stop light and caused an accident. Bonnie's insurance company canceled her coverage. The other driver sued Bonnie and obtained a judgment requiring a garnishee of her wages. Soon after, Bonnie was fired for lost time on the job and not reaching her repair quota.

Unemployed, Bonnie could not pay her rent. As she fell farther and farther behind, her landlord advised her to go back on welfare and qualify for emergency assistance so she could continue to stay. Bonnie contacted the county and learned that if she went back on welfare, she would not receive enough to cover the rent payments. She was facing homelessness once again.

Because the new federal welfare law and the State MFIP program add strict employment requirements and time limits for those receiving welfare benefits, adult residents of transitional housing programs need employment services that are far more extensive than those currently available. These services include training for jobs paying living wages, child care, and transportation. At present, most transitional housing participants who do find employment still are unable to meet their costs in the Twin Cities' expensive housing and child care market. Without deeper support, parents will not be able to reach the level of employment necessary to comply with welfare regulations and support their families once they meet their time limit for benefits.

The 24-month time limit on transitional housing assistance is artificial and may force families out of transitional housing programs before they are ready.

Currently, federal funding programs place a 24-month time limit on residency in transitional housing. However, for the reasons mentioned above—the inability of families to enter or to complete transitional housing programs because of personal circumstances, the shortage of affordable housing for transitional housing graduates, and the inability of adults to find employment that will support a family under current welfare reform law—many homeless families do not manage a successful transition to stable, affordable housing after a short time in transitional housing.

Placing an arbitrary time limit on a family's stay in transitional housing undermines the very goal of providing this housing—family stabilization—by forcing families to leave the housing before they may be ready. Everyone feels the impact of this forced move. The parent must go through the rigorous process of finding affordable replacement housing, packing up the household, resettling, re-establishing the children in school and in social networks, and navigating a new set of relationships and support. Children who have experienced crisis, separation, loss, inconsistency, and trauma must adapt to more change, uncertainty, and new people in their lives. The transitional housing community loses access to members who have succeeded in accomplishing significant progress and stability and could serve as peer mentors. Program administrators lose the stability, support, and talent of participants who have made the journey to personal success.

In a sense, the distinction between “transitional” and “permanent” housing is an arbitrary one. In any type of community, there is a natural flow of new members coming in and others leaving. Families change housing as the conditions in their lives change. All housing is temporary; no housing is truly permanent.

**FAMILIES CHANGE
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4

The Response: Create a Comprehensive System of Supportive Housing for Families

In order to address the shortcomings of the transitional housing system, the Twin Cities should create a comprehensive system of supportive housing to serve homeless families. Such a system would build on the strengths of current transitional housing programs while responding to the conditions that are aggravating the problem of family homelessness. The supportive housing system would be based on the following principles:

Supportive housing provides affordable housing as the environment in which families receive services.

The primary purpose of supportive housing is to help families become stable. Individuals and families need stable, affordable housing in order to address personal challenges such as chemical dependency and lack of employment skills. The housing itself provides the environment in which families can receive services and achieve stability.

Supportive housing providers have the flexibility to determine the length of stay in the programs.

The major distinction between the current transitional housing system and a more comprehensive supportive housing system is the removal of the imposition of the 24-month time limit on services. Tenants, guided by

supportive housing providers, can best determine the appropriate length of stay in supportive housing. Longer-term supportive housing programs will ensure that families have time to complete their goals within a community of their peers, that they will have the continuity in their lives that was lacking when they were homeless, and that successful program participants will be available to provide support for new entrants.

Supportive housing assists families in making the transition to independent living.

To help residents succeed in living independently, and when necessary meet welfare reform requirements, supportive housing programs should provide comprehensive employment services for adult residents through on-site programs or services based elsewhere in the community. These might include adult education and job skill development, job search skills, placement, workplace support, and sheltered work experiences, as well as auxiliary services such as transportation and child care. Supportive housing should also help residents who are already employed to find and maintain employment that pays adequate wages to ensure economic self-sufficiency.

Kathy and John's Story Part I : A Family at Risk of Homelessness

Kathy and John have six children, ages 4 through 12. John works for the city as a groundskeeper assistant. Kathy works three-quarters time at night for a building maintenance company. Their combined take home pay is \$25,180 annually, or \$1,050 bi-weekly.

For years, Kathy and John lived in a small two-bedroom house in the Central neighborhood. They dreamed of buying the house from the elderly lady who owned it. They were saving \$50 a month toward their down payment.

In February, Dawn, their youngest child, was hospitalized with asthma. Dawn's doctor discovered that Dawn had severe lead poisoning—more than three times the allowable level. The hospital notified the public health department, which sent a public health worker to visit the home. The site visit found lead contamination throughout the house and grounds, and all six children were discovered to have high lead levels.

Both the public health worker and hospital personnel contacted the county's child protective services office with a complaint about possible neglect. A child protection worker notified Kathy and John that the

county was concerned about the health and safety of the children. Within 10 days, the city health department condemned the house. Initially the notice called for immediate eviction, but the city agreed to give the family 30 days to find housing.

Kathy and John had family in town, but nearly everyone in their family was already living in overcrowded housing. Their search for housing was exhaustive, but disappointing. They found that most rents were well above what they could afford, that many landlords would not rent to a family with so many children, and that many homes were in worse condition than their current house. They applied for subsidized housing, but went on a waiting list. Kathy and John resigned themselves to moving to a shelter at the end of the 30 days.

Investigating emergency shelters, Kathy and John were shocked to learn that they would have to deplete their meager savings before receiving assistance and that John and the two oldest boys would be separated from the rest of the family. In the pursuit of housing, Kathy missed two nights of work, and she was worried that she would lose her job.

A friend suggested they talk to the minister at the church across the street. The church ran a shelter that might help them.

The supportive housing system includes housing for families who have difficulty complying with the requirements of current transitional housing programs.

While supportive housing programs vary according to the intensity of services provided for residents, there is room in the supportive housing system for families who are currently screened out of most transitional housing programs. The programs that provide this housing should include the intensive services necessary to address the chronic conditions, such as chemical addiction, that compromise families' ability to succeed in less structured programs. Supportive housing can provide access to services and professional and peer support to help tenants change behaviors that have resulted in their homelessness, such as non-payment of rent, lease violations, and actions that put others at risk.

Supportive housing builds the capacity of parents to nurture and care for their children.

Supportive housing should provide services to help build parents' child care skills. For those families who have struggled with domestic abuse, these services could assist in ending family violence. By providing parenting training, advocacy, case management, and stable housing, supportive housing can help to reunify families, which may preclude premature termination of parental rights.⁷

Supportive housing encourages productive participation in community and society.

Families need a sense of security and belonging to support them in their pursuit of independence and stability. Supportive housing can provide families with a community that understands homelessness, addiction, and poverty, in which individuals are encouraged to contribute actively to the well-being of all members. Supportive housing provides this sense of community through formal activities such as support groups, resident councils, social events, and recreational opportunities, as well as through informal connections among residents.

By providing a model for involvement, the community within a supportive housing development can help residents to become involved in activities outside the community as well. In this way, supportive housing communities can become assets to the neighborhoods in which they are located by providing active, engaged neighborhood residents.

Supportive housing includes access to an array of mental health, academic, social, recreational, and child care services to meet the needs of children.

Homelessness can have a devastating effect on children's health and development. Supportive housing programs for families should include services that meet the needs of children as well as adults. For example, many children in supportive housing need therapeutic child care to help them catch up in their development.

Supportive housing should also be physically designed with the needs of children in mind. It should include areas for supervised play and sufficient common space for programming such as recreational and academic support services. Facilities should be designed so that they are environmentally healthy, provide sufficiently large units for families, and are durable enough to accommodate the impact of large numbers of children.

Supportive housing supports sobriety.

Residents of supportive housing as well as service providers have testified repeatedly to the importance of sober housing; that is, a drug- and alcohol-free community that supports residents' commitment to sobriety, removes the challenges and temptations of neighborhoods overrun by drugs, and provides a safe environment for children. Recognizing the incidence of relapse among those struggling to maintain their sobriety, there are a variety of ways in which supportive housing providers may respond to relapses among residents. Overall, however, supportive housing places a value on sobriety and puts forth an expectation that residents will not use drugs or alcohol.

5 The Supportive Housing Continuum: Three Models of Supportive Housing

PROFILE OF A CHRONICALLY HOMELESS PARENT WITH CHILDREN:

- Single parent
- Female
- Homelessness as a child
- Physically or sexually abused
- Educational deficits
- No work experience
- Substance abuse
- Mental illness

Because different types of families have different needs, we recommend that funders and providers create a continuum of supportive housing programs. The continuum would include three types of programs corresponding to three profiles of families who are homeless or at risk of homelessness:

- supportive housing for chronically homeless families (similar to “Lynn”),
- supportive housing for families faced with episodic homelessness (similar to “Bonnie”), and
- outreach services for housed families at risk of homelessness (similar to “Kathy and John”).

The following profiles of homeless families are based on the experiences shared by service providers and supported by local and national literature. These profiles vary based on the family’s experience of homelessness, the degree and complexity of additional challenges such as disability, abuse, and poverty, and the lack of educational and vocational skills and experience. Similarly, the models of supportive housing that correspond to the family profiles vary according to the intensity of services needed. This section also includes new versions of Lynn’s, Bonnie’s, Kathy and John’s stories, showing how their lives could be changed by the different types of supportive housing.

Supportive housing for chronically homeless families

Family Profile

Chronically homeless families are those that survive in a continuous cycle of extreme poverty, homelessness and emergency shelter use, and vulnerability. Typically, a chronically homeless family is headed by a single parent, usually female, who experienced homelessness as a child and has been physically or sexually abused as a child and an adult. The parent has significant educational deficits and no work experience, and may suffer from substance abuse, mental illness, or both. As a result of the parent’s disabilities and the family’s constant cycle of homelessness, a chronically homeless family often has an open child protective services case and a number of public services that intervene in the lives of family members. Chronically homeless families are at the highest risk of non-compliance with the requirements of MFIP (Minnesota Family Investment Program), Minnesota’s welfare reform program, and as a result are vulnerable to loss of public assistance.

The children of the chronically homeless family suffer severe effects of prolonged homelessness and are at risk for poor outcomes developmentally, emotionally, physically, and academically. Many are born while their parents are homeless, and they typically suffer from low birth weight and are vulnerable to a host of medical and developmental problems. As the children grow, they tend to have marked insecurity and a high tendency for behavioral problems (aggression among boys, depression and withdrawal among girls). These children have the poorest academic performance, and the highest incidence of chronic and acute illnesses. They may be behind on their immunizations and lack adequate health care.

Lynn's Story Part II: Finding a New Chance

Imagine that Lynn and her children were introduced to New Chance, a supportive housing community, when Lynn turned 18. This opportunity came at a critical time, when Lynn had just learned that her infant son was showing signs of developmental delays and her foster mother had developed significant health problems.

Lynn's life was transformed when she was accepted into the New Chance supportive housing program. The newly furnished two bedroom apartment that she and her boys would call home was the first clean, attractive apartment she had ever known. She knew that the boys would be safe and that she might find help to turn her life around.

Almost immediately, Lynn was encouraged to enroll in a tenant education program, an on-site recovery support group, and received weekly home visits from her community advocate. Together Lynn and her advocate designed a plan that focused on the immediate needs facing Lynn and her sons. Within six months, Lynn could see the difference. Danny no longer seemed as prone to accidents that had previously sent him to the emergency room. He seemed calmer and easier to satisfy. Thanks to the accessible wellness clinic, Kevin was undergoing a new therapeutic treatment for asthma that lessened the need for hospitalizations. Both children were enrolled in the New Chance on-site child care center. Danny's hyperactivity was subduing and Kevin's health care assessment did not reveal any significant developmental delays.

During this time, Lynn enrolled in New Chance's job readiness program. As a sheltered work experience, Lynn was given an opportunity to earn while learning on-the-job skills. Upon completion of the program, Lynn was hired as a teacher's aide in the New Chance preschool classroom. She learned basic child development and stimulation theory, which

was valuable to her as a parent. She received nearly one-on-one supervision for the first three months, and then was promoted to play supervisor.

Shortly after, Lynn's foster mother passed away. Lynn's advocate spent time with Lynn and helped her plan the funeral. Other New Chance residents also supported Lynn by attending the funeral, providing food, and providing emotional support. A resident who had become Lynn's recovery mentor offered to stay with her for several nights to encourage sobriety during the stress-filled days after the funeral. Community members gave the children extra attention and support as they too grieved the loss of the one whom they often referred to as mother.

One month after her foster mother's death, Lynn became isolated. She did not come to work, and her children missed day care. Her advocate visited and found that Lynn had begun using drugs again. Lynn agreed that she needed help for both her chemical addiction and her depression. She and the advocate agreed that Lynn would enter the hospital for a short stay to monitor her medications and to regain her strength for recovery. New Chance's children's specialist spent the night with the children and helped them get to school. In three days, Lynn returned to her home and job. The family remained intact and stable and Lynn learned once again that she could count on the community to support her commitment to sobriety.

At the end of 12 months as a teacher's aide, Lynn was accepted into a teaching assistant training program. Nine months later, Lynn found jobs as a morning assistant for a day care center and a teaching assistant in New Chance's after-school program.

Lynn's sons, Danny and Kevin, continued to show signs of improvement, both emotionally and physically. Danny's

cognitive development was on par with school readiness and his behavioral problems had been addressed to the extent that he could fully participate in group activities and play successfully with other children. Kevin's physical development was developing normally. Kevin, too, was developing good social skills, fully participating in the activities of his day care program. His asthma, though an occasional problem, was under control and responding well to the inhalation therapies he was receiving at the nearby health clinic.

However, sometime later, Lynn's advocate and other community members found Lynn once again relapsed. She had been involved with a man who shared a similar history of drug abuse. With advocates and the community's help, Lynn terminated the relationship and entered inpatient treatment. Once again, the community cared for the children in the apartment with minimal disruption to their lives.

While in treatment, Lynn discovered she was once again pregnant. She made the decision to keep the baby, but this time also deciding to seek prenatal care and additional support to maintain her sobriety. The community advocate assisted her in navigating the health care system. She attended all the prenatal visits; participated in a special nutritional support program; and received home-based recovery support services. After a successful, full term pregnancy, Lynn gave birth to Cassy, a healthy baby girl free of drugs.

Lynn's story at New Chance is full of twists and turns. It is not without setbacks: the loss of a loved one, an unexpected pregnancy, and a recovery that includes relapse. However, at New Chance, Lynn is experiencing the value of a strong support network and an environment that encourages stability and self-sufficiency.

**CHILDREN OF
THE CHRONICALLY
HOMELESS
OFTEN SUFFER:**

- Low birth weight
- Poor outcomes developmentally, emotionally, physically, and academically
- Medical vulnerability
- Insecurity
- Behavioral problems
- Poorest academic performance
- Chronic and acute illnesses
- Inadequate health care.

Development/Site Design

Chronically homeless families need multiple, intensive support services. In order to coordinate these services effectively and provide the peer support that can help chronically homeless families succeed, supportive housing for these families should be designed as single-site, congregate developments. Ideally, these facilities should consist of no more than 25 housing units so that services can be individualized and of high quality.

Proposed Service Strategy

Services for chronically homeless families should assist families in addressing personal crises and achieving family stability, meeting welfare reform requirements, and obtaining services for children to reverse the devastating effects of their homelessness. Services might include:

- comprehensive case management services to coordinate professional interventions, relapse planning, family reunification, and access to community resources for both adults and children;
- chemical dependency and mental health support services with access to on-site treatment and after care services as needed;
- on-site or conveniently located, affordable child care including special needs or therapeutic child care, care for sick children, and care during non-routine work hours;

- assistance with transitions from welfare to work, including work readiness and on-site sheltered work opportunities for those with no work experience and extenuating needs;
- on-site or conveniently located children’s services focused on building academic and social achievement;
- assistance in resolving legal and financial problems, such as past rental and credit history;
- health care advocacy to address the effects of homelessness on the adults’ and children’s health.

Anticipated Need

According to extrapolations from the report of the Wilder Research Center, approximately 1,000 families fit this profile.

Potential Resources

Approximately 50 percent of the local transitional housing programs reviewed for this study could provide supportive housing for chronically homeless families if they could waive the time restrictions associated with federal funding. In addition, the local office of the Corporation for Supportive Housing is considering launching a Family Supportive Housing Initiative, which could result in the production of 300 units of supportive housing for chronically homeless families.

Supportive housing for families with episodic homelessness

Family Profile

Families with episodic homelessness may have been homeless several times, but their homelessness is caused primarily by economic problems rather than by disabilities or other personal crises. The heads of households of these families often have some post-high school experience and have worked in a limited capacity. The parent's struggle with chemical dependency or mental illness may have played a part in the family's homelessness, but the parent has been able to maintain sobriety and mental health for six to twelve months. Most transitional housing programs traditionally have been designed to serve families with episodic, rather than chronic, homelessness.

The children of these families may also be dramatically affected by homelessness, but often were not born into homelessness. Research suggests that the later in life that homelessness occurs, the better the child is able to cope with loss of home and place. The children may have emotional problems and learning disabilities, but are enrolled in school and receiving services. Most parents in episodically homeless families have not suffered homelessness or out-of-home placement as children, so they have more positive parenting experiences from which to draw as parents themselves. The parent's neediness may not be in competition with the child's. These families may also have friends and family who are not homeless and therefore can provide support as the families seek permanence and stability.

Development/Facility Design

Because episodically homeless families have fewer service needs and are more able to live independently than chronically homeless families, they do not necessarily need to live in congregate, single-site housing. What is more important is that the families live in decent, stable housing that they can afford so that they can resolve the economic problems that have forced them into homelessness. While many episodically homeless families could benefit from the community and peer support created by congregate housing, there are other models that could also serve them appropriately, including housing units scattered throughout the community.

Service Strategy

Because the primary cause of homelessness among episodically homeless families is a lack of sufficient income for housing, supportive services would focus on helping adults to become fully employed at a living wage. These services might include access to affordable child care, transportation, and work-place advocacy. Supportive housing developed for these families would include advocacy and case management support services, with these services targeted toward employment retention.

Anticipated Need

According to the extrapolations from the report of the Wilder Research Center, approximately 1,300 families are episodically homeless.

Potential Resources

Approximately 50 percent of transitional housing programs reviewed for this report could serve episodically homeless families if external time constraints were removed.

**HOUSED FAMILIES
AT RISK OF
HOMELESSNESS
STRUGGLE TO
MAINTAIN FULL
EMPLOYMENT, OFTEN
WORKING MORE
THAN ONE JOB TO
SUPPORT THE FAMILY.**

Bonnie's Story Part II: Getting a Fresh Start

Imagine that Bonnie and her children had been referred to a new supportive housing program in the Twin Cities. Fresh Start is a scattered-site supportive housing program. It combines affordable housing with supportive services for homeless families who are entering the workforce.

After discussions with staff about the family's needs and Bonnie's employment plan, Bonnie was moved into a three-bedroom duplex in south Minneapolis. An advocate from Fresh Start assisted Bonnie in approaching previous landlords to resolve her past rental problems.

The Fresh Start advocate also assisted Bonnie in gaining employment providing bench tech repair services for a large business machine retailer. Bonnie identified difficulties with transportation to and from work. The bus system did not coincide with Bonnie's schedule, so she needed alternative transportation or her own car. Because Bonnie had previously purchased a car through a non-profit loan program and had not paid the outstanding balance after her car accident, she was no longer eligible for access to additional support and she had a negative credit report as well. The advocate assisted Bonnie with securing a ride through

an informal ride-share program and helped her set up a payment plan to resolve the defaulted car loan.

Fresh Start also enrolled the children in after-school programming and helped them arrange for transportation home. Jasmine was enrolled in an arts program sponsored by the MacPhail Center and was linked up with an artist mentor. John was enrolled in a recreational program combining academics and sports. He had lost a year of school, but was maintaining attendance and was beginning to show improvement in his classes. The other two children were enrolled in an after-school program sponsored by Fresh Start, which incorporated sports, theater, and community field trips.

After initial support and assistance, the family settled into their new home. Bonnie was able to continue at her job, where she was promoted, given supervisory responsibility, and became eligible for classes at Brown Institute to upgrade her certification. Eventually, Bonnie was accepted into a first-time home buyer program and purchased a home in Richfield. The kids continue to attend school and participate in sports and arts. Jasmine has been accepted into a program sponsored by Hamline University for minority scholars.

Kathy and John's Story Part II: A little Help

Imagine that Kathy and John had been referred by the minister to HELP, a program sponsored by a local nonprofit organization. HELP assessed the family's needs and contacted the city's Lead Abatement Program, which offers short-term safe housing to families while their residence is cleansed of lead contamination.

The assessment also indicated that the family was interested in purchasing the home. HELP made an additional referral to the Housing Center, another non-profit organization, which assisted the family in securing down payment assistance and mortgage counseling so that they could purchase the house upon completion of the lead abatement. In addition, the family received a low-interest home improvement loan to assist with weatherization and code compliance improvements.

Within 60 days, Kathy and John and their children moved back into their newly safe home — this time as home owners.

Outreach supportive services for housed families at risk of homelessness.

Family Profile

This category contains a wide range of families, many of whom are formerly homeless and have completed transitional housing programs. These families are included in the design of the supportive housing system. Their future homelessness may be preventable through services similar to those for episodically homeless families. Moreover, the majority of housing providers surveyed expressed concern that families who are no longer supportive housing residents could not receive services through their programs unless they become homeless again.

Typically, these families have succeeded in making the transition from welfare to work and are currently living in permanent housing, but are unable to maintain both their housing and child care without financial support. They are employed but may need ongoing outreach services to support the retention of their employment. The children of these families may be at the least risk when compared with the profiles of children trapped in a cycle of homelessness. These children may have other unmet needs having more to do with lack of access to a parent who is struggling to maintain full employment, often working more than a single job to earn a living wage that will support the family. As a result, these children may need support to maintain their developmental and academic progress.

Development/Facility Design

These families would receive services to keep them in their current housing, so the only “facility” might be an outreach office with staff to conduct home visits and coordinate access to supportive services necessary to avoid homelessness.

Service Strategy:

The outreach staff would assist families in finding resources and services to respond to a wide variety of needs: rent subsidies, child care, general advocacy, transportation, workplace advocacy and job placement services, counseling, and financial assistance.

Anticipated Need:

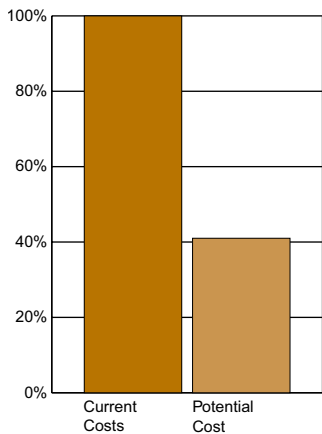
It is difficult to estimate the number of housed families who are at risk of homelessness, because families do not enter the current transitional housing system unless they have already become homeless. An estimate based on extrapolations from the report of the Wilder Research Center is that approximately 1,000 families at any given time have less severe needs that could be addressed through outreach supportive services.

SERVICES NEEDED TO HELP KEEP FAMILIES IN THEIR CURRENT HOUSING:

- Rent subsidies
- Child care
- General advocacy
- Transportation
- Workplace advocacy
- Job placement services
- Counseling
- Financial assistance

6 Cost Savings Associated with Supportive Housing

SUPPORTIVE HOUSING OFFERS POTENTIAL FOR SIGNIFICANT SAVINGS



The housing and intensive services associated with supportive housing do create costs, and the following chapter, “Implementing the Supportive Housing Continuum,” recommends potential funding sources for these costs. However, if supportive housing is not put in place, the lack of stable housing and services for homeless families will cost public agencies far more in terms of foster care, medical care, and other emergency services for homeless families. This is particularly true for chronically homeless families, whose constant crises result in the use of an array of costly emergency services.

An analysis of “Lynn’s Story,” the case study of a chronically homeless family, shows that despite increased up-front costs, providing supportive housing actually reduces public costs significantly. The following chart shows the annual costs of public interventions in the lives of Lynn and her children from 1991 to 1999, beginning after Lynn’s eighteenth birthday. The chart traces the two possibilities described in the stories on pages 8 and 17: first, that Lynn and her family remain homeless, or second, that the family moves into the “New Chance” supportive housing community.*

In this case, the family’s stay in supportive housing reduces costs to the public sector by an average of 52 percent per year, from \$77,000 per year to \$37,500 per year. Providing a stable home for the family and treatment and community support to prevent Lynn’s substance abuse prevents her older children being sent to foster care and her youngest child from being born with severe health problems. Thus, while the supportive housing scenario involves increased costs for housing, chemical dependency treatment, and employment-related services, these costs are far outweighed by the savings to the medical and foster care systems. Moreover, the less costly supportive housing option leads to far more stable lives for Lynn and her children.

Public Intervention	Without Supportive Housing	With Supportive Housing	Cost Savings of Supportive Housing
Out-of-Home Placement for Children	\$ 99,700	\$ 0	\$ 99,700
Chemical Dependency Treatment/Support	9,600	39,200	(29,600)
Criminal Justice	48,800	0	48,800
Hospital/Medical	281,200	38,200	243,000
Housing	6,000	52,400	(46,400)
AFDC/MFIP	69,100	69,100	0
Case Management	54,500	24,200	30,300
Child Care	77,500	85,200	(7,700)
Employment	200	2,600	(2,400)
Academic Development	48,600	5,900	42,100
Mental Health	0	12,700	(12,700)
Transportation	0	7,600	(7,600)
Total	\$695,200	\$337,100	\$358,100
Average Annual Cost of Public Interventions	\$ 77,000	\$ 37,500	\$ 39,800

* This cost comparison is based on extensive research and interviews with agency staff. The cost data represent actual costs to public agencies to provide a variety of types of services to one homeless family over a nine-year period (1991-99). For more information about how “Lynn’s Story,” the other case studies, and the cost data were assembled, see the “Methods” section at the end of this report. Also, a more extensive analysis with the sources of all the costs listed above, *The Financial Implications of Public Interventions on Behalf of a Chronically Homeless Family*, will be available from the Family Housing Fund.

7 Implementing the Supportive Housing Continuum

We recommend that an implementation group be formed consisting of funders, policymakers, and housing providers to oversee the creation of the supportive housing continuum. This group would be responsible for promoting the development of the supportive housing system, linking policymaking and funding practices among housing and service funders, and building financial resources for the supportive housing continuum.

With some modifications, we recommend that existing transitional housing programs form the nucleus of the new supportive housing continuum in the Twin Cities. Many transitional housing programs already perform several of the functions identified in the description of supportive housing, with approximately 300 existing units responding to the needs of chronically homeless families and another 300 units focused on families who struggle with episodic homelessness. These programs represent a significant preliminary investment in the supportive housing continuum. To function most effectively, however, policies will need to be implemented to lift externally imposed time limits on these programs and to provide additional capital, operating, and service funding to stabilize developments.

In order to stabilize the existing supply of housing as well as to meet the increasing needs of families, the implementation group will need to employ a number of strategies to develop steady sources of capital, operational, and support services funding. The following recommendations suggest strategies to increase financial assistance for supportive housing developments.

Capital Funding: Convene a technical committee of federal, state, local, and private funders to identify additional sources of stabilization assistance and development capital.

The implementation group should convene a technical committee of funders to identify financial resources for stabilization and new development. This group should conduct an analysis to determine the cost of preserving the quality of the existing housing stock and identify funding sources to meet those costs. The group should also explore the availability of funding sources that would allow some programs to convert from traditional transitional housing programs to supportive housing programs without externally imposed time limits. Finally, the group should identify sources of funding to add new units as part of the development of the supportive housing continuum.

Operating Subsidies: Redirect a portion of Section 8 vouchers and certificates to provide rent subsidies for transitional and supportive housing developments.

Through the Section 8 voucher and certificate program, the federal government provides a monthly rental subsidy to private landlords that

house low-income tenants. The Twin Cities should pursue a waiver from HUD to permit the attachment of a portion of Section 8 certificates and vouchers to units in transitional housing projects. HUD occasionally grants waivers in tight housing markets where tenants are returning certificates and vouchers to the issuing authorities because of the shortage of available units. If Section 8 assistance can be attached to new and existing supportive housing units, it can provide the steady operating subsidy currently lacking in the system.

Service Funding: Explore the use of TANF and MFIP dollars to create a steady funding stream for employment-related services in supportive housing.

Minnesota has amassed a reserve of federal TANF reserve funds in excess of \$200 million.⁸ Only a small percentage of reserve funds has been allocated, primarily for child care funding. As noted above, under welfare reform, many of the services currently needed by residents of transitional or supportive housing relate to employment. TANF reserve funds and MFIP dollars from the state could fund services that would reduce barriers to employment for supportive housing residents, such as child care, transportation, and employment support programs.

Conclusion

These recommendations suggest that creating a comprehensive supportive housing system will require a major new financial commitment from the public and private sectors to produce additional housing units. There are already more homeless families in the Twin Cities metro area than the current transitional housing system can serve, and lengthening the stay of some families in supportive housing will mean that each unit can serve fewer families per year. Meeting families' needs for supportive housing is expensive, especially given the intensive needs associated with chronically homeless families with children. However, as the previous section shows, doing nothing will generate far higher costs with far less satisfactory results. A strong push to create the supportive housing continuum would be both humane and cost-effective.

In addition, the success of the supportive housing system depends on the availability of affordable housing for those who no longer need supportive housing. The lack of housing alternatives places a tremendous strain on the supportive housing system, as families who are ready to move to independent living are forced to remain in their current supportive housing—or are vulnerable to becoming homeless again—because they have no place else to go. Preventing the tragedy of family homelessness in the Twin Cities will depend on our ability to provide decent, safe, affordable housing, both supportive and not, to all families who need it.



8 Endnotes

1 In the Twin Cities, transitional housing programs supplement HUD funding with a patchwork quilt of state, federal, philanthropic, and private funds, including the following:

State of Minnesota: Minnesota's Transitional Housing Program, Group Residential Housing program, and social service programs provide funding for capital, operating, and support services.

Other federal programs: The Emergency Shelter Grant (ESG) and Housing for People With AIDS (HOPWA) programs provide funding for capital, operating, and service costs. The federal Low Income Housing Tax Credit also provides funding for capital expenditures.

Philanthropic: Non-profit intermediaries such as Family Housing Fund, Greater Minneapolis Metropolitan Housing Corporation (GMMHC), and Corporation for Supportive Housing (CSH) provide support for pre-development and capital costs. The Federal Home Loan Bank also provides capital assistance. United Way and private foundations provide funding for service costs.

Local: Cities and counties may appropriate federal pass-through funds, such as Community Development Block Grants (CDBG) and the Home Investment Partnership Program (HOME), for capital expenditures. In addition, counties may provide funding for service costs.

Client rents: This revenue is used for all types of expenditures.

2 Some providers who have accepted families representing a high risk for failure have created separate, internal programs as preparation for transitional housing. They report the need for intensive services and costly program interventions to maintain these families in temporary housing, with few moving on to transitional housing.

3 In addition to placing families at increased risk of homelessness, the tight housing market can result in the loss of parental rights to children in families with open child protection cases. Under the federal Adoption and Safe Families Act of 1997, states must terminate parental rights and start adoption proceedings if children are in out-of-home placement beyond a requisite limit. The Minnesota legislature recently passed a state law that expedites the timeline to six months for children under the age of eight. Because some parents have been unable to find housing in the tight rental market, they have not been able to reunite with their children and their parental rights are at risk of termination. While recent case law forbids termination of parental rights due exclusively to the lack of housing, local interpretation of the law has resulted in the premature loss of parental rights. Homelessness may not be cited as the primary factor, but may be the unstated reason.

4 Several reports document families' success in finding permanent housing. The SAFAH Report documented that 63 percent of families found permanent housing upon completion of a transitional housing program, increasing to 72 percent 24 months later. The Wilder Transitional Housing Report found that 45 percent of those completing a transitional housing program were living in permanent housing six months later, decreasing to 41 percent 12 months after completion. HOMEBASE reported that 61 percent of HUD-SHP residents found permanent housing upon completing a transitional housing program.

5 The Wilder Transitional Housing Report found that one year after leaving transitional housing, 68 percent were concerned that they could no longer afford their housing. The SAFAH Report stated that 19 percent of those who had left transitional housing for a permanent unit reported difficulty in paying their rent, with 13 percent spending more than 50 percent of income for housing.

6 The SAFAH Report found that transitional housing programs led to a 32 percent decrease in AFDC usage and a 62 percent increase in employment. Of those employed, 57 percent reported an increase in income, averaging \$626 per month. The Wilder Transitional Housing Report found that 55 to 67 percent had higher incomes upon completing a transitional housing program, and 50 to 58 percent experienced an increase in income from full or part-time employment. A HUD report found that twice as many transitional housing residents were employed at program completion than at entry.

7 See discussion of parental rights in Endnote iii.

8 Temporary Assistance for Needy Families, i.e., the federal welfare funding program that has replaced Aid to Families with Dependent Children. TANF funds are allocated to states.

9 Methods and Acknowledgments

Case Study Methods

The three case studies found in this report — “Lynn’s Story,” “Bonnie’s Story,” and “Kathy and John’s Story” — are based on the actual experiences of homeless families. Each of the characters is based on a real person, although some of the families are composites made up of members of several different real-life families. The stories leading up to the families’ encounters with supportive housing relate real events, with names and some details changed to simplify the stories and protect individuals’ anonymity.

Cost Analysis Methods

The analysis of the cost savings associated with supportive housing is based on extensive interviews with agency staff from the State of Minnesota and metro-area counties, interviews with service providers, research by the Corporation for Supportive Housing into the costs of supportive housing alternatives, and, in rare cases, published studies. Each category of expense is a summation of the costs of numerous services corresponding to specific incidents; for example, the “Chemical Dependency Treatment and Support” item in the supportive housing scenario includes the costs of two sessions of inpatient treatment for Lynn, ongoing relapse prevention services, and ongoing sober recreational activities. A more extensive analysis including tables detailing the dollar amount and information source for each cost, entitled *Financial Implications of Public Interventions on Behalf of Chronically Homeless Families*, will be available as a separate publication from the Family Housing Fund.

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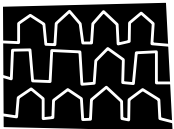
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