

Deeply Affordable and Permanent Supportive Housing Engagement Summary Report

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City of Saint Paul, Planning and Economic Development
Ramsey County, Community and Economic Development

Project introduction

Ramsey County and the City of Saint Paul have an identified housing crisis that disproportionately affects residents with the lowest incomes. Nearly 50% of renters in Ramsey County are considered cost-burdened, paying more than 30% of their income on housing costs. The county has a deficit of 15,000 units at 30% Area Median Income (AMI) with 11,000 units needed in the City of Saint Paul. The lack of deeply affordable housing can cause serious housing instability for low-income residents and has also led to an increase in the number of residents experiencing homelessness.

Ramsey County and the City of Saint Paul have reserved a large portion of the funding received through the American Rescue Plan Act (ARPA) towards expanding the supply of 30% AMI and Permanent Supportive Housing (PSH). This investment builds off the engagement and vision planning community partners have led calling for deeply affordable housing over the last several years. While engagement for the City's housing strategy and Ramsey County's Economic Competitiveness and Inclusion Plan focused broadly on housing instability, engagement for the 30% AMI Fund project focused on those who are experiencing the highest barriers to affordable housing. This report highlights engagement findings with non-profit providers in the homeless service network and PSH network. Recommendations based on our learnings will help the City and County set priorities for investments in deeply affordable housing for residents that may need it the most. The City and County created a workgroup to establish project goals and execute the community engagement plan.

Project Goals

- Learn from providers who work directly with residents experiencing homelessness and housing instability.
- Establish priorities for investment based on engagement findings.
- Embed priorities into efforts to expand the supply of deeply affordable housing units.

Methods

The staff workgroup developed a community engagement plan that focused on four strategies: a review of existing reports and data, targeted interviews, survey research, and engagement at current housing meetings. The workgroup had approximately two months to develop and execute the engagement plan.

Compile and review existing evaluation reports and data. Community and provider expertise is well documented in numerous existing evaluation reports. This review allowed the workgroup to learn from past engagement processes that highlighted different parts of the housing continuum in Saint Paul, Ramsey County, and the State of Minnesota.

- Youth Provider Interview Report: Infrastructure to Address Youth Homelessness (Ramsey County, 2021).
- Housing Stability Community Engagement Report (Ramsey County, 2020).
- Heading Home Ramsey 2020 Homeless Needs Assessment (Ramsey County, 2020).
- Coordinated Entry in Ramsey County: An Evaluation (Ramsey County, 2020).
- 2018 Minnesota Homeless Study, Ramsey County Characteristics and Trends (Wilder Research, 2020).
- City of Saint Paul 2040 Comprehensive Plan (2020).
- Ramsey County Economic Competitiveness and Inclusion Plan (2020).
- Fair Housing Convenings: Tenant Protections Policy Engagement (City of Saint Paul, 2019).
- Re-directing Users of Shelter to Housing Program Evaluation (Ramsey County, 2018).
- Working with Older Adults Experiencing Homelessness (Catholic Charities, 2018).
- It's Important to Hear and Learn from Youth Experiencing Homelessness in the Twin Cities (Khalique Rogers, Meghan JaKa & Thomas E Kottke, MinnPost, 2021).
- Market Watch: Saint Paul Trends in the Unsubsidized Multifamily Rental Market (Minnesota Housing Partnership, 2018).

Targeted Interviews. The workgroup conducted 9 interviews with housing and service providers. Providers were selected based on the clients they serve, with a specific focus on those that served communities of color, with particular focus on reaching providers that serves, African American, American Indian, and immigrant residents, and youth.

- Ain Dah Yung Center.
- Avivo.
- Catholic Charities.
- Comunidades Latinas Unidas en Servicio (CLUES).
- Face to Face.
- Handy Help LLC.
- Model Cities.
- Metro Transit's Homeless Action Team.
- Ujamaa Place.

Presentations at existing meetings. Staff attended seven large group meetings where housing providers, service providers, and staff from other governmental agencies already meet. This was an opportunity to explain the project, gather feedback, and direct people towards a survey. Some of the meetings led to robust conversation and others were more informational.

- Minnesota Housing Stewardship Council.
- Heading Home Ramsey CoC Steering Committee.
- Ramsey County Family Shelter Team Meeting.
- Ramsey County LTH Housing Support Provider Meeting.
- Ramsey County Housing Stabilization Services Meeting.
- Ramsey County Interdepartmental Housing Council.
- Unsheltered Provider Meeting.

Online survey. The workgroup developed a survey to broaden the number of organizations that could participate in the engagement plan. The online survey was twelve questions long and focused on the intersection between clients and housing needs. Thirty-four responses to the survey were collected from providers. The survey questions were as follows:

- Who are you serving? (key characteristics or demographics)
- What are your clients' sources of income (employment income and/or benefits)?
- What benefit programs are your clients accessing?
- What are the obstacles or gaps for your clients to find and maintain housing?
- What size units do your clients/families need?
- What types of services are needed on site, if any, for clients to succeed?
- Where have your clients successfully found and maintained housing (examples of programs or locations)?
- What types of space or units do your clients find success in (e.g. individual units, private rooms with shared common space, shared bedrooms, etc.)?
- What does successful housing look like to you as a provider?
- Is there anything else you want to share with us?

Findings

Through the workgroup's engagement and review process, several main themes emerged. Stakeholders described a need for housing that addresses:

- **Increasing levels of homelessness.**
- **30% AMI rental housing.**
- **Permanent supportive housing.**
- **Barriers to accessing housing.**
- **Housing options and choice.**
- **Location that connects people.**
- **Housing with services that meet people's needs.**
- **Culturally specific services.**
- **Coordinated Entry and Housing Placements.**

Increasing levels of homelessness

Homelessness in Ramsey County has been increasing over the decade. According to Wilder Research's Homeless in Minnesota 2018 study, there were 1,927 people experiencing homelessness in Ramsey County in 2018, up 8% from 2015. This increase follows a 14% increase in the number of homeless people counted between 2012 and 2015. Other key findings from the Wilder study and Ramsey County's annual homeless counts include:

- There was a marked increase in the number of adults aged 25-54 (up 20%) and older adults (up 25%) experiencing homelessness in Ramsey County from 2015 to 2018. According to 2020 data from Ramsey County's Homeless Management Information System (HMIS), 78% of all homeless residents were over the age of 25.
- Overall, there was a slight decrease between 2015 (902) and 2018 (857) in the number of children and youth (age 24 and younger) experiencing homelessness in Ramsey County, with the number of children with parents increasing (10%) and the number of unaccompanied youth decreasing (-27%). In 2020, Ramsey County counted 811 residents under the age of 24 in the HMIS system, however, this does not account for youth who are not accessing services or "couch-hopping."
- Homelessness often begins at a young age with nearly half (49%) of homeless adults surveyed in Ramsey County stating that they first became homeless by the time they were age 24.
- Physical and mental health issues are persistent among homeless adults. In Ramsey County, 55% of homeless adults reported serious mental illness and 81% reported a serious or chronic condition (this includes mental illness, substance abuse disorder, traumatic brain injury, and chronic physical health conditions).
- In Ramsey County, as in statewide, people who identify as African American, Native American or, multi-racial are disproportionately affected by homelessness. According to the 2020 annual "point-in-time count", over 54% of residents experiencing homelessness identify as African-American. African Americans make up 12.6% of the total Ramsey County population.

Overall, single adults are by far the largest category of residents experiencing homelessness. Family and youth homelessness remains a persistent issue, but traditional means of data collection undercount the level of housing instability.

30% AMI rental housing

All the housing providers and service providers we heard from during this engagement process reported that their clients made at or below 30% of area median income (AMI). The lowest-income residents in our community have the highest housing cost burdens, fewest housing options, and are most vulnerable to homelessness. In Saint Paul, there are 22,335 renter households with incomes at or below 30% of area median income (AMI), with only 11,560 units affordable at this level. According to the *Ramsey County Economic Competitiveness and Inclusion Plan*, there is a deficit of 15,000 units countywide at 30% AMI or below. Further research is needed to determine the number of units needed per household size.

This housing cost burden falls heavily on BIPOC households. Over half of Black and Asian households are at or below 30% AMI in Saint Paul. This trend is mirrored in suburban Ramsey County. Similarly, people who identify as African American, Native American, or multi-racial are disproportionately affected by

homelessness. For example, 54% of homeless residents in Ramsey County are Black, while these residents make up only roughly 12% of the total population.

Permanent Supportive Housing

While the need for housing affordable to those who make below 30% AMI is well documented, we heard through our engagement that additional permanent supportive housing is greatly needed for those who are experiencing homelessness or are most at risk of homelessness. Providers stressed the need for supportive services to accompany permanent housing. Providers noted that for some residents housing placement without services often leads residents back to the homeless service system. The need for housing with strong mental health supports was a common theme through our engagement methods. This finding is echoed by prior engagement work.

The Heading Home Ramsey 2020 Homeless Needs Assessment recommended doubling the amount of permanent supportive housing stock within the county. Similarly, Ramsey County's 2020 evaluation of Coordinated Entry reported that Permanent Supportive Housing is the most comprehensive and long-term solution for people experiencing homelessness, but the lack of supply is a major reason for residents to move out of homelessness.

Barriers to accessing housing

Numerous obstacles, often systematic, prevent people from finding and maintaining housing. The housing and service providers we talked to describe a wide array of barriers they see for their clients. Common barriers identified include:

- No income, low income, or unstable/inconsistent income.
- Housing available is not affordable or suitable.
- Insufficient funds for the rental deposit.
- Rental screening barriers such as lack of rental history, no or poor credit history, criminal history, and lack of documentation (ID/SSN/birth certificate).
- Household size or makeup (harder to find larger units or ones that work for multigenerational households).
- Mental and physical health needs.
- Disabilities and accessibility needs.
- Substance abuse issues.
- Racism.
- Lack of culturally specific support and culturally responsive options (especially for LGBTQ, BIPOC and immigrant communities, and youth).
- Lack of social or family support.
- Lack of knowledge about renting (rules and norms, communication with landlord).
- Insufficient "stepping-stones" of support along continuum.

We also heard during our engagement that getting into housing itself does not stop the cycle of homelessness. Once housed, there can be a rocky adjustment period and without proper support, residents may be pushed back into homelessness. The journey towards stability cannot end with housing placement.

Housing options and choice

There is a need for housing that can serve a variety of types of households including individuals, families with children, and multigenerational households. Deeply affordable units of all sizes are needed from efficiencies to up to 4-bedroom units. Additional permanent supportive housing units and deeply affordable housing without support services are both needed. Providers wanted residents to have multiple options for housing placement based on their level of need and individual preferences.

Beyond unit size, we also heard a desire for flexibility, choice, and a variety of housing options. Key needs include:

- Housing that aligns with individual preferences and needs.
- Housing that provides tenants with a safe environment.
- Housing that provides a sense of autonomy to tenants.
- Housing that provides a sense of community to tenants.
- Housing with specific support services.

For some individuals exiting homelessness, community residences and other forms of congregate housing may be a good option. Placing people who are not ready into fully independent apartments can be very isolating and destabilizing. For others, an independent scattered-site apartment may be best. Housing that provides a certain level of autonomy to tenants is sometimes critical for some residents and others need a more structured program.

Housing with shared common spaces and bathrooms was mentioned as a potential strategy to provide a greater number of units than individual apartments. When designing this style of supportive housing, shared bathrooms were not recommended by many service providers. Providers routinely saw less success for their clients in a shared space that offered little private space. People feel safer and more secure when they have their own private space and we heard that having one's own bathroom is key to this. Community spaces are another important design factor in communal supportive housing. Some residents need and enjoy housing options with shared spaces whereas others want more independence and private space. Sharing living spaces or other community spaces can help enhance community building and a sense of belonging for residents.

Location that connects people

Transportation access and building on an existing sense of community and connections should be considered when selecting a location. Providers surveyed and interviewed said that housing needs to be located near transit to provide access to food, employment, and services. Neighborhood and cultural/community assets (such as schools, community centers, grocery stores, etc.) are important considerations as well.

Housing with services that meet people's needs

Successful housing is people-centered and takes into account individuals' and families' different needs. Throughout this engagement process, we heard repeatedly that there needs to be a range of housing options with different levels of independence or support. Properly aligning individuals with housing and services that best meet their needs is key. People coming from Intensive residential treatment services (IRTS), for example, will likely need intensive support services. Other clients may need little to no support services as long as they can afford the unit. "Meeting people where they're at" was a common theme from our survey and interviews.

For example, during an interview, Face to Face staff shared that housing needs to meet young people where they are in their development stage and providers need to take a holistic approach. A wide range

of supports could be needed for youth, depending on the individual needs. This could include mental health services to address complex trauma, soft skills coaching on how to talk to a landlord or employer, or employment resources. Often there is a progression from supportive housing in a community setting to more independent housing when the young people are ready to be on their own.

Other examples of on-site services (both existing and needed) that came up during our engagement include:

- Mental health support and assistance.
- Navigation of medical and healthcare/well-being services.
- Navigation to food and other services.
- Independent living skill supports.
- Financial services and financial education.
- Job training and employment help.
- Childcare.
- Community building programming.
- Front desk staff and case managers.

Culturally specific services

We also heard throughout our engagement work that partnering with nonprofits that are culturally based and/or offer culturally specific services is an important need. This cultural focus is critical to address disparities and issues of equity. Several organizations we met with (including Ain Dah Yung Center, CLUES, Model Cities, and Ujamaa Place, among others) embodied this approach and emphasized its importance. CLUES, for example, talked about how their Latino clients have different needs. Many cannot qualify for Section 8 or other public assistance due to documentation status. For those that may qualify, there is a risk to accepting public assistance because it could endanger immigration status. CLUES staff emphasized the need for providers who are skilled at screening people for services and benefits while taking into consideration documentation and immigration status and public charge implications.

Coordinated Entry and Housing Placements

Ramsey County's 2020 evaluation of Coordinated Entry reported that the Coordinated Entry System in Ramsey County is not effective at providing housing for people experiencing homelessness and a very small percentage of people in need of housing are provided housing through the system each year. The lack of available housing units was identified as a major reason for the low rate of success in housing people. Additionally, with a lack of available housing options, residents may be placed in settings that do not fit their level of need. The housing providers and service providers we engaged with also discussed referral and assessment barriers including long assessment times, ineffective or traumatic assessment processes, and restrictive eligibility requirements.

The long-term homeless or disabled eligibility requirement was a common criticism among different providers including Handy Help, Ujamaa Place, Avivo, Ain Dah Yung, and Face to Face. People with no income, very little income, or inconsistent income have a difficult time finding housing unless they have a voucher (which are very limited) or they are categorized as long-term homeless or disabled. Providers described the need for lower or no barrier housing so that clients who don't meet those strict definitions can access the housing and services they need.

Each housing placement option that flows through Coordinated Entry may have different eligibility requirements, which makes matching a resident with an appropriate housing setting difficult and confusing. Survey respondents and those we talked with described bottlenecks in the system that are created when people are provided housing but not in the right setting. An example would be a Housing Support Program placement for a person that needs very light or no services. This resident would probably do better in a deeply affordable apartment without services but remains in a Housing Support unit due to lack of housing supply. More appropriate housing options (and funding to support such placements) are needed so that people able to move up/out can, thus enabling the permanent supportive housing units to be occupied by those who most need them. This finding aligns with the Heading Home Ramsey 2020 Homeless Needs Assessment, which recommended a focus on transitioning people from permanent supportive housing into public housing or private market apartments with subsidies to free up space within the existing HHR Housing Inventory.

Other bottlenecks along the housing continuum were identified by service providers and county staff. Catholic Charities has a pay-for-stay shelter program where male residents pay a small nightly fee for a shelter bed. Often these residents are employed or have other income sources from benefits but make too little to afford an apartment. Targeting this population for 30% AMI apartments without services may free up additional shelter capacity for others. Service providers also identified that many who have somewhat higher incomes from Social Security (SSI) or disability are unwilling to move into a Housing Support setting because state law requires a large percentage of their income to help pay for rent and services. This “client obligation” is a barrier for those in shelter to move towards permanent supportive housing and for those already in Housing Support to save enough money to move into a more independent apartment. We heard that Housing Support works best for those with no income or General Assistance (GA) as the resident’s only income source. Housing Support providers must also search for apartments for their clients and are limited by the lack of supply.

From the youth providers, we heard that young people with a history of homelessness often can’t meet that definition because they are not currently homeless or they are housed in a way that doesn’t count, such as crashing with friends. Furthermore, public assistance programs often do not align with young people’s lives. Ujamaa Place, which serves African American youth aged 18-30, reported that most of the clients they work with rely on their employment income and have no additional benefits. Multiple providers we interviewed talked about how young people need housing subsidies or support services and the ability to earn income, grow their careers, or complete education or training. Otherwise, they warned, there is no way for youth to leave assistance or build a safety net.

Recommendations

This workgroup set out to understand the needs of those most at risk of housing instability, establish priorities for new investment, and embed our learnings in our efforts moving forward. The engagement process confirmed a critical need for deeply affordable housing and revealed barriers that our lowest-income residents face in trying to find and maintain housing. We learned from providers that successful housing is people-centered and must be aligned with individual needs. We also heard that housing should be connected with culturally specific providers and community resources. These themes are woven throughout our recommendations. The County and City workgroup, therefore, make the following recommendations:

- **Invest in the creation of new 30% AMI housing.**
- **Prioritize creation of 1-bedroom and efficiency units to address homelessness.**
- **Expand the supply of diverse housing types.**
- **Create new permanent supportive housing with strong mental health supports.**
- **Locate developments to connect people to jobs and community.**
- **Reduce barriers to new units and connect to service providers.**

Invest in the creation of new 30% AMI housing

Additional public resources and investments are needed to address the lack of housing affordable to residents, especially for those at or below the 30% Area Median Income (AMI) level. The lowest income residents in our community have the highest housing cost burdens and fewest housing options. Extremely low-income renters must compete with higher-income households for the limited supply of rental homes affordable to them. In Ramsey County, there is an estimated deficit of 15,000 units countywide at 30% AMI or below which includes a deficit of 11,000 units in the City of St. Paul. Public investment should target the creation of new deeply affordable rental units.

Prioritize creation of 1-bedroom and efficiency units to address homelessness

Single adults make up the largest segment of people experiencing homelessness in Ramsey County. 1-bedroom and efficiency units are most needed, in terms of numbers of units alone, to meet the needs of homeless adults. These smaller-sized units are needed both in permanent supportive housing sites and within the larger housing market. Having a greater supply of both supportive and non-supportive units is needed to address bottlenecks in the existing Heading Home Ramsey housing inventory.

Expand the supply of diverse housing types

While single adults make up the greatest number of people coming through Coordinated Entry in Ramsey County, we still see substantial numbers of other populations facing housing instability, including family and youth, and among specific adult demographics, such as seniors or people with disabilities. Both independent and supportive housing that is designed to meet the needs of these diverse populations is needed. For example, if a development aims to serve families then larger-sized units would be appropriate and encouraged. This recognizes that deeply affordable housing for families with children and multigenerational households is a gap in the existing housing market and that these units help prevent housing instability.

Create new permanent supportive housing with strong mental health supports

Permanent supportive housing with on-site services is greatly needed to help people stabilize out of the homeless service system. A holistic approach to supportive housing that recognizes the mental, physical, and social health of residents was a common theme throughout our engagement, as was the need for culturally specific services. Of particular importance is supportive housing that can serve those with persistent mental or behavioral health challenges as our current system lacks adequate intensive mental health services.

Locate developments to connect people to jobs and community

New affordable units should be located throughout the county as the need for deeply affordable housing affects all communities, whether they are suburban or within the City of Saint Paul. When possible, units should be within walking distance of regular public transportation so that residents can connect to services, family, friends, employment, and school. If public transportation is unavailable or infrequent, property managers should connect residents with other transportation services, like shuttles. This is especially important for some elderly residents and residents with disabilities.

For some communities, including immigrant communities and communities of color, it may be important that housing is located near shops and services that serve specific populations. Investments of deeply affordable housing in cultural/ethnic corridors with connections to culturally-specific providers will strengthen these communities and prevent displacement.

Reduce barriers to new units and connect to service providers

As Ramsey County and the City of Saint Paul invest in new housing supply, intentional strategies will need to be put in place that reduce barriers to access the new units and connect residents in existing supportive settings to the new units. Strategies could include requiring property managers to market units to service providers, reserving units for residents “graduating” out of supportive programs like Housing Support, pay-for-stay shelter, and Rapid Re-Housing, as well as participation in landlord mitigation programs. Examples of landlord mitigation programs include HousingLink’s Beyond Backgrounds Program where the non-profit provides financial incentives for landlords to lease to residents who are stable but have barriers like criminal records.

Buildings that include ARPA funding will also have to accept Housing Choice Vouchers (Section 8) in all units in the building. This is already a requirement in HUD-funded buildings. Developers will be encouraged to explore other housing voucher and rent subsidy programs including FUP, VASH, Project-based Section 8, Rapid Re-Housing, Section 811, and Housing Support. The connection to service providers and their clients is key to reducing bottlenecks along the housing continuum.

Next Steps

Ramsey County and the City of Saint Paul now have the opportunity to invest a significant amount of one-time American Rescue Plan Act (ARPA) funds towards expanding the supply of deeply affordable housing. As the County and City move forward with their plans, it is important that the investments reflect the priorities and themes identified in this report.

Priorities will be reflected in upcoming solicitations where private and non-profit developers will apply for funding. Projects will be evaluated on the priorities and recommendations listed in this report.