

MINNESOTA'S



COVID-19 RECOVERY BUDGET

Minnesota Interagency Council on Homelessness

The Minnesota Interagency Council on Homelessness is a Cabinet-level body comprised of 13 State agencies, the Metropolitan Council, and the Office of Governor Walz and Lieutenant Governor Flanagan. It is accountable for leading the State's efforts to achieve housing stability for all Minnesotans. The Council is led by Lieutenant Governor Flanagan and co-chaired by Human Services Commissioner Harpstead and Housing Commissioner Ho. The Governor's biennial budget proposal, Minnesota's COVID-19 Recovery Budget, includes a number of proposals across Council agencies that support the state's work to prevent and end homelessness.

Housing ends homelessness and shelter saves lives. It is possible to effectively end homelessness. This does not mean that housing crises will never occur, but that we have resources to prevent homelessness whenever possible, and if it does occur, to make homelessness rare, brief, and non-recurring. In fact, the Federal government has confirmed that most of Minnesota's Continuum of Care regions have reached this goal for Veterans experiencing homelessness. It is time to do so for all Minnesotans. Homelessness disproportionately impacts Minnesotans who are Black, Indigenous, People of Color, LGBTQ community members, or those living with a disabling condition. After years of dramatic growth in the number of Minnesotans facing homelessness without shelter, it is critically important to strengthen shelter capacity statewide so that more Minnesotans who need it have access to a safe place to stay. In total, the budget passed by the Legislature and signed by Governor Walz includes a historic increase of more than \$74 million over the biennium for programs that support people experiencing homelessness and \$100 million investment in Housing Infrastructure Bonds to support the preservation of existing housing and the creation of new homes for all.

This summary document focuses on newly created programs and programs that received funding increases. There is an established base budget for ongoing programs that becomes the starting point for legislative changes every two years. While not included in this summary, many programs received base funding amounts to continue doing important work to provide housing stability for Minnesotans. Additionally, there are many programs that indirectly support housing stability that are not included in this summary.

Minnesota Department of Human Services

Support for people experiencing homelessness: \$12 million increase for the Emergency Services Program and an additional \$2 million increase for emergency shelter

The increasing rate of Minnesotans who are homeless and without shelter across the state highlights the critical role of emergency shelters in the continuum of homeless services. Emergency Services Program funds are highly flexible fund that can support emergency shelter. This additional investment could be used to for several eligible activities, including additional shelter beds, hotel/motel vouchers, and increased staffing for housing access. An additional \$2 million in funding was allocated for emergency shelter to increase capacity and improve conditions.

Connection to Housing: \$26 million one-time increase for Community Living Infrastructure Grants

This funding allows counties and tribes to more fully integrate housing into their human services work for use between now and March 2024. This is a significant increase in the program and this funding will be a critical investment in local efforts to address homelessness. Minnesotans would be served with this increased funding through the work of the grant-funded Outreach/Housing Resource Specialists, and individuals overseeing the Administration/Monitoring of the Housing Support program. The increased funding allows for expanded activities to include direct support for individuals with housing deposits, utilities set up costs, furnishings and supplies, and costs related to expungement.

Housing Support: \$50 per month increase to the Housing Support Room and Board Rate

Effective July 2022, there will be an \$50 per month increase to the Housing Support Room and Board Rate for individuals in certain community settings. Additionally, a new Absence Day Extension will allow Housing Support recipients to keep their housing for an extended period (up to 92 days) if they leave for behavioral health treatment or hospital or nursing facility stays.

Housing Stabilization: \$4 million increase to support staffing and expanded activities for the Housing Stabilization Services Medical Assistance Benefit

Housing Stabilization Services is a new Medical Assistance benefit designed to help people with disabilities and older adults find and keep housing. The service aims to support a person's transition into stable housing, increase long-term stability in housing, and avoid future periods of homelessness or institutionalization. This funding will support new full-time staff to process applications and support providers seeking to deliver these new Medical Assistance housing benefits and allow for expanded activities including assisting with transition costs associated with moving to a community settings that are not covered by other sources, including rent deposits, utilities setup costs, essential furnishings and supplies.

Supporting People Exiting Correctional Facilities: \$603,000 one-time increase for staffing

This funding for use now through 2024, will increase staffing for the Department of Corrections and Department of Human Services Joint Initiative to assist people re-entering the community after a release from a Minnesota Correctional Facility.

Minnesota Housing

Preserve and Expand Access to Affordable Housing for all Minnesotans: \$100 million for Housing Infrastructure Bonds (HIB)

An additional \$100 million for HIB will leverage additional private development funds and preserve federal dollars for rental assistance while creating or preserving housing. The types of housing that can be financed with HIB include: permanent supportive housing, homeownership opportunities, senior housing, rehab of existing housing and a new eligible use focused on new construction with rents affordable to those making the least.

New in 2021

- The Housing Infrastructure Bonds authority is contingent on potential federal action. If Congress passes a federal infrastructure bill in 2021 that includes funding for the same purposes as HIB, then bonds cannot be issued for those purposes.
- \$33.333 million of the \$100 million is set aside for single-family development (\$18.333 million) and manufactured home community acquisition and infrastructure (\$15 million). The set-asides are available until January 16, 2024.

Task Force on Shelter: \$200,000 in one-time funding to support the implementation of the newly created Task Force

The Task Force on Shelter will convene in August and work together until August 2022 to complete two reports to the is established to develop standards for the provision of shelter and examine the need for, and feasibility and cost of, establishing state oversight of shelter.

Help Low-Income Families Stay in their Homes: \$1.750 million increase for the Manufactured Home Park Redevelopment Program

Living in a manufactured home community is often an affordable housing option; however, the deteriorating infrastructure of these parks makes the housing situation precarious. A \$1.750 million increase will fund more infrastructure needs in manufactured home parks across the state. The grants provided through the Manufactured Home Park Redevelopment Program will fund infrastructure improvements including streets, sewer, water and lighting, as well as storm shelters.

Local Housing Trust Fund: \$1 million to incentive Local Housing Trusts

\$1 million will be available through Minnesota Housing to incentivize increased revenue to Local Housing Trust Funds. Up to \$300,000 will be available as state matching funds for the increase in local revenue. Local housing Trust Fuds have broad uses for single-family and rental development, as well as down payment assistance loans, rental assistance, and counseling.

Housing Tax Credit Contribution Fund

Starting in two years (FY 2024), individual taxpayers will be able to be contribute to the Housing Tax Credit Contribution Fund at Minnesota Housing to receive tax credits. The total amount of credits available is \$10 million per year for six years. The minimum contribution is \$1,000 and the maximum is \$2 million. The contributions will be used for loans and grants for single-family

and multifamily housing development under the Challenge Program (M.S. 462A.33). The program has priorities and set-asides for single-family development, housing development in communities with a population under 2,500 and rental housing development targeting renters at 50% AMI or below.

Minnesota Department of Veteran Affairs

Ending Veteran Homelessness: \$6.3 million increased funding support and expand Veteran Homelessness efforts

Every Minnesotan—especially those who have served our country—should have a safe and stable place to call home. MDVA is committed to ending homelessness among Veterans in Minnesota. Specifically, it is dedicated to becoming the fourth state in the nation to reach functional zero statewide. Through a collaboration with numerous public, private and non-profit partners, a dedicated internal staff of four FTEs, and a robust Homeless Veteran Registry database, we have begun to address the problem. But to achieve the goal of functional zero for Veteran homelessness, the program needs housing vouchers and wrap around services for Veterans and former Service members who are not eligible for federal housing assistance. COVID-19 has made the issue even more urgent.

Minnesota Office of Higher Education

Supporting students: \$583,000 increase in funding for the Emergency Assistance for Postsecondary Students Expansion

Emergency Assistance for Postsecondary Students (EAPS) is a grant program for postsecondary institutions across Minnesota to allocate grant funds on a matching basis to schools with a demonstrable homeless population to provide financial resources to students experiencing severe financial hardships that may prevent them from continuing their post-secondary education. The grant funds can support food, housing, transportation, and other costs. This additional funding will expand the number of institutions receiving grants and increases the amount each institution can request to support their students.

Department of Revenue

Provide Housing Stability to Families and Children: \$20 million annually in Local Homelessness Prevention Aid

Local Homelessness Prevention Aid to Counties is a new program designed to support families with children modeled after Homework Starts with Home (effective in the biennium starting July 1, 2023). The Commissioner of Revenue will distribute the aid directly to counties who must use the money on new or existing family homeless prevention and assistance programs. The programs can be administered by a single county, a group of contiguous counties acting together, a single city, a group of contiguous cities acting together, a Tribe, a group of Tribes, or a community-based nonprofit.