

Veterans and Military Affairs Finance and Policy Committee

Chair: Jerry Newton

Minnesota Assistance Council for Veterans Testimony February 26th, 2024

Chair Newton and Committee Members, my name is Nathaniel Saltz and I'm the Chief Program Officer for the Minnesota Assistance Council for Veterans - MACV. We are a 501c3 statewide nonprofit with the mission to end veteran homelessness in Minnesota. We pursue our mission in partnership with the local, state, and federal veteran-focused organizations who support our work in supportive housing, housing subsidies, holistic case management, and thought leadership which formed these critical interventions. The creativity that produced such effective State initiatives for housing acquisition and vouchers have Minnesota on track to end veteran homelessness in Minnesota by 2026. As we edge nearer to this goal each month, MACV has already started reflecting on how to keep ahead of the curve and push forward in addressing the evolving needs of Minnesota's veterans as this investment ends. Today, we are excited to share the updates and plans already in motion to usher in the next chapter of how we reach and maintain the effective end of veteran homelessness in our great state.

MACV has served veterans experiencing or facing homelessness since 1990. I began with MACV in March of 2003, and in that time have never seen the community as focused on the needs of veterans experiencing homelessness as I see it today. We strive to achieve our goal with a wide-reaching, comprehensive network of over 130 staff, as well as community partners throughout the state. Some of the most notable achievements from last year include:

- Preventing over 1,200 veterans from becoming homeless.
- Ending periods of homelessness for close to 500 veterans statewide.
- Providing housing at MACV-owned or managed properties to 175 veterans.

The professionalism, compassion, and range of skills represented in our team speak to a devotion to mission. MACV's services include housing stability case management, homeless outreach, landlord engagement, employment, healthcare navigation, legal services, permanent and transitional supportive housing, financial capability coaching, and representative payee services through a partnership with Agate Housing and Services. MACV operates statewide through offices in the Twin Cities, Duluth, Saint Cloud, Moorhead, Mankato, Bemidji, and Rochester. As we stand on the cusp of achieving an effective end to veteran homelessness in Minnesota, I want to share some stories and insights with you.

Sustaining Success

While the pursuit of ending veteran homelessness in Minnesota has marched forward for many years, the call is more pressing than ever as we close in on the goal. Minnesota is determined to become the fourth state in the union to achieve Functional Zero veteran homelessness, a goal we have set to achieve by the end of r. The United States Interagency Council on Homelessness (USICH) has already qualified MACV and our network of statewide partners as achieving Functional Zero veteran homelessness in eight of Minnesota's 10 Twin Cities metro. We are closing in on Hennepin County this year, where we have focused our energy on reducing the length of time veterans spend on the Homeless Veteran Registry before moving into long-term housing to meet the USICH benchmarks. We are also aggressively pursuing the achievement of Functional Zero in Ramsey County, wrapping up the whole State.

We are proud to consider MDVA, DEED, Minnesota Housing, Minnesota Department of Human Services, and the Department of Corrections as some of our strongest allies in the

fight to end veteran homelessness in Minnesota. Funds appropriated to MACV by the Minnesota Legislature are especially important resources for our mission's success. As excitement builds around achieving Functional Zero in the final two CoCs, we have to remember how critically important it is to sustain the progress already made throughout the rest of the State. Focusing resources on the veterans who need the most supports and have access to the fewest resources, we have to note the substantial barriers still experienced by veterans who cannot access federal VA housing programs such as HUD-VASH, those who are aging and medically unstable, and veterans with low fixed incomes who rely on assistance and ongoing access to their basic needs through social service agencies. State funds through MNVEST, VSHO, and other programs have powered the veteran community to make progress towards the State's goals. However, even more work lies ahead as we narrow our sights on engaging and serving the veterans with the fewest resources and most challenges to housing stability.

Our staff has witnessed a significant uptick in veterans needing assistance since the end of the COVID-19 pandemic. In response, MACV has launched its MDVA-funded Minnesota Veterans Entering Stable Tenancy (MNVEST) program. MNVEST provides 2-year rental subsidy vouchers paired with clinical case management to veterans who are unable to access the VA's HUD-VASH subsidy because of program eligibility or availability. Veterans work with their case managers to identify income and suitable housing options during their enrollment in MNVEST. The possibility for program extensions currently exists beyond the initial two-year voucher period on a case-by-case basis. MNVEST has served 126 veterans since April 2022, with 93 currently active participants. Of the 126 veterans served, 78 (or 62%) are over the age

of 55 and have low fixed incomes limiting their abilities to afford housing in a state with a climbing cost of living. Based on current trends and data from the Minnesota Homeless Veteran Registry, we anticipate the need to enroll 50-60 new veterans in MNVEST by the end of 2024. MACV's initial MNVEST contract will end on June 30, 2025, with tails to continue to support already enrolled veterans while maintaining the same voucher number.

As the first phase of our brick-and-mortar supportive housing expansion starts to wind down, MACV has now turned our attention to growing and sustaining the teams responsible for the ongoing operation of our supportive housing properties. We recognize the long-term need for continued support of our resident and property management teams in serving some of Minnesota's most vulnerable veterans moving forward. By providing deeply affordable, service-rich housing to low-income households, an approach that does not easily lead to steady cash flow, MACV needs flexible support to sustain our low-barrier housing operations. We want to emphasize the importance of nontraditional housing partners like MDVA's VSHO program to ensure the successful operation of our supportive housing.

Progress Made

The key to success in all our programs is the combination of individualized services each MACV veteran receives with our team's determination for all veterans to achieve and maintain housing stability. MACV is proud to receive critical financial support from the State of Minnesota each year to pursue this goal. Our awards include funds through the Minnesota Department of Veterans Affairs for a variety of uses:

- Developing housing (Veterans Stable Housing Opportunities, VSHO),

- Stabilizing veterans through long-term vouchers (Minnesota Veterans Entering Stable Tenancy – MNVEST),
- Outreach and case management (Opening Veterans to Every Resource, Operation: OVER),
- Emergency hotel shelter for veterans with no other short-term options (Veterans Temporary Housing – VTEMP), and
- Legislatively appropriated funds for MACV to provide direct financial assistance, stabilizing veterans in housing through payments for rent, security deposits, utilities, and other key needs.

State funding is one of the largest sources of annual revenue for MACV's mission. That said, the relationship between MACV and the State is about so much more than money. The degree of partnership and coordination between MACV and the State of Minnesota has drawn national attention from thought leaders like Community Solutions, the U.S. Department of Veterans Affairs, National Coalition for Homeless Veterans, and others as best practices in cross-sector relationships. More importantly, our team knows that partnership with our colleagues in state government ensures the most effective and responsive delivery of services for the veterans we all serve.

MACV operates 225 beds of transitional and permanent supportive housing units in Duluth, Hibbing, Mankato, St. Cloud, and the Twin Cities metropolitan area. These units, 85 of which were created through VSHO, gradually come online through a combination of federal, state, and philanthropic partnerships. In 2023, we closed on 30 new housing units in the Twin Cities metro an additional eight units in St. Cloud, and eight units in Rochester in January

2024. VSHO has been a tremendous support in developing housing geared to serving veterans with the fewest options for suitable living situations. We are proud to report that MACV is closer than ever to acquiring the supportive housing units needed to close the housing access gap spurring our expansion in the first place.

MACV assisted 2,223 veterans in 2023, with 937 veterans, or 42% of our clients, located in Greater Minnesota. The remaining 58% lived in the 7-county Twin Cities metropolitan area.

- 68% have a documented disability, including 52% with a service-related disability.
- 50% were 55 years of age or older
- 50% were also parents
- 36% served after 9/11
- 35% identified as veterans of color
- 13% were female veterans

The household incomes of veterans served by MACV show the financial challenges they face every day.

- Extremely low income (30% AMI or less): 41%
- Very low income (31-50% AMI): 19%
- Low income (51-80% AMI): 9%
- Moderate income (81% or more): 2%

MACV regularly reaches beyond Minnesota's traditional veteran service organizations like the VA system or MDVA in the course of our work. Some of our strongest local allies include County and Tribal Veteran Service Officers working to connect veterans to benefits and groups which can change the trajectory of their lives. County and Tribal VSOs can assist with the MACV intake process and gather documents and signatures to speed up the time from initial contact to housing solutions. We are fortunate that in Minnesota, this incredible resource is available to veterans in every County.

MACV has also forged relationships with local American Legion and VFW posts throughout the State. Leveraging local groups who know the veterans in their community is a key component of our outreach strategy that has allowed us to achieve the federal benchmarks of functional zero in 85 of 87 Minnesota counties.

The Way Forward

MACV has already started to consider what Minnesota's veterans need to ensure their long-term housing stability in 2025 and beyond. One of the most important tools at our disposal for the progress made MNVEST, has its first award period end as the State makes its final push to achieve Functional Zero next year. MACV's initial MNVEST contract will conclude on June 30, 2025, with tails to continue to support already enrolled veterans while maintaining the same voucher number. This will effectively cease our ability to enroll new veterans into the program and limit the extensions available for veterans without other options for stable housing, all while Minnesota is still in the grips of a historic affordable housing crisis. With few signs of the systemic changes needed for its resolution coming from the housing sector, we have concerns about losing the capacity to connect veterans in need with this successful resource as soon as next year. MACV will continue to communicate our needs and findings in connection to the future of MNVEST to MDVA as well as to this body as we approach the end of the grant term.

MACV utilizes numerous tools to track progress made toward achieving our mission. Minnesota's Homeless Veteran Registry (HVR), operated by MDVA, provides a real-time snapshot of veterans experiencing homelessness anywhere in the State. The HVR allows MACV and our partners within each Continuum of Care, local Vas, and MDVA to keep count of the

veterans experiencing homelessness, their most recent location, the amount of time spent in homelessness, as well as other key pieces of information we need to effectively reach and serve these individuals. The average month in 2023 saw 73 new Veterans added to the HVR, with a large spike at the beginning of the year. As of February 20, 2024, there were 246 Veterans on the HVR. MACV is proud to have been part of the solution for approximately 89% of the successful housing outcomes from the HVR in 2023.

In addition to being a critical source of data, program staff for the HVR partner agencies (MACV, Minnesota Department of Veterans Affairs, and the statewide VA medical centers) discuss each veteran on the list at bi-weekly meetings. Regular case conferencing allows the organizations best situated to serve homeless veterans to identify their needs and barriers, as well as ensure that plans for the veteran's housing stability are in place and being followed.

While each veteran experiencing homelessness has their own unique set of challenges and goals on the path to housing stability, we can also note some of the most common barriers that veterans face. These challenges will require years of strategic and creative interventions reaching beyond the achievement of Functional Zero veteran homelessness in Minnesota:

- A critical shortage of affordable rental housing units,
- The widening gap between household income and local cost of living, and
- Lack of emergency shelter options for veterans experiencing homelessness.

In addition to having low income, many veterans on the Homeless Veteran Registry have other barriers such as poor credit, a history of prior evictions, or past justice involvement. These barriers result in the denial of many veterans' rental applications for housing in their home communities even if they can locate a unit within their income range. VSHO funds appropriated by the State, along with other government and philanthropic funds, have allowed MACV to create

housing units designed to address the lack of suitable units to meet our veterans' unique needs. However, maintaining supportive housing residents' stability for the long term requires us to meet an increasing need for onsite services for aging and medically unstable veterans with low incomes.

Another concern is that many Minnesota veterans do not have consistent access to local emergency shelters. Veterans without a place to stay must either leave their home communities to find a warm place to sleep or survive in unsafe weather by sleeping in tents, trailers with no heat or water, vehicles, or fish houses. With a lack of shelter in the winter, if a friend or family member of a veteran lets them stay, the veteran may then lose eligibility for homeless designated housing programs and services, putting them back at square one once they are no longer able to temporarily double up. MACV continues to partner closely with MDVA's VTEMP program to fill this need for veterans with significant barriers to shelter access, but there remain 35 veterans known to be unsheltered in Minnesota tonight.

The work supported by the State of Minnesota through MACV changes thousands of veterans' lives every year and fuels journeys as unique as the people who made them. I want to share the story of one veteran, whom I will call Ruth, who contacted MACV after becoming homeless due to fleeing domestic violence- This honorably discharged veteran of the Minnesota National Guard was living in a vehicle in Greater Minnesota with three children. MACV was able to quickly place the family in a hotel as there was no immediate shelter available for them.

While the veteran was not eligible for federal VA benefits, thanks to the MNVEST program, MACV was able to assist Ruth in finding a unit with a subsidy so she could afford housing. We

were able to negotiate this placement with a landlord utilizing the MDVA landlord incentive program. Since moving into her long-term residence, Ruth has gotten her GED, increased her income through both VA disability and employment, and is connected to mental health services. She's been housed for over a year and her landlord has been happy with her as a tenant; he plans to renew her lease for another year this May. The story is one with challenges, but the outcome of Ruth and her family living in their own apartment is the result of opportunities that MACV strives to give every single veteran affected by homelessness in Minnesota.

Ruth's story, and that of hundreds of other veterans served by State-funded programs, are possible because of the commitments and partnerships represented in this room. We could not do this critical work without the support of MDVA, DEED, Minnesota Housing, DOC, DHS, and the Legislature. Thank you for your support of the key State programs targeting veterans of the U.S. military, and the opportunity to work together ensuring the continuity of the work we have begun. We look forward to our future conversations about what the veterans we all serve need to cross the finish line and keep running. We share your belief that every person who wore the uniform should have a home tonight.