

Family Supportive Housing Act

(SF673 Maye Quade/HF910 Reyer)



- ◆ **A new source of funding for specialized services for parents and children living in family supportive housing (FSH) throughout Minnesota.**
- ◆ **Administered by Minnesota Department of Human Services Office of Economic Opportunity.**
- ◆ **Fills a gap in state funding for families when the parent or guardian is age 25 or older.**
- ◆ **Will expedite the construction of new family supportive housing across the state.**

Nearly **3,400** Minnesota families with children experience the trauma of homelessness on any given night.¹ This can begin a cycle of homelessness that passes on through generations.

Family supportive housing provides on-site specialized services for both parents and children in secure, non-time limited housing. **Research shows that FSH is the most dignified and effective way to break the cycle and help families at-risk achieve housing stability across generations.**²

Although FSH's long-term cost-benefits have been proven, providing quality specialized family services is a costly investment.³

State funding for services in supportive housing is available for disabled adults not living with children and youth up to age 24 who have children of their own, but not for families with children once the parent or guardian is 25 or older.

This critical gap in funding not only impacts families already living in supportive housing, but also prevents additional FSH from being built. **To secure financing for new construction, developers must show they can fund the ongoing specialized services that will be provided when families move in.** The prohibitive cost of these services is the primary reason that very little family supportive housing is being built in Minnesota, despite the great need.

Passing the Family Supportive Housing Act with an initial investment of \$5 million per year will transform the lives of parents and children currently living in FSH--and enable more to be constructed to help additional homeless families.

*For more information, contact:
Rev. Nancy Nord Bence, Public Policy Manager
Beacon Interfaith Housing Collaborative
Cell: 763-639-5941 Email: nbence@beaconinterfaith.org*

What does the Family Supportive Housing Act do?

Defines "family" broadly as a non-temporary household that includes at least one child and one parent or legal guardian.

Defines family supportive housing as non-time limited 30% AMI housing that is available to families statewide with multiple barriers to housing stability, including referral by child protection services, and offers specialized support services.

Defines specialized family support services as nonmandatory, trauma-informed, and culturally-specific services designed to help family residents maintain secure, dignified housing and provide a safe, stable environment for children. Examples are included.

Appropriates \$5 million in 2024 and \$5 million in 2025 from the general fund to DHS to fund these specialized services statewide and provide technical assistance. This will provide specialized services to 225-450 families per year.

As of January 2023

Family Supportive Housing can break the intergenerational cycle of housing instability

Most homeless adults (77%) have had multiple experiences with homelessness,...over one-third (36%) first became homeless at or before age 18. In the 2018 Minnesota Homeless Study, 32% of those experiencing homelessness were children (17 or younger) living with their parents. This number has remained relatively flat since 2015. For young children, homelessness means additional strain on academic and social well-being.⁴

A 2015 study by the Wilder Foundation of permanent supportive housing in Minnesota found that **these programs “serve a unique and critical function in providing a pathway out of homelessness for those who face the greatest odds and most burdensome challenges to securing safe and stable housing.** The study also shows that some who will enter these programs have a reasonable chance to move on to other forms of stable housing, once initial stability and security goals are realized.”⁵

Family Supportive Housing is both effective and cost-effective

Supportive housing is designed primarily for people with long histories of homelessness due to persistent obstacles like serious mental illness, a substance use disorder or chronic medical problems. Compared with other very low-income people, these individuals disproportionately use shelters, emergency health care and public mental health services—often cycling rapidly through various public institutions at great cost to taxpayers. Supportive housing can break this cycle by providing affordable housing and the services these individuals or families need to stay in a home. The result is reduced burden—and cost—to our public systems.⁶

A 2014 study by the Wilder Foundation of the Jeremiah Program, a supportive housing program for single mothers with children, found positive economic value for participants, private funders, taxpayers, and society as a whole. The benefit-cost ratios showed returns of between \$1.66 and \$34.16 for every dollar invested in the program.⁷

The decreased use of expensive public services resulting from permanent supportive housing (PSH) is dramatic and results in savings. Often, cost savings equal or exceed the cost of PSH. PSH is a front-loaded investment that can replace ineffective traditional programming, show significant and persistent results, and save cities, states, and the federal government money over time.⁸

“Permanent Supportive Housing is the most humane and cost-effective solution to chronic homelessness. Indeed, it is the most studied intervention in all of homelessness policy.”⁹

1. https://www.thecentersquare.com/minnesota/minnesota-homeless-population-numbered-7-977-last-year-study-finds/article_996bfca8-5081-11eb-b148-43febacc943.html
2. Corporation for Supportive Housing (CSH) website. <https://www.csh.org/supportive-housing-101/>
3. Staten, Lavena and Rankin, Sara, Penny Wise But Pound Foolish: How Permanent Supportive Housing Can Prevent a World of Hurt (July 12, 2019). https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3419187
4. Wilder Research, MN Homeless Study, 2022. <https://www.wilder.org/mnhomeless/results>
5. Wilder Research, December 2015, Supportive Housing Outcomes in Minnesota: A Study of Outcomes for Formerly Homeless Residents, p.101. <https://www.wilder.org/sites/default/files/imports/SupportiveHousingOutcomesInMN>
6. Corporation for Supportive Housing (CSH) website. <https://www.csh.org/supportive-housing-101/>
7. Wilder Research, 2014, “Return on Investment in the Jeremiah Program,” p.1. https://www.wilder.org/sites/default/files/imports/JeremiahProgram-ROI_Summary_4-13.pdf
8. Staten, Lavena and Rankin, Sara, Penny Wise But Pound Foolish: How Permanent Supportive Housing Can Prevent a World of Hurt (July 12, 2019). https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3419187
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