

# HOME-ARP Allocation Plan: City of Minneapolis

February 2023

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## Introduction

In 2021, HOME-American Rescue Plan (HOME-ARP) was established that allocated \$5 billion nationwide to support affordable housing initiatives. The program has several key objectives, including providing capital investment for permanent affordable rental housing, upgrading shelter stock to include non-congregate shelter, and providing tenant-based rental assistance and supportive services. To accomplish these goals, the program drew on lessons from various existing housing programs, such as the HOME, Continuum of Care (CoC), ESG (Emergency Solutions Grant), and Housing Counseling programs.

The City of Minneapolis was awarded \$9,626,335. Before receiving the awarded amount, the City of Minneapolis is required to conduct a series of consultations, hold a public hearing, and gather public

comments on the current unmet needs and gaps in services, as well as recommended use of funds. This is an important step to ensure that the funds are being used effectively and are addressing the specific needs of the community. Through these consultations and hearings, Minneapolis can gather valuable input and feedback from residents and stakeholders to inform their decision-making and maximize the impact of the funding.

## Consultation

The consultation process for HOME-ARP took place through three primary methods: virtual consultation sessions, one-on-one interviews, and surveys (both virtual and paper-based). All methods included written materials covering the basics of HOME-ARP to help orient impacted communities to the funding source.

1. **Virtual Consultation Sessions:** The City hosted five one-hour virtual consultation sessions from February 10<sup>th</sup> through February 16<sup>th</sup> which included an overview of HOME-ARP and an interactive guided discussion about the unmet needs and gaps as well as the recommendation for use of funds. Across these five sessions, 40 individuals and 29 organizations provided insightful feedback about community needs from the perspectives of homeless services providers, housing developers, domestic violence service providers, survivors of human trafficking service providers, organizations that address the needs of persons with disabilities, Continuum of Care leadership and public agencies that serve the qualifying populations.
2. **Surveys.** To make it easier for community members to provide input, The City of Minneapolis launched a virtual survey available online in English, Somali, Spanish, and Hmong an alternative method for gathering feedback on the use of HOME-ARP. The link to the survey was also made available to those participants in the consultation sessions to encourage others in their network to provide relevant feedback. The City received 26 responses.

In addition to a community wide survey, a shortened survey designed for those with lived experience was distributed to emergency shelters and drop-in centers across the City of Minneapolis to ensure that this important impacted community has a voice in the Allocation Plan. The City received 3 responses

3. **One-on-One Interviews:** To ensure full participations for input and compliance with the HOME-ARP Implementation, additional one-on-one interviews have taken place. The City continues to meet with relevant Hennepin County staff to ensure that both the City and the County are coordinating effectively to maximize both this allocation and the allocation received by the County. Additional one on one interviews may be necessary to gather appropriate data for a needs assessment and gaps analysis and ensure full participation of required groups per the HOME-ARP regulations.

## Full List of Organizations Participating in Consultation and Survey

Organization/Agency Name	Organization/Agency Type	Consultation Type
180 Degrees	<ul style="list-style-type: none"> <li>• Homeless Service Provider</li> <li>• Survivors of Human Trafficking Service Provider</li> </ul>	Virtual Listening Session and Survey
Agate Housing and Services	<ul style="list-style-type: none"> <li>• Homeless Services Provider</li> <li>• Organization Serving Persons with Disabilities</li> <li>• Housing Developer</li> <li>• Person with Lived Experience in Homelessness or Housing Instability</li> </ul>	Virtual Listening Session and Survey
Alliance Housing Inc	<ul style="list-style-type: none"> <li>• Housing Developer</li> </ul>	Virtual Listening Session
American Indian Community Development Corporation. (AICDC)	<ul style="list-style-type: none"> <li>• Homeless Service Provider</li> <li>• Housing Developer</li> <li>• Organization that addresses the needs of persons with disabilities;</li> </ul>	Virtual Listening Session and Survey
Asian Women United of Minnesota	<ul style="list-style-type: none"> <li>• Domestic Violence or Sexual Trafficking Service Provider</li> </ul>	Survey
Avenues for Youth	<ul style="list-style-type: none"> <li>• Homeless Service Provider</li> </ul>	Virtual Listening Session
Avivo	<ul style="list-style-type: none"> <li>• Homeless Services Provider</li> </ul>	Survey
Beacon Interfaith Housing Collaborative	<ul style="list-style-type: none"> <li>• Housing Developer</li> </ul>	Virtual Listening Session and Survey
Clare Housing	<ul style="list-style-type: none"> <li>• Housing Developer</li> <li>• Homeless Service Provider</li> <li>• Organization that addresses the needs of persons with disabilities</li> </ul>	Virtual Listening Session
CommonBond Communities	<ul style="list-style-type: none"> <li>• Housing Developer</li> </ul>	Virtual Listening Session
Haven Housing	<ul style="list-style-type: none"> <li>• Homeless Services Provider</li> </ul>	Survey
Hope Community, Inc	<ul style="list-style-type: none"> <li>• Housing Developer</li> <li>• Housing provider/owner</li> </ul>	Virtual Listening Session
Hennepin County	<ul style="list-style-type: none"> <li>• Public Agency that served the needs of the Qualifying populations (All QPs)</li> <li>• Coc Lead Agency</li> </ul>	One-on-one Interview
Landon Group	<ul style="list-style-type: none"> <li>• Financial consultant to developers</li> </ul>	Virtual Listening Session
Lupe Development Partners	<ul style="list-style-type: none"> <li>• Housing Developer</li> </ul>	Survey
Mid-Minnesota Legal Aid	<ul style="list-style-type: none"> <li>• Fair Housing or Civil Rights Organization</li> </ul>	Survey

Minneapolis Public Housing Authority	<ul style="list-style-type: none"> <li>Public Housing Authority</li> </ul>	Virtual Listening Session
Minneapolis Department of Veteran Affairs	<ul style="list-style-type: none"> <li>Veteran group</li> </ul>	Survey
Minnesota Assistance Council for Veterans (MAC-V)	<ul style="list-style-type: none"> <li>Veteran group</li> </ul>	Survey
Minnesota Indian Women's resource center	<ul style="list-style-type: none"> <li>Domestic Violence Survivor Service Provider</li> <li>Homeless Service Provider</li> <li>CoC Lead Agency</li> <li>Organization that addresses Civil Rights</li> <li>Organization that addresses Fair Housing</li> <li>Survivors of Human Trafficking Service Provider</li> </ul>	Virtual Listening Session and Survey
North Star Policy Consulting	<ul style="list-style-type: none"> <li>Consultant</li> </ul>	Survey
Peace House Community	<ul style="list-style-type: none"> <li>Homeless Service Provider</li> </ul>	Virtual Listening Session
Person Centered Housing Consultants	<ul style="list-style-type: none"> <li>Homeless Service Provider</li> </ul>	Virtual Listening Session
Project for Pride in Living	<ul style="list-style-type: none"> <li>Housing Developer</li> <li>Homeless Services Provider</li> </ul>	Survey
Ripley Richard Real Estate Development Services	<ul style="list-style-type: none"> <li>Housing Development Consultant</li> </ul>	Virtual Listening Session
Schmid Consulting	<ul style="list-style-type: none"> <li>Housing Developer</li> </ul>	Virtual Listening Session
Simpson Housing Services, Inc.	<ul style="list-style-type: none"> <li>Homeless Service Provider</li> </ul>	Virtual Listening Session
SMAC, Ain Dah Yung & Premier Management Housing	<ul style="list-style-type: none"> <li>Homeless Services Provider</li> <li>Person with Lived Experience of Homelessness or Housing Instability</li> <li>Organization Serving Persons with Disabilities</li> <li>Tribal Organization</li> <li>Domestic Violence or Sexual Trafficking Service Provider</li> <li>Continuum of Care Staff/Leadership</li> </ul>	Survey
The City of Minneapolis	<ul style="list-style-type: none"> <li>Public Agency that served the needs of the Qualifying populations (All QPs)</li> </ul>	Virtual Listening Session
The Link	<ul style="list-style-type: none"> <li>Homeless Service Provider;</li> <li>Survivors of Human Trafficking Service Provider</li> </ul>	Virtual Listening Session

Trellis Co	<ul style="list-style-type: none"> <li>• Housing Developer</li> </ul>	Virtual Listening Session
Tubman	<ul style="list-style-type: none"> <li>• Domestic Violence Survivor Service Provider</li> <li>• Person with Lived Experience</li> <li>• Survivors of Human Trafficking Service Provider/Advocate</li> <li>• Organization that addresses the needs of persons with disabilities;</li> </ul>	Virtual Listening Session
Vail Place	<ul style="list-style-type: none"> <li>• Homeless Service Provider</li> </ul>	Virtual Listening Session
Violence Free Minnesota	<ul style="list-style-type: none"> <li>• Domestic Violence Survivor Service Provider</li> </ul>	Virtual Listening Session
Volunteers of America	<ul style="list-style-type: none"> <li>• Housing Developer</li> </ul>	Virtual Listening Session
Volunteers of America National Services	<ul style="list-style-type: none"> <li>• Housing Developer;</li> </ul>	Virtual Listening Session
Volunteers of America of Minnesota	<ul style="list-style-type: none"> <li>• Homeless Service Provider</li> <li>• Organization that addresses the needs of persons with disabilities</li> </ul>	Virtual Listening Session
Wayside Recovery Center	<ul style="list-style-type: none"> <li>• Domestic Violence Survivor Service Provider</li> <li>• Person with Lived Experience</li> <li>• Organization that addresses the needs of persons with disabilities</li> <li>• Homeless Service Provider</li> </ul>	Virtual Listening Session
Wellington Management	<ul style="list-style-type: none"> <li>• Housing Developer</li> </ul>	Virtual Listening Session
Winthrop & Weinstine	<ul style="list-style-type: none"> <li>• Housing and Public Policy law firm</li> </ul>	Virtual Listening Session
YouthLink	<ul style="list-style-type: none"> <li>• Domestic Violence Survivor Service Provider</li> <li>• Homeless Service Provider</li> <li>• Organization that addresses Fair Housing</li> <li>• Organization that addresses Civil Rights</li> <li>• CoC Lead Agency</li> <li>• Organization that addresses the needs of persons with disabilities</li> <li>• Survivors of Human Trafficking Service Provider/Advocate</li> </ul>	Virtual Listening Session

## Consultation Meetings Summary

Consultation Session Date	Priority Eligible Activities	Summary Feedback
February 10, 2023	<ul style="list-style-type: none"> <li>• Affordable Rental Housing</li> <li>• Supportive Services &amp; Tenant Based Rental Assistance (tied)</li> </ul>	<p>The main unmet needs are providing financial assistance to those in need and accommodating the various needs of the population in terms of housing opportunities and services.</p> <p>This includes supporting at-risk individuals, survivors of negative involvement with law enforcement, and those who may not thrive in the housing-first model, as well as providing general affordability for those with low or fixed income and establishing relationships with housing providers to build trust and support for those in transition.</p>
February 13, 2023 (AM session)	<ul style="list-style-type: none"> <li>• Affordable Rental Housing</li> <li>• Supportive Services</li> </ul>	<p>The major theme of unmet needs is lower barrier options, affordable rental housing, and non-congregate shelter for unhoused individuals, particularly youth and those at-risk of homelessness, as well as the need for supportive services and tenant-based rental assistance.</p> <p>These needs are complicated by a range of barriers to accessing housing and services, including discrimination against Black, Native, and LGBTQ+ communities, and the difficulty of coordinating multiple funding sources to provide adequate supportive services.</p>
February 13, 2023 (PM session)	<ul style="list-style-type: none"> <li>• Tenant Based Rental Assistance</li> <li>• Affordable Rental Housing</li> </ul>	<p>The major themes of this discussion include the need for long-term rental assistance to help those who have not rebounded from the pandemic, as well as the need for trauma recovery services, especially for youth. Racial and ethnic disparities are prevalent throughout the system, and there is a need to connect supportive housing to other necessary services to ensure success.</p> <p>Prioritizing populations within the system is challenging due to the lack of available funding and uncertainty about future funding. The need for affordable rental housing and supportive services is ranked highly.</p>
February 15, 2023	<ul style="list-style-type: none"> <li>• Affordable Rental Housing</li> <li>• Supportive Services</li> </ul>	<p>The major themes of this discussion include the need for affordable rental housing and supportive services, as well as the challenges related to</p>

		<p>prioritizing long-term housing versus immediate shelter and rental subsidy needs.</p> <p>There is a strong emphasis on the importance of affordable rental housing to address homelessness, as well as the need for flexibility in the use of funds and a broad prioritization system to avoid excluding those in need.</p>
February 16, 2023	<ul style="list-style-type: none"> <li>• Supportive Services</li> <li>• Affordable Rental Housing</li> </ul>	<p>The major themes were the unmet need for long-term operating support to maintain assets and provide ongoing support to individuals after they are housed.</p> <p>Projects with funds from multiple sources can create eligibility and pay structure challenges for service providers, making it harder to determine eligibility and create access issues for clients.</p>

*Summary of Unmet Needs*

The consultation process identified affordable rental housing and supportive services as the most pressing needs, particularly for vulnerable populations experiencing literal homelessness. Participants stressed the importance of affordable rental housing in providing secure and stable homes, and the need for long-term supportive services to reduce housing instability and integrate households into the community. Given the diverse needs of the community, a flexible approach is necessary to provide appropriate solutions, and quick access to funding is crucial to support rental payments and utilities. Although numerous services already exist in Minneapolis, building capacity in all areas of the housing continuum is necessary to serve households appropriately, and it is encouraged to keep preference language flexible and open to avoid adding complexities in eligibility that could hinder providers' ability to serve households in their programs.

*Affordable Rental Housing*

One of the most critical is the need for affordable rental housing. Many individuals and families simply cannot afford the high cost of rent, and as a result, they struggle to make ends meet and are at risk of becoming homeless. Despite the challenges of developing new affordable housing projects, it's essential that the City continues to work towards filling the gap in housing opportunities and services.

Costs of development and construction of affordable rental housing have continued to climb, and this new funding could be used to help fill the gap to close projects that are already in the pipeline and maintain current level of unit production. Understanding the complexities of all funding sources and subsidies available is difficult and makes production a long and laborious process.

The types of housing and areas where housing is available may not match the needs of those who are currently experiencing homelessness, especially those who are experiencing unsheltered homelessness.

*Tenant Based Rental Assistance (TBRA)*

Rental assistance is another key need, as it provides a crucial safety net for those who are facing financial hardship. Particularly, youth experiencing homelessness, individuals exiting from prison, and



victims of sexual exploitation need longer term rental assistance and direct cash assistance to gain housing stability.

#### *Supportive Services*

“It’s not just about providing a roof over someone’s head” one participant noted, supportive services are also crucial, especially for vulnerable populations like youth and survivors of domestic violence and human trafficking. These services can help reduce housing instability and ensure that households are able to integrate fully into the community. Supportive services are needed for those who want help during their transition and to establish trust with housing providers. The lack of service dollars and operating costs is a challenge that hinders the provision of housing and services.

#### *Non-Congregate Shelter*

Immediate access to shelter for vulnerable populations like those experiencing unsheltered homelessness, youth, and those fleeing domestic violence is needed. The non-congregate setting provides an alternative sheltering model that can help assist those that are not open to congregate settings. Increasing shelter can provide a more robust continuum of services to help those facing homelessness in Minneapolis.

#### *Nonprofit Operating and Capacity Building Assistance*

Nonprofit operating and capacity building assistance is necessary for current organizations running at near capacity to consider applying for a new federal funding source. These funds can help hire the support necessary to maintain compliance and monitoring, as well as provide adequate training which will result in stronger program outcomes for participants.

#### *Priority Activities for HOME ARP*

The HOME-ARP consultation process highlighted several key themes that present recommendations for use of this funding source. The most pressing needs are affordable rental housing and supportive services, especially for vulnerable populations such as youth experiencing homelessness, survivors of domestic violence, and households with multiple barriers. Participants noted that affordable rental housing is crucial to placing people in safe, stable homes and that there is a need for long-term supportive services to reduce housing instability and help households integrate fully with the community.

#### *Potential Preferences*

During the consultations participants were also asked to prioritize qualifying populations and eligible activities based on the needs of who they serve. A common theme is that while a preference may allow targeting to particularly vulnerable populations, it is encouraged to keep any preference language flexible and open as added complexities in eligibility hurt providers’ ability to fully serve households in their programs. Across all five consultations, the homeless QP was identified as a priority community in four consultations and the second most important population in the fifth session.

#### *Racial and Ethnic Disparities*

There are racial and ethnic disparities in the current system that need to be addressed, and barriers to access for housing and shelter. Participants noted particular needs for Black and Brown communities, LGBTQ+ individuals and families. Barriers to access include discrimination, market rate landlords finding reasons not to rent to certain populations, and screening that excludes people in need. In addition,

intentional programmatic design to build culturally specific services to serve the diverse needs of the residents of Minneapolis is key.

Organizations also showed interest in operating a HOME-ARP program in the future, with the need for capacity building and support for possible affordable housing development. Participants encouraged the city to review the current portfolio of projects in the pipeline where this funding may serve to fill the gap due to increasing development costs that will allow for anticipated units to come online.

### Virtual Survey

A virtual survey was included in all invitations for the listening sessions and posted on the City's website for easy accessibility. The survey was translated into Somali, Hmong, and Spanish to increase feedback for non-English speaking community members. The survey was available from February 2<sup>nd</sup> through February 23<sup>rd</sup> 2023, and included 13 questions to solicit more tailored feedback. The City received 26 responses. Community members that provided responses are listed in the table above.

### Summary of Unmet Needs

Respondents described the multifaceted and interrelated needs of individuals and families experiencing homelessness (QP1), requiring comprehensive and integrated solutions that address multiple aspects simultaneously. A fundamental and pressing need for this population is access to affordable and secure housing, which entails long-term financial support to mitigate the cost of housing. Many homeless individuals also face adverse social determinants of health, including limited access to healthcare, low wages, and mental health and addiction barriers. Moreover, the vulnerable homeless population, particularly Indigenous youth and adults, would benefit from increased outreach services and resources such as safe shelter, daily living supplies, and healthcare. The article underscores the significance of providing supportive services like mental health and addiction treatment, as well as case management and life skills training, to foster and maintain housing stability.

Individuals and families at risk of homelessness have a range of complex needs that require comprehensive and holistic approaches according to survey respondents. Access to safe and affordable housing is the most pressing need, and rental assistance and long-term financial support are crucial to prevent eviction and mitigate the cost of housing. Mental health and substance abuse issues are particularly prevalent, and families involved in the child protection system and individuals coming out of incarceration also require wraparound support and recovery-focused environments, respectively. Additionally, tenant training, budgeting, life skills, and access to financial help when needed can prevent homelessness. Financial assistance and case management can also alleviate the stress of being at risk of homelessness and maintain housing stability. Lastly, coordinated systems of support are essential to provide quick interventions and sustain access to opportunities for housing stability.

Respondents highlighted that individuals fleeing domestic violence and human trafficking require immediate safety and support. Emergency shelters and transitional housing are essential to provide a safe, stable, and affordable place to stay, as well as legal assistance with orders for protection and transferring under VAWA. Trauma-informed care is necessary, which includes supportive services such as mental health and substance abuse treatment, life skills training, workforce development, and culturally specific healing services. Access to affordable housing, increased income, and healthcare, including affordable childcare, is necessary to prevent homelessness. For those in programs, safety while in shelter and supportive housing programs is paramount, as well as reliable staff and trauma-informed

care. A comprehensive and coordinated response from a range of professionals and service providers is necessary to address the complex and urgent needs of individuals fleeing domestic violence and human trafficking.

Marginalized populations such as individuals without documentation, Black/African American, Indigenous, and other people of color, people who identify as LGBTQIA+, face significant barriers to safe and stable housing. Access to affordable and safe housing is the most pressing need for all these groups, along with support services like case management, mental health, and employment services. Indigenous women and children face unique challenges that require a holistic, integrated care approach to address disparities in health, education, and safety. Youth and young adults, single mothers with children, and older adults with past drug or criminal histories are all at high risk of homelessness and need support to find and maintain housing. Formerly incarcerated individuals have specific needs related to re-entry resources and supportive services. Overall, these populations require programs that help with housing and financial support, as well as addressing systemic issues like discrimination and income inequality.

#### Racial and Ethnic Disparities

Survey respondents described racial and ethnic disparities as a major factor in housing instability, especially those who identify as Black and Indigenous, facing the most significant challenges. Systemic racism, including overcriminalization and historic lack of access to wealth, hinders access to employment and housing. Funding and systemic barriers are the primary contributors to these disparities and addressing them requires a culturally specific and trauma-informed approach. Policies and practices that eliminate discrimination, promote diversity and representation in leadership, and invest in resources and opportunities in disadvantaged communities are essential to reducing the risk of housing instability for these populations. Addressing systemic issues such as income inequality can also help mitigate these disparities.

#### Potential Preferences

According to the survey results, 70% of the respondents identified individuals experiencing homelessness as a top priority for preference due to the significant barriers faced by this population, as described above. Additionally, 10% of the respondents selected individuals fleeing domestic violence/human trafficking or other populations who could benefit from supportive services or rental assistance as a top preference population. The remaining respondent identified those at risk of homelessness as a top priority population.

#### Potential Uses

The survey participants were presented with a list of eligible activities the City could potentially fund and were then requested to prioritize their selection. The results of the survey showed 70% of the respondents identified the development and construction of affordable rental housing as the foremost priority for allocation of funds. 15% of respondents prioritized tenant-based rental assistance, while 10% selected Supportive Services, and 5% opted for non-congregate shelter.

## Survey Summary from Respondents with Lived Expertise

Individuals with lived expertise in homelessness have provided insightful feedback regarding their housing assistance needs and preferences. Among these needs, the most urgent concern expressed by these individuals is their ability to secure affordable housing, which was unanimously identified as their top priority. Specifically, affordable units were consistently ranked as the most pressing need, followed by rental assistance, non-congregate shelter, and supportive services. Despite this, some participants reported facing significant obstacles when attempting to access housing assistance programs. For instance, one individual stated that, although they possess a voucher, they are unable to locate a landlord who will accept it. Another participant shared that their criminal record has created difficulties in finding rental housing, despite their having fulfilled their sentence and secured gainful employment. Lastly, one respondent mentioned that their sole source of income is social security, which is insufficient to afford housing, and they do not have access to a voucher. These experiences underscore the imperative to enhance efforts to expand the availability of affordable housing and tackle systemic obstacles that hinder individuals from accessing this crucial resource.

## Public Participation

In accordance with Section V.B of the HOME ARP Notice, the City of Minneapolis, as a Participating Jurisdiction (PJ), must provide for and encourage citizen participation in the development of the HOME-ARP allocation plan. Before submission of the plan, the City of Minneapolis must provide residents with reasonable notice and an opportunity to comment on the proposed HOME-ARP allocation plan for no less than 15 calendar days. The City of Minneapolis must follow its adopted requirements for “reasonable notice and an opportunity to comment” for plan amendments in its current citizen participation plan.

The City of Minneapolis held a public hearing on February 28, 2023, to receive public feedback on potential uses of HOME ARP funds. A draft of the Allocation Plan was posted for public comment on February 28, 2023, through March 15, 2023.

- Date(s) of public notice:
  - February 21, 2023
- Public comment period:
  - **Start date:** February 28, 2023
  - **End date:** March 15, 2023
- Dates of public hearings:
  - February 28, 2023

## Public Hearing Summary Comments

[insert after public hearings]

## Public Comment Period Comments

[insert after closing of comment period]

## Public Comments Not Accepted and Reason

[insert after closing of comment period]

## Needs Assessment and Gaps Analysis

The following data sources were used or consulted to determine the size and demographic composition of qualifying populations in City of Minneapolis, their needs, and gaps within the current shelter, housing inventory, and service delivery system:

- **Housing Inventory Count (HIC)**, 2022 report for the MN-500: Minneapolis/Hennepin County Continuum of Care (CoC)
- **Point in Time (PIT) Count**, 2022 report for MN-500: Minneapolis/Hennepin County CoC
- **Minnesota Dash to End Homelessness** by ICA Minnesota (<https://public.tableau.com/app/profile/ica.minnesota/viz/MinnesotaDashtoEndHomelessness/MainDashboard>)
- **MN Coordinated Entry Dashboard 2020** by ICA Minnesota
- **American Community Survey (ACS)**, 2020 5-Year Estimates Data Profiles, Table DP05 Demographics and Housing Estimates, S1071 Poverty Status in the Past 12 months
- **Comprehensive Housing Affordability Strategy (CHAS)**, 2015-2019 for Minnesota
- **Department of the Treasury, Emergency Rental Assistance Program (ERA1) Interim Report (RentHelpMN)**, January 1 – June 30, 2022
- **211 Housing Data 2022, Greater Twin Cities United Way**, January 2023
- **State of the State's Housing 2021**, Minnesota Housing Partnership
- **Minnesota Housing Measures 2021**, HousingLink
- **2021 Housing Counts Report**, HousingLink
- **2022 Minneapolis Rental Housing Brief**, HousingLink
- **16th Annual Domestic Violence Counts Report for Minnesota**, National Network to End Domestic Violence
- **2021 Annual Report**, Cornerstone Minnesota
- **An Evaluation of the Safe Harbor Initiative in Minnesota – Phase 4**, Minnesota Department of Health, April 1 2019 – June 30, 2021
- **Office of Victims of Crime Report**, Breaking Free, 1/1/2018-12/31/2021
- **Hennepin County Attorney's Office Data Dashboard**, Cases received 2022

## Data Limitations

The City of Minneapolis is in Hennepin County and is part of the broader MN-500: Minneapolis/Hennepin County Continuum of Care (CoC). Data on homelessness is predominantly available at the CoC/County level. While Minneapolis is the largest city in Hennepin County, July 2021 Census estimates indicate that the population of Minneapolis is 425,336 and the population of Hennepin County is 1,267,416 (<https://www.census.gov/quickfacts/fact/table/hennepincountyminnesota,minneapolisacityminnesota/PST045222,PST045221>). Therefore, Minneapolis represents approximately 34% of the total population of Hennepin County. Because primarily county level data was available for the needs assessment and gaps

analysis, some assumptions will be made throughout this analysis and will be stated where needed to represent estimated needs and gaps for the City of Minneapolis.

Additional key datasets, including the HUD Longitudinal Systems Analysis (LSA) report was not made available and therefore does not inform this analysis.

When American Community Survey data were utilized, 5-year estimates have been used. According to the [US Census Bureau](#), “the 5-year estimates from the ACS are “period” estimates that represent data collected over a period of time. The primary advantage of using multiyear estimates is the increased statistical reliability of the data for less populated areas and small population subgroups.”

Comparatively, other data sources used in this needs assessment/gaps analysis are for one-year, different years, and across different geographies. Though the parameters are not consistent across data sources, data collected from different sources for different time periods provided a useful framework for understanding the size of qualifying populations (QPs).

## QP: Homelessness

### Data Utilized: Homelessness

Data from the most recently submitted Point in Time (PIT) Count (2022) and Housing Inventory Count (HIC) (2022) reports were utilized to determine the size and demographics of the population experiencing homelessness according to the [McKinney Vento definition](#). The [HOME ARP definition of homelessness](#) includes only paragraphs 1-3 of the McKinney Vento definition. Despite the definition differences, these sources provide the most accurate data available to evaluate the size and demographic composition of the HOME-ARP homeless QP. Additionally, data from the [Minnesota Dash to End Homelessness](#), a dashboard created by ICA Minnesota which uses data from Minnesota’s statewide Homeless Management Information System (HMIS) was also used. The 2022 Minneapolis/Hennepin County CoC’s HIC includes the geocodes for the CoC’s housing inventory dedicated to homeless, including emergency shelter, transitional housing, rapid rehousing, permanent supportive housing and other permanent housing. The 2022 HIC identified projects with geocodes for the following locations within the CoC: Bloomington (geocode 270456), Eden Prairie (geocode 271338), Hennepin County (geocode 279053), Minneapolis (geocode 273120) and Plymouth (geocode 273768). The HIC also includes the number of persons that were identified in each of the emergency shelter and transitional housing projects on the night of the CoC’s 2022 PIT count. Based on the number of people reported in the CoC’s HIC that were identified in emergency shelters and transitional housing programs located in the City of Minneapolis during the CoC’s PIT count, it is estimated that approximately 94% of the CoC’s homeless population resides in the City of Minneapolis. This estimate is used throughout this analysis to help quantify the needs and gaps related to homelessness in the City of Minneapolis.

### Size and Demographic Composition: Homelessness

#### *Size of Population*

Two main sources provide data on the total number of people experiencing homelessness in Minneapolis: the PIT Count and the Minnesota Dash to End Homelessness. Taken together, they provide a picture of the daily and annual number of people in this population.

Size: Point in Time (PIT) Count

The PIT Count provides a snapshot of homelessness in a community. It represents the number of persons identified as experiencing homelessness on a single night. **The 2022 PIT Count in Minneapolis/Hennepin County CoC identified 2,678 people experiencing homelessness on the night of the count**, including:

- 2,191 persons sleeping in a sheltered location (emergency shelter, safe haven, transitional housing)
- 487 persons unsheltered; sleeping in a place not meant for human habitation
- Persons in adult-only households made up 64% of the PIT count, followed by persons in households with adults and children (35%) and persons in child-only households (less than 1%).

2022 Point in Time Count for Minneapolis/Hennepin County CoC				
	Families		Individuals	
	Persons in households with adults and children	Households with adults and children	Persons in adult-only households	Persons in child-only households
Emergency Shelter	689	180	952	4
Transitional Housing	240	79	292	14
Unsheltered	11	4	476	0
<b>Total</b>	<b>940</b>	<b>263</b>	<b>1,720</b>	<b>18</b>

Based upon the geocodes designated by the CoC, the 2022 HIC indicates that:

- Of the 1,645 persons that were staying in the CoC's emergency shelters on the night of the PIT count, **1,595 (97%) were in emergency shelters located in Minneapolis**, while 50 (3%) were in emergency shelters located in the CoC in areas outside of Minneapolis.
- Of the 546 persons that were staying in the CoC's transitional housing programs on the night of the PIT count, **461 (84%) were in transitional housing programs located in Minneapolis**, while 85 (16%) stayed in transitional housing programs outside of Minneapolis.
- Of the 2,191 total persons that stayed in emergency shelters or transitional housing programs on the night of the PIT count, **2,056 (94%) were identified in programs located in Minneapolis**, while 135 (6%) were identified in programs located outside of Minneapolis in other locations in the CoC.

Data on the location of persons who were identified as unsheltered on the night of the PIT count was not available for this analysis.

Size: Minnesota Dash to End Homelessness

The Minnesota Dash to End Homelessness, utilizes data from Minnesota's statewide HMIS to describe the population seeking and utilizing homeless services provided in Hennepin County. According to Hennepin County's 2022 HIC, there are 11,523 year-round beds that exist across the CoC's inventory of emergency shelter, transitional housing, rapid rehousing, permanent supportive housing and other permanent housing beds. Of these, 9,734 beds (84%) participate in the CoC's HMIS system and the data for these beds is included in the Minnesota Dash to End Homelessness. When domestic violence program (which are prohibited from using HMIS) beds are excluded, the CoC has 86% of its homeless service beds (9,734 of 11,330) participating in HMIS.

Based on this HMIS data, the aggregate number of households experiencing homelessness (served in emergency shelter or transitional housing) in Minneapolis/Hennepin County in 2022 (January 1, 2022-December 31, 2022) was 9,044, as shown in the table below. Based on the PIT count estimate that 94% of persons utilizing emergency shelters or transitional housing in the county were located in Minneapolis, it is a reasonable estimate that 8,501 households were utilizing emergency shelters or transitional housing in Minneapolis in 2022.

Minnesota Dash to End Homelessness: 2022 Households Experiencing Homelessness			
	Total persons	Persons in Households with adults and children	Persons in Households with Individuals
Minneapolis/Hennepin County CoC	9,004	2,187 (24%)	6,817 (76%)
City of Minneapolis (estimate) *	8,501	2,056 (24%)	6,408 (76%)

\*City of Minneapolis estimated to be 94% of total CoC count based on 2022 HIC

#### Household Composition

PIT and HMIS data indicate most people experiencing homelessness are in households with individuals rather than in households with adults and children. PIT count results indicate 1,738 persons (65%) on a given night were persons in adult-only or child-only households, and 940 persons (35%) were in households with children. Annualized HMIS data indicates a higher percentage of persons experiencing homelessness are in households with individuals. Of the 9,004 total people in Hennepin County that used emergency shelters or transitional housing in 2022, based on HMIS data, 76% of persons were in households with only individuals and 24% of persons were in households with adults and children. Because such a high percentage of the sheltered persons identified in Minneapolis/Hennepin County CoC's PIT count (94%) utilized emergency shelters and transitional housing programs that are located within the City of Minneapolis, it is a reasonable assumption that the percentage of persons in these household types in Minneapolis would mirror that of the entire County. Based on this assumption, it is estimated that 8,501 persons in the City of Minneapolis used emergency shelters or transitional housing in 2022, with 2,056 persons (24%) in households with adults and children and 6,408 persons (76%) in households with individuals.

2022 Point in Time Count for Minneapolis/Hennepin County CoC				
	Families		Individuals	
	Persons in households with adults and children	Households with adults and children	Persons in adult-only households	Persons in child-only households
Emergency Shelter	689	180	952	4
Transitional Housing	240	79	292	14
Unsheltered	11	4	476	0
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#### Minnesota Dash to End Homelessness: 2022 Households Experiencing Homelessness



	Total persons	Persons in Households with adults and children	Persons in Households with Individuals
Minneapolis/Hennepin County CoC	9,004	2,187 (24%)	6,817 (76%)
City of Minneapolis (estimate)*	8,501	2,056 (24%)	6,408 (76%)

### Subpopulations

On the night of the 2022 PIT Count in Minnesota/Hennepin County CoC, 450 persons self-identified as having a severe mental illness and 250 persons self-identified chronic substance abuse. Veterans accounted for 134 persons experiencing homelessness, 4% of whom were sleeping in unsheltered locations on the night of the PIT count. There were 153 persons who identified as survivors of domestic violence (DV), with 5% of them sleeping in unsheltered locations on the night of the PIT count. If an estimated 94% of persons identified in the CoC's PIT count were in Minneapolis, there were 423 persons in Minneapolis who self-identified as having a severe mental illness, 235 persons self-described as having chronic substance abuse, 126 were veterans and 144 were survivors of domestic violence.

2022 Point in Time Count for Minneapolis/Hennepin County CoC, Selected Subpopulations			
	Sheltered	Unsheltered	Total
Severe Mental Illness	385	65	450
Chronic Substance Abuse	203	47	250
Veterans	128	6	134
Survivors of Domestic Violence	145	8	153

2022 Point in Time Count Estimate for Minneapolis			
	Sheltered	Unsheltered	Total
Severe Mental Illness	362	61	423
Chronic Substance Abuse	191	44	235
Veterans	120	6	126
Survivors of Domestic Violence	136	8	144

### Race

In the Minneapolis/Hennepin County CoC 2022 PIT count, nearly 54% of persons experiencing homelessness were Black or African American (1,447 people), while 24% were White (640 people) and 12% were American Indian or Alaska Native (318 people). Smaller percentages of persons were multiple races (8%), Asian (2%), or Native Hawaiian or Pacific Islander (<1%). Because such a high percentage (94%) of the sheltered population on the night of the CoC's PIT count were identified in locations in the City of Minneapolis, it is a reasonable assumption that the racial composition of people experiencing homelessness in Minneapolis is similar to that of the CoC.

Minneapolis/Hennepin County CoC 2022 Point in Time Count, Race				
	Sheltered	Unsheltered	Total	Percentage
American Indian or Alaska Native	240	78	318	12%
Asian	36	6	42	2%

Black or African American	1,184	263	1,447	54%
Native Hawaiian or Pacific Islander	5	9	14	<1%
White	512	128	640	24%
Multiple races	214	3	217	8%
<b>Total</b>	<b>2,191</b>	<b>487</b>	<b>2,678</b>	<b>100%</b>

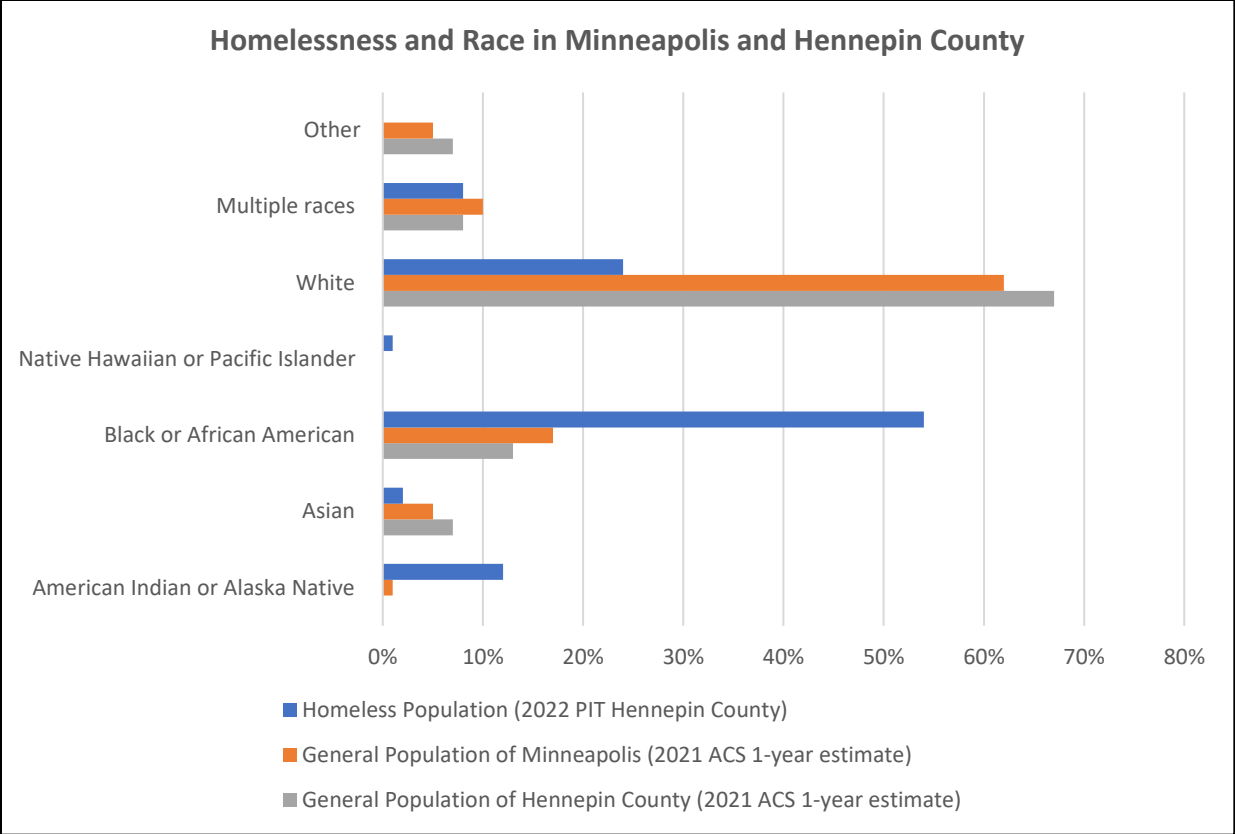
Annualized 2022 HMIS data presented in the Minnesota Dash to End Homelessness indicates that the racial composition for all persons using emergency shelter or transitional housing in the CoC is similar to that found in the PIT count. A slightly higher percentage of persons identified as American Indian or Alaska Native (15%) or white (29%) in the annualized HMIS data compared to the PIT (12% and 24% respectively).

Minnesota Dash to End Homelessness: 2022 Persons Experiencing Homelessness by Race		
	Minneapolis/Hennepin County CoC	
	Total Persons	Percentage
American Indian or Alaska Native	1382	15%
Asian	139	2%
Black or African American	4868	54%
Native Hawaiian or Pacific Islander	72	1%
White	2637	29%
Missing/Refused	543	6%
<b>Total</b>	<b>9641</b>	<b>100%</b>

To understand the meaning of the PIT data related to racial demographics, it is necessary to place it in the context of the jurisdiction's general population:

- White residents represent 24% of people experiencing homelessness, compared to 62% of the general population in Minneapolis and 67% of the general population in Hennepin County
- Black residents represent 54% of people experiencing homelessness, compared to 17% of the general population in Minneapolis and 13% of the general population in Hennepin County.
- American Indian or Alaskan Native residents represent 12% of people experiencing homelessness, compared to 1% of the general population in Minnesota and <1% of the general population in Hennepin County
- Asian residents represent 2% of people experiencing homelessness, compared to 5% of the general population in Minneapolis and 7% of the general population in Hennepin County.

These statistics show that Black and American Indian or Alaskan Native residents are overrepresented in the homeless population while White and Asian residents are underrepresented in the homeless population. Black residents experience homelessness at a greater rate than White residents, as compared to their share of the general population. These disproportionate rates homelessness as compared to the total population for Black residents is found nationwide and in nearly every CoC across the country.



**Unmet Housing and Service Needs: Homelessness**

The following is a summary of the 2022 Housing Inventory Count (HIC) for Minneapolis/Hennepin County CoC:

2022 HIC for Minneapolis/Hennepin County CoC								Subset of Total Bed Inventory	
	Family units	Family beds	Adult only beds	Child only beds	Year-round beds (total)	Seasonal beds	Overflow/Voucher beds	Veteran beds*	Youth beds*
<b>Emergency Shelter/Safe Haven/Transitional Housing</b>									
Emergency Shelter	250	938	983		1943	68	25	43	33
Transitional Housing	105	296	357	22	675	0	0	95	134
<b>Permanent Housing</b>									
PSH	507	1666	3312		4978	0	0	496	169
RRH	195	699	176	0	875	0	0	36	118
Other PH	377	1335	1717		3052	0	0	5	129
<b>Grand Total:</b>	<b>1434</b>	<b>4934</b>	<b>6545</b>	<b>44</b>	<b>11523</b>	<b>68</b>	<b>25</b>	<b>675</b>	<b>583</b>

*\*Veterans and youth are a subset of the total count of people experiencing homelessness on the night of the PIT Count.*

The following is a summary of the 2022 Housing Inventory Count (HIC) for projects in the Minneapolis/Hennepin County CoC that are located in the City of Minneapolis, based on geocodes:

2022 HIC for Minneapolis as indicated by Geocodes								Subset of Total Bed Inventory	
	Family units	Family beds	Adult only beds	Child only beds	Year-round beds (total)	Seasonal beds	Overflow/Voucher beds	Veteran beds*	Youth beds*
<b>Emergency Shelter/Safe Haven/Transitional Housing</b>									
<b>Emergency Shelter</b>	230	863	940	17	1820	68	25	43	33
<b>Transitional Housing</b>	75	191	312	22	525	0	0	95	96
<b>Permanent Housing</b>									
<b>PSH</b>	434	1423	2966	0	4389	0	0	338	145
<b>RRH</b>	183	659	134	0	793	0	0	0	40
<b>Other PH</b>	290	1067	1298	0	2365	0	0	3	108
<b>Grand Total:</b>	1212	4203	5650	39	9892	68	25	479	422

Minneapolis has a large inventory of permanent housing, including 7,547 year-round beds. These 7,547 permanent housing beds in Minneapolis are part of the 8,905 permanent housing beds in the CoC, with programs located in Minneapolis accounting for approximately 85% of the permanent housing beds in the CoC. According to the Minneapolis Dash to End Homelessness, the CoC had 7,388 people active in permanent housing (PSH or other PH) in 2022, of which 6,330 (86%) remained active in these programs at the end of 2022. There were 2,274 people active in rapid rehousing projects in the CoC 2022, of which 1,703 (75%) remained active at the end of the year. In summary, 1,629 people exited permanent housing programs in 2022 across the CoC. If an estimated 85% of the 1,629 people exiting permanent housing programs in the CoC in 2022 were located in Minneapolis, this would result in approximately 1173 people exiting permanent housing programs in Minneapolis in 2022, and therefore approximately 1173 new persons able to enter permanent housing programs in Minneapolis in 2022. While not all 8,501 estimated persons that were active in emergency shelter or transitional housing programs in Minneapolis in 2022 are necessarily candidates for entering a permanent housing program, there is a large estimated gap of permanent housing in Minneapolis of approximately 7,328 beds if all persons experiencing homelessness were to be referred to permanent housing programs.

#### Gaps Analysis: Homelessness

The homeless response system provides both crisis response (emergency shelter and transitional housing) and housing interventions. Therefore, the gaps analysis in this report considers the current availability of project beds for persons experiencing homelessness, equity in the types of interventions offered to different groups experiencing homelessness, and the efficacy of the homeless response system in assisting those groups in resolving their homeless crises.

PIT and annualized HMIS data indicate that Minneapolis has a total of 1,325 sheltered and unsheltered adult-only households experiencing homelessness. The City, in partnership with the County, has invested millions of dollars to improve the shelter system to address this need. Even with this effort, there are some households experiencing homelessness that choose not to take advantage of that opportunity for a number of reasons. That said, increasing shelter beds is unlikely to have a significant impact on reducing unsheltered homelessness, as shelter is not a housing solution that all persons experiencing unsheltered homelessness would utilize. Additionally, there are two new shelter projects in the development pipeline (Simpson Community Shelter and Apartments, and Agate Housing). Therefore, a combination of permanent housing and additional shelter beds is likely to have more impact in reducing unsheltered homelessness.

Data from the Minneapolis/Hennepin County CoC’s 2022 HIC provides information on the number of shelter beds in the CoC that located in Minneapolis as well as the number of persons that were utilizing those beds on the night of the 2022 PIT count. The table below compares current emergency shelter inventory, the number of families/individuals experiencing sheltered and unsheltered homelessness, and the gap in available inventory. This table shows both the total available inventory (total inventory minus occupied inventory) and the excess inventory (available inventory minus the number of unsheltered families/individuals). Because information was not available on the number of persons identified in the Minneapolis/Hennepin County CoC’s unsheltered count by geographic location, this analysis makes the assumption that the percent of persons identified in emergency shelter in Minneapolis relative to the entire shelter system in the CoC (94%) would be used as the same proxy for the percent of persons experiencing unsheltered homelessness in Minneapolis compared to the entire county.

Minneapolis Shelter Gaps Analysis					
	Current Inventory (HIC)	Sheltered homelessness (PIT)	Unsheltered homelessness (PIT)**	Available Inventory	Excess Inventory
Persons in adult-only households	940	878	447	62 (surplus)	-385
Persons in households with adults and children	863	714	10	149 (surplus)	139 (surplus)
Persons in child-only households	17	3	0	14 (surplus)	14 (surplus)
Veterans	43	120*	6	-77	-83

*\*based on estimate that 94% of 128 veterans in shelter identified in PIT count are in Minneapolis*

*\*\*based on estimate that 94% of unsheltered population identified in Hennepin County’s PIT count were identified in Minneapolis*

In addition to looking at data from those who have accessed the homelessness system, it is useful to examine data for those who have attempted to access the homelessness system but were unsuccessful. Residents experiencing homelessness in Minneapolis can attempt to access homeless services through the coordinated entry (CE) system for the Minneapolis/Hennepin County CoC. CE is a consistent, community-wide intake process that matches people experiencing homelessness to community resources that are the best fit for their situation. Thus, CE is the “front door” to the CoC’s homelessness

system. Minneapolis/Hennepin County CoC utilizes an integrated CE process through the CoC’s HMIS system. CE data for this analysis was only available at the CoC (county) level; however, because the percentage of persons experiencing homelessness in the CoC are predominantly from Minneapolis (estimated 94% based on 2022 HIC), it is reasonable to assume that the conclusions drawn from analysis of the CE system at the CoC level apply similarly to that for Minneapolis.

Between 7/1/2020-6/30/2021, within the Hennepin County CoC, 3,418 households who were assessed via coordinated entry were prioritized for a housing referral. Of those, 35.2% (1,204) were offered a housing referral. Among referred clients, 47.5% (572 of 1,204) of households referred by CE for housing were able to access non-emergency housing because of that referral. Overall, this represents a 17.7% successful referral rate when compared against the total number of prioritized households accessed via coordinated entry. This results in 2,846 households that were prioritized who were not successfully referred for housing during this period. Furthermore, it should also be noted that not all those in need of housing routinely utilize the CE “front door” when seeking housing assistance. As such, the extent of need indicated by analyzing CE data likely undercounts the total amount of unmet need.

<b>Coordinated Entry Data and Unmet Housing Need: 7/1/2020-6/30/2021</b>	
	<b>MN-500: Minneapolis/Hennepin County</b>
Households prioritized for referral	3,418
Total Housing referrals	1,204
Successful Housing Referrals	572
% of referrals that were successful	47.5%
<b>Unmet need (total prioritized HHs less successful referrals)</b>	<b>2,846</b>

#### Minneapolis Shelter Gaps Summary:

- 65% of people experiencing homelessness are from adult-only or child-only households according to the 2022 PIT count.
- A gap of 385 shelter beds for persons in adult only households exists if the gap is based on a 1:1 ratio of unsheltered persons to beds. This is represented by totaling the surplus of 62 additional beds plus 447 persons in adult-only households who were homeless on the night of the PIT count.
- Minneapolis has a surplus of 139 shelter units for households with adults and children. There were 863 beds available on the night of the PIT count, however there were 714 persons in households with adults and children in shelter and 10 persons in households with adults and children in unsheltered locations on the night of the PIT count.
- Minneapolis has a surplus of 14 shelter beds for households with only children. There were 17 beds available on the night of the PIT count, however there were 3 persons in child-only households in sheltered locations and 0 persons in child-only households in unsheltered locations on the night of the PIT count.

#### Coordinated Entry Referral Gaps Summary:

- In the Hennepin County CoC (MN-500), 3,418 households were prioritized for housing referrals, of which 1,204 received a referral. Of these housing referrals, 47.5% (572) were successful. However, a gap of 2,846 prioritized households (83.3%) did not have a successful referral. Because the percentage of persons experiencing homelessness in the CoC are predominantly from Minneapolis

(estimated 94% based on 2022 HIC), it is reasonable to assume that the conclusions drawn from analysis of the CE system at the CoC level apply similarly to that for Minneapolis.

### QP: At-risk of Homelessness

#### Data: At-risk of Homelessness

The HOME ARP program identifies individuals and families at risk of homelessness as the second eligible QP. The program utilizes the McKinney Vento definition for at-risk of homelessness with no changes.

A valuable source of data regarding housing need for the at-risk population is provided through Minnesota’s 211 system. For the purposes of this analysis, data was collected from Minnesota’s 211 Counts report for the City of Minneapolis alone. According to their 2022 annual data, MN 211 received a total of 19,678 requests for housing related assistance. Of these, the most common referral type was for rental payment assistance, constituting 46.6% of all requests made for the City of Minneapolis in 2022. Note that requests made to 211 may include more than one assistance category, so it is possible that an individual requester will appear in more than one category.

MN 211 Counts 2022 Housing Assistance Requests		
	Minneapolis City	% of total
<b>Total Housing and Shelter Requests</b>	<b>19,678</b>	
Rent/mortgage assistance	9,177	46.6%
Utility Assistance	2,267	11.5%
Emergency Shelter	4,537	23.1%
Residential Housing Options/Subsidized Housing	1,136	5.8%
Housing Search and Information	37	0.2%
Other Housing Requests	2,524	12.8%

#### Size and Demographic Composition: At-risk of Homelessness

Data from the Comprehensive Housing Affordability Strategy (CHAS), 2015-2019 for Minneapolis indicates that 24,270 renter households with income at less than 30% of Area Median Income (AMI) have one or more housing problems, which the CHAS defines as incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, or cost burden greater than 30%.

#### Unmet Housing and Service Needs: At-risk of Homelessness

The total number of rental units in Minneapolis is approximately 96,770, as reported in the 2015-2019 CHAS report. Of these, approximately 17,609 units are considered affordable to households with income less than 30% of AMI. However, further analysis in the CHAS report also shows that there are 31,835 households with income less than 30% AMI in Minneapolis of which approximately 73% are living in rental units that are either substandard or are considered “rent-burdened” (meaning that rent is 30% or more of their total income) and of those, 56% are considered severely cost burdened (paying more than 50% of their income towards housing costs).

### Gaps Analysis: At-risk of Homelessness

An analysis of American Community Survey (ACS) and CHAS data suggest a significant shortage in affordable housing in Minneapolis based on estimated need. CHAS data shows that there are 31,385 renter households with income less than 30% AMI in Minneapolis while there are only 17,609 rental units across the city that are considered affordable to households under 30% of AMI. This leaves an affordable rental unit gap of at least 14,226 units. However, this problem is further exacerbated by the fact that of the total # of available units for this population, nearly 23% (4,024) are occupied by renters making more than 30% of AMI. This situation has the effect of widening the practical gap for those in the below 30% of AMI population as units that might be affordable to them are rented by households with higher incomes. Therefore, this analysis concludes that there are 18,250 households in Minneapolis with incomes below 30% of AMI that cannot find homes they can afford. Data provided in HousingLink’s “2022 Minneapolis Rental Housing Brief” reports that the median rent for a one-bedroom unit Minneapolis as of December 2022 was \$1,094 per month. At the same time, 30% of monthly AMI for a 1 person household in 2022 was \$2,054. This means that a single person household wishing to rent a unit at median rent in Minneapolis would have to pay 53% of their income towards rent. The trend is similar for larger units and household sizes (2 bedroom unit/3 persons = 55%; 3 bedroom unit/4 persons = 58%). This percentage exceeds HUD’s definition of “severely rent burdened” (even before considering utility costs.)

When considering racial disparities in cost burden, CHAS data also notes that the percentage of Black/African American (54.8%) and American Indian/Alaska Native (50.3%) renter households experiencing cost burden across all income levels in Minneapolis is disproportionately high compared to their share of the overall renter population.

Additional analysis also suggests that radical shift in housing development trends will be needed to address this affordable unit gap. Based on housing construction data Minneapolis from 2016-2020, only 12.5% (206 of 1,607 units) of new affordable unit construction was developed for affordability by households below 30% of AMI. To effectively address the current gap in available affordable units for this population, a full 29% of new unit development would need to be dedicated to affordability for households below 30% (based on 10,000 units of new construction.) The most recent data on housing development shows progress for reducing this gap. According to HousingLink’s MN Housing Counts report, 196 additional subsidized units affordable at 30% AMI came online in Minneapolis during 2021—nearly as many as in the previous 5 years combined, and the large single -year increase in newly developed units in this affordability category since 2003. Likewise, their 2021 Housing Counts report indicates that new affordable housing development in Minneapolis saw the highest numbers of new affordable housing (60% of below AMI) units built (944) since 2002.

At-risk Housing Needs and Gaps Analysis Table	
	Total Households/Units
Total Rental Units	96,770
Rental Units Affordable to HH at 30% AMI	17,609
Households with Income 0-30% AMI	31,835
0-30% AMI Affordable units occupied by HHs in other AMI brackets	4,024
<b>Affordable Rental Unit Gap</b>	<b>18,250</b>



## QP: Domestic Violence/Sexual Assault/Trafficking

Data: Domestic Violence/Sexual Assault/Trafficking

While there are available statewide data sources available on the Domestic Violence/Sexual Assault/Trafficking QP, the data are less likely to be collected at the local level and generally do not include consistent demographic or household level information. In cases where demographic data is present, the majority of reported cases list “unknown” in most categories. However, between local data sources and information available from CoC data sources, a useful picture of the scope of the domestic violence (DV) situation in Minneapolis can be examined.

According to the public data from the Hennepin County Attorney’s office there were 883 cases filed for domestic violence in Minneapolis in 2022 as well as 95 cases of sexual assault. While there is not specific demographic or housing data related to these counts, it should be noted that together these two case categories account for 19.3% of cases received by the Attorney’s office during 2022.

### Size and Demographic Composition: Domestic Violence/Sexual Assault/Human Trafficking

	Estimated actively fleeing DV population (1/1/2022-12/31/2022)	
	Minneapolis (based on Hennepin County CoC counts)	
	All Housing Programs*	Emergency Shelter
Total	263	29
% of total persons served	0.2%	0.3%
DV beds as % of total	0.5%	1.2%

Utilizing the same methodology as was employed to estimate the percentage of homeless experiencing homeless in Minneapolis based on Hennepin County data along with county-wide point in time count information, we can estimate the # of persons who were actively fleeing domestic violence annually. According to this data, an estimated 0.5% of all persons served during the period 1/1/2022 and 12/31/2022 was actively fleeing domestic violence, and looking only at emergency shelters, the proportion is 1.2%. When we compare this data against the most recent housing inventory count, we can see that, the percentage of dedicated DV beds exceeds the percentage of persons actively fleeing DV across all housing programs but is significantly higher when looking only at shelter programs. This analysis coincides with data for DV shelter bed utilization on the night of the point in time, where only ¼ of the DV dedicated beds in Minneapolis were utilized. However, it should also be noted that these data are estimated based on point in time counts and may not be reflective of DV bed usage throughout the year. Likewise, the data only reflect those persons actively fleeing domestic violence that are served in HMIS participating programs. Because it is likely there are additional persons being served in domestic violence-specific projects that are not included in these totals, these figures may not represent all homeless persons fleeing domestic violence.

As noted in the previous section, available data resources for this qualifying population often do not include consistent demographic or household level information. However, according to national research conducted by the National Coalition Against Domestic Violence (NCADV), people who identify

as Black experience DV at a disproportionately high rate, with 45.1% of Black women and 40.1% of Black men experiencing intimate partner violence or stalking in their lifetimes. NCADV also points out that American Indian and Alaska Native women experience domestic violence at much higher rates than any other ethnicity, with 55.5% experiencing intimate partner violence and 66.6% experiencing psychological abuse in their lifetimes. According to the Centers for Disease Control and Prevention (CDC), Hispanic women experience domestic violence at similar rates as the overall female population but may experience more severe barriers to services when culturally and linguistically appropriate programs are not available.

Furthermore, the state of Minnesota has devoted substantial resources to understanding and combating the prevalence of sexual violence against Indigenous/Native American women and girls. In 2020, the State commissioned the Missing and Murdered Indigenous Women Task Force, which found that while Indigenous/Native American women and girls comprise just 1% of the population, they account for over 8% of all murdered women/girls in the state between 2010 and 2018.

### Human Trafficking Data

The State of Minnesota has devoted significant policy and financial resources to addressing human trafficking issues across the state. In 2011, the state passed the Safe Harbor Law, which, in its current implementation:

- Protects youth from being arrested or prosecuted for prostitution;
- Added the definition of sexually exploited youth to Minnesota law;
- Funded protocol development, training, and evaluation, and provides services, housing, and outreach for youth ages 24 and utilizing “no wrong door” approach through the deployment of regional navigators.

Safe Harbor’s No Wrong Door system is a comprehensive, multidisciplinary, and multi-state agency approach. It ensures communities across Minnesota have the knowledge, skills and resources to effectively identify sexually exploited and at-risk youth. Youth are provided with victim-centered trauma-informed services and safe housing.

While it is not possible to obtain Safe Harbor data specific to Minneapolis, it is instructive to examine data covering the state as well as the local region to understand what may be occurring within the city. During the period from 4/1/2019 through 6/30/2021, Safe Harbor enrolled 1,207 individuals with grantees under the program statewide. Of the 1,207 individuals who were enrolled in services, 294 (24.3%) were served in West Metro area, which includes Carver, Hennepin and Scott Counties. Additionally, the 2019 Human Trafficking in Minnesota report indicated that 60% of sex trafficking and 69% of labor trafficking victims in the state were in the Twin Cities Metro area. While neither of these reports specifically cite data within the city of Minneapolis, it does provide evidence that significant portions of trafficking activity within Minnesota are occurring in or around the city’s vicinity.

Breaking Free, an organization located in St. Paul specifically dedicated to serving individuals coming from a human trafficking situation served 286 people in their various programs between 10/1/2021 and 9/30/22. Additional data from 1/1/2018 through 12/31/2021 shows total of 770 persons served of which 422 reported as being homeless and 128 experienced a disability (Cognitive/Physical/Mental). Data provided by Breaking Free also shows a wide range of victimization types, including physical

assault, kidnapping and stalking among others. On average, each person served by Breaking Free during this period reported an average of 7 forms of victimization.

Breaking Free has also emphasized the challenges that its clients face attempting to secure permanent, independent housing stemming from historic criminalization of sex work in Minnesota. In many cases, victims/survivors of sex trafficking/prostitution have criminal records which is often a negative factor in their ability to rent their own units. This creates a bottleneck within their own permanent housing program whereby clients who might be ready to move on from BreakingFree’s dedicated facility are not able to and thus newer clients with acute housing needs cannot access this vital resource. While it is acknowledged that policy changes initiated by the Safe Harbor Law are beginning to address this, it is not necessarily removing this barrier for non-youth victims/survivors attempting to re-enter the private housing market.

Other research has highlighted the troubling prevalence of trafficking among native/indigenous women and girls in Minnesota. The 2011 report, “Garden of Truth: The Prostitution and Trafficking of Native Women in Minnesota”, conducted extensive interviews with 105 Native women who were prostituting in Minneapolis, Duluth and Bemidji, Minnesota. Among those interviewed, their ages ranged from 18-60 years old, and they reported an average length of time in prostitution as 14 years. Additionally, 98% of these women reported experiencing current or past homelessness and 65% had been diagnosed with a mental health problem. Significantly, among those interviewed, 75% reported that they knew of others who were being trafficked.

**Unmet Housing and Service Needs: Domestic Violence/Sexual Assault/Trafficking**

According to the HIC reported on January 26, 2022, there are 2,612 emergency shelter and transitional housing beds located in the Hennepin County CoC. Of those beds, 2,462 are specified as non-DV beds, indicating that there are 150 beds dedicated for people fleeing or attempting to flee domestic violence. Of the 150 dedicated beds for DV, 113 of them are emergency shelter.

However, by utilizing the same geocode filter process described in the Homelessness section of this assessment, we can determine that there were only 24 DV-dedicated emergency shelter beds located within Minneapolis. There are no DV-dedicated transitional housing beds located within the city according to Point in Time data.

2022 Point in Time DV Bed Utilization		
	Minneapolis (based on PIT Geocode data)	
	Shelter & Transitional	Shelter Only
DV dedicated beds	24	24
Reported DV population	6	6
Utilization %	25%	25%

### Gaps Analysis: Domestic Violence/Sexual Assault/Trafficking

As shown in the table discussed above, it appears that the supply of emergency shelter beds as noted on the night of the Point in Time Count is more than sufficient to meet current demand. On the night of the count, only 25% of dedicated DV emergency shelter beds were in use on the night of the count. While this data reflects the situation for only one night, it does map with similar data compiled for both the Twin Cities Metro and statewide DV counts, both for the Point in Time and annualized data on DV bed usage. It also suggests that if HOME-ARP resources are to be directed to additional housing options for those fleeing domestic violence, emphasis should be given to added additional permanent housing beds as the city/county's emergency shelter and transitional housing projects seem to be meeting the needs of this qualifying population with the current inventory.

### QP: Other Populations

#### Data: Other Populations

The fourth eligible QP under HOME-ARP is other populations where providing HOME-ARP supportive services or assistance would prevent the family's homelessness or would serve those with the greatest risk of housing instability. Data sources on Other Populations is less robust than for the other QPs. However, local 211 data, local [Emergency Rental Assistance Program \(ERAP\)](#), and information gathered through HOME-ARP consultation meetings triangulated with statewide Comprehensive Housing Affordability Strategy (CHAS) data, provide a strong understanding of the size, demographic makeup, and needs of this population.

ERAP is a U.S. Department of Treasury program funded through states and other administrators. Minnesota's ERAP program was established in 2021 to help at-risk populations mitigate the financial impacts of the COVID-19 pandemic. While eligibility criteria for ERAP do not match those of HOME ARP, utilization of the program provides a useful source of data to help quantify housing instability across the jurisdiction. ERAP-eligible households must meet the following criteria:

- A household must be responsible to pay rent on a residential property, and;
- One or more people within the household have qualified for unemployment benefits, had a decrease in income, had increased household costs, or experienced other financial hardship due directly or indirectly to the COVID-19 pandemic;
- One or more individuals in the household can show a risk of experiencing homelessness or housing instability; and
- The household has an income at or below 80% of AMI.

#### Size and Demographic Composition: Other Populations

From January 2021 through June 2022, a total of 3,942 instances of assistance were provided to households via the ERAP program via the City of Minneapolis. Of this total, approximately 86% (3,375) of those receiving payments for rent or rent arrears. This constitutes approximately 1.5% of all ERAP assistance counts across the state during this period. While this figure appears low compared to Minneapolis's share of the state's population, it should be noted that over 85% of all household assistance provided across the state was provided the State of Minnesota's program (RentHelp MN). Therefore, it is expected that a significant proportion of Minneapolis residents who received ERAP assistance received it via the state program rather than directly from the city.

City of Minneapolis ERAP Assistance*				
	HHs assisted with rent/rent arrears	HHs assisted with utilities/utility arrears	HHs receiving other assistance	Total
ERAP1	2,862	439	0	3,301
ERAP2	513	128	0	641
<b>Total</b>	<b>3,375</b>	<b>567</b>	<b>0</b>	<b>3,942</b>

\* Household counts are reflective of the combined total of households served in each of the 6 quarters (Q1 2021 through Q2 2022) and are not unduplicated. It is acknowledged that these data a) count HHs in each Q they received assistance and b) the same HH could have received assistance in any/all of these three categories.

#### Unmet Housing and Service Needs: Other Populations

As stated above in [Unmet Housing and Service Needs: At-risk of Homelessness](#), the total number of rental units in Minneapolis is approximately 96,770 units (according to the 2015-2019 CHAS report). Of these, approximately 37,994 units are considered affordable to households with incomes at greater than 30% but less than 50% AMI. CHAS identified 12,515 households with income between 30-50% AMI and one or more housing problems defined as incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, or cost burden greater than 30% (including 2,240 with severe housing cost burden of great than 50%), and 16,615 renter household overall. There are estimated to be 37,994 units in Minneapolis affordable to households in that income bracket.

#### Gaps Analysis: Other Qualifying Populations

At first glance, the figures noted above would suggest that there is not an affordable housing shortage for households earning between 30 and 50% of AMI. However, this data is complicated by the fact that many of the units considered affordable for households in this income bracket are being rented by households with higher (or lower) incomes. CHAS data indicates that nearly 74% of units affordable in the 30-50% AMI range are rented by households in other income categories. When rented by households with lower incomes, these households will be experiencing additional cost burden (as discussed in the “At-Risk of Homelessness” section), and when rented by those in higher income categories who could likely afford more expensive units, it reduces the available housing stock for households in this income target range.

Other Populations Housing Needs and Gaps Analysis Table	
	Total Households/Units
Total Rental Units	96,770
Rental Units Affordable to HH at 30-50% AMI	37,994
Households with Income 30-50% AMI	16,615
30-50% AMI Affordable units occupied by HHs in other AMI brackets	27,239
<b>Affordable Rental Unit Gap</b>	<b>5,680</b>

## HOME-ARP Activities

### Methods for Soliciting HOME-ARP Applications

The City will solicit application for HOME-ARP funds through a distinct Request for Proposals (RFP) process.

The City will not administer eligible activities directly.

### Rationale for Planned Activities

Investing in affordable housing is a crucial investment for the City of Minneapolis to addressing the housing crisis and reducing homelessness. With rising housing costs and stagnant incomes, many families and individuals struggle to afford a safe and stable home. Building more affordable housing not only provides an immediate solution to this problem, but it also creates jobs, generates economic activity, and improves the overall quality of life for all residents in a community. By increasing the availability of affordable housing, we can promote economic mobility and help families break the cycle of poverty.

As highlighted in the HOME-ARP consultation process, there is a pressing need for affordable rental housing. Investing in affordable housing development would also help address the underlying reasons for homelessness and housing instability, providing direct assistance in increasing affordable housing stock

### Use of Home-ARP Funding

Eligible Activities	Funding Amount	Percent of the Grant	Statutory Limit
Development of Affordable Rental Housing	\$ \$8,182,385	85 %	
Non-Profit Capacity Building	\$ 481,317	5 %	5 %
Administration and Planning	\$ \$962,663	10 %	15 %
<b>Total HOME ARP Allocation</b>	<b>\$ 9,626,335</b>		

### Production Housing Goals

The City of Minneapolis anticipates supporting the development of approximately 200 units with HOME ARP funds in combination with other funding sources. The estimated cost per unit for HOME ARP funds is \$30,000 - 50,000.

### Preferences

Following a thorough consultation and analysis of needs and gaps, the City has determined a preference for individuals who are currently homeless. This preference will be incorporated into the Request for Proposals (RFP) process by means of a scoring preference. Specifically, the City will assign bonus points to HOME-ARP funded project proposals that prioritize serving individuals experiencing homelessness in their projects.

## Limitations

The City will not impose limitations to any qualifying populations for any projects in the HOME-ARP portfolio.

## Statement of Commitment to Fair Housing

The City will ensure compliance with all relevant Fair Housing and nondiscrimination laws and regulations as outlined in 24 CFR 5.105(a) when making referrals for HOME-ARP services. Additionally, all partners receiving HOME-ARP funding will adhere to all applicable fair housing, civil rights, and nondiscrimination regulations, including but not limited to those specified in 24 CFR 5.105(a), such as the Fair Housing Act, Title VI of the Civil Rights Act, section 504 of the Rehabilitation Act, HUD's Equal Access Rule, and the Americans with Disabilities Act.

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