



TESTIMONY
of
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Chairwoman Smith, Ranking Member Rounds, and members of the subcommittee, thank you for the opportunity to testify before you today. I am Cathy ten Broeke, Assistant Commissioner and Executive Director of Minnesota’s Interagency Council on Homelessness. I am honored to be here.

The Minnesota Interagency Council on Homelessness is a cabinet-level body led by our Lt. Governor, Peggy Flanagan, and co-chaired by the members of the Governor’s cabinet leading our housing and human services programs and policies. It is comprised of the leaders of 13 state agencies with the understanding that they all have a role to play in preventing and ending homelessness – whether removing barriers to employment, education, or transportation; providing high quality housing; or access to health care, supports and services. Minnesota has a strong history of bi-partisan leadership on the issue of homelessness. The first statewide effort to address the issue was in 2004, led by Republican Governor Tim Pawlenty. The work of the following two Democratic administrations has built on the commitment that all Minnesotans deserve a safe and stable place to call home.

I have worked on the issue of homelessness for nearly 30 years, first in direct service at a Minneapolis shelter followed by various public policy roles at all levels of government. I have witnessed progress, missed opportunities, lessons learned, and heartbreak. We have in this moment, in the wake of the pandemic, a critical opportunity to shift how we respond to homelessness as the crisis and public health emergency that it is.

Today, I want to share with you what is working in Minnesota and where we still have significant challenges to address together.

Minnesota is home to 87 counties and 11 Tribal Nations. Homelessness and housing instability impacts every part of the state from rural areas in Greater Minnesota to the larger population centers. Approximately 8,000 people are homeless on any given night in Minnesota. Half are families with children and 25 percent are people without shelter– meaning they are sleeping outside, in cars, or other places not meant for human habitation. This number and percent have

been rising for the last several years, even before the pandemic. Approximately 35-40 percent of all people identified as homeless are outside the Twin Cities metropolitan area in rural areas of our state. In fact, the fastest rate of growth in unsheltered homelessness between January 2019 - January 2020 occurred in Greater Minnesota. Rural and Tribal communities have the same challenges related to lack of affordable housing options but often struggle with the unique challenges associated with far greater distances people must travel to get to services and employment opportunities.

In addition to the approximately 8,000 people homeless on any given night in Minnesota, one in four Minnesota households is paying more than they can afford for housing, putting them at risk of homelessness every day. Over the last two decades median rents rose 21 percent while median incomes rose by just 3 percent, adjusted for inflation. No community in our state has an adequate supply of affordable housing for those who need it.

And we are living with the continuing impact of racism in access to housing. Explicitly and intentionally racist policies of the past are compounded by the complex and insidious way that racism shapes access to housing options today, and the economic and wealth-building opportunities connected to them. In Minnesota, if you are black, you are 15 times more likely to be homeless than a white Minnesotan. If you are Native American, you are 27 times more likely to be homeless than a white Minnesotan and 31 times more likely to be sleeping outside, without shelter.

Our work to prevent and end homelessness in Minnesota shows uneven progress. Not surprisingly, where we have had bi-partisan, strategic investment from all levels of government we have had the greatest success. Our best proof that ending homelessness is possible is our collective work to end Veteran homelessness in this country. With dedicated resources focused on Veterans' specific needs and using data and evidence to guide practice, the outcomes have been stunning. In Minnesota, we have effectively ended Veteran homelessness in 85 of our 87 counties. This does not mean that no Veteran will ever again face a housing crisis in these counties. Rather, this means that these communities have proven, through a rigorous data evaluation conducted by the United States Department of Housing and Urban Development (HUD), the United States Department of Veterans Affairs (VA), and United States Interagency Council on Homelessness (USICH), that they have a system in place that can prevent homelessness for Veterans whenever possible. If a Veteran does become homeless, those communities can ensure that the instance of homelessness will be brief, and they will be connected back to stable housing with supports they need to maintain that housing. Being a Veteran in Minnesota is now a protective factor against homelessness. I look forward to the day when being a child or youth is a protective factor against homelessness, when having a serious health condition is a protective factor against homelessness, when working in lower-paying jobs that we desperately need filled in this country is a protective factor against homelessness, and when your race does not increase your likelihood of becoming homeless.

In Minnesota, we have also been able to increase resources and supports for families with children. Many communities have used these resources strategically to reduce homelessness

among families with children – down 32% statewide between the years 2010 - 2020. We credit these reductions, especially in Hennepin County, which includes the City of Minneapolis, to targeted prevention, coordination with employment services, and investments in families with the highest barriers to accessing housing. These efforts have meant that many families either never entered the shelters due to their housing crisis, or if they did, they had targeted interventions to help ensure they found and kept their new housing. Our thanks to HUD for the emphasis they have placed on targeting and prioritizing resources to those with the greatest barriers. This directly led to reductions in family homelessness.

Other trends in Minnesota are deeply concerning. The number of people sleeping outside has been rising rapidly for the last several years, even prior to the pandemic. As housing becomes increasingly out of reach for lower-income people, it becomes next to impossible to access for people with both the lowest incomes and the greatest health needs.

People in these unsheltered settings experience the greatest risks from fire, infectious disease, violence, and exploitation. This was also where we see the greatest intersection with the opioid epidemic and highest barriers to housing.

The housing that will work for people who have been homeless the longest and have chronic health conditions may need to include a greater number of services and supports. Permanent supportive housing (housing linked to services) has been the most successful tool we have had to help hundreds of people off the streets and into housing, even those who have been homeless the longest. We have learned over the years (and especially during the extra challenges brought on by the pandemic) that all people are *ready* for housing. We need housing that is ready for them.

The pandemic, while devastating and traumatic, was also a moment of great learning. Minnesota's collective response to COVID-19 for people facing homelessness showed the urgency and resourcefulness one would hope a crisis would create. We witnessed what was possible when resources were paired with creative determination to save lives and bring people inside.

Federal resources provided by Congress through the CARES Act and the American Rescue Plan helped us save lives during the pandemic. When the pandemic hit, we were deeply concerned that thousands of people living with complex medical conditions in congregate spaces would get very sick and potentially die.

Prior to the release of federal COVID-19 resources, our state legislature committed over \$30 million to protect people experiencing homelessness. In partnership with local governments, Tribal Nations, and direct service providers throughout the state, we quickly established 2,800 hotel rooms or other single occupancy shelter spaces to allow for physical distance, provided emergency staffing support, food and supplies, isolation spaces, and additional state housing support. The increased resources helped a struggling hospitality industry, ensured medical personnel in hotels, on-site clinical behavioral health staff, and culturally specific programming.

These resources expanded shelter services and created a hotel-to-home model, connecting people staying outdoors with permanent housing. These hotel-to-home projects partnered with Tribes and non-profits in both the Twin Cities Metro and in rural areas of the state, moving entire encampments into hotels, and moving several hundred people into permanent housing.

While lives were no doubt saved, it was also very clear during the pandemic that people without a place to be inside and safe were at a far greater health risk. In fact, compared to other Minnesotans who tested positive for COVID, Minnesotans sleeping outside are 11 times more likely to end up in the hospital if they tested positive for COVID and 8 times more likely to end up in the ICU.

During the height of the pandemic, when there was a “stay at home” order, we witnessed many people seeking refuge in encampments in Minnesota as in many places around the country. The largest of these encampments was at a neighborhood park in south Minneapolis. At one point there were over 200 tents. To respond, we needed a different approach. One of our housing providers who had been assisting us with protective hotels went to the encampment and talked with almost every person staying there. Through that process and a collaboration that involved the city, county, state, and philanthropy, they developed a program called Avivo Village. This is essentially an indoor village of small structures where each person has their own space, a door they can close, privacy and dignity. It was intentionally designed to serve people that no other existing program worked for. Their goal is to prioritize people with the greatest challenges to enter this program. At Avivo Village there is a sense of community and connection, and the main goal of this program is to move people onto permanent housing options that will work for them. They have been able to do that for dozens of residents. This is one example of many in Minnesota, showing the creativity of partners in solving for some of our most significant challenges during the pandemic.

In addition to the resources that helped protect people in shelters and outside, federal rental assistance during the pandemic was critical to stemming the tide of homelessness. We knew people were struggling to pay rent and find housing that was affordable before the pandemic, but we have seen increasing needs over the course of the pandemic.

Minnesota paid out nearly \$450 million in Federal Emergency Rental Assistance Funds through RentHelpMN. Funding went to every county in Minnesota. Over the months the program operated, we saw that need for assistance continue to increase.

Hennepin County reported that over 1,000 fewer children experienced homelessness in 2021 (during the pandemic) than did in 2019 (before the pandemic). The dramatic and accelerated reductions they saw in 2020 and 2021 are credited to the widespread availability of rental assistance.

Sadly, as those federal resources come to an end, we are seeing a return to our 2019 rates of family homelessness. The correlation could not be clearer. Rental assistance works. When it is not there, the number of people experiencing homelessness rise.

The level of Federal investment during the pandemic has given Minnesota the opportunity to show what is possible. It has transformed many aspects of our work together. Federal partnership in tackling the challenges ahead will be critical to our success going forward.

1. The homeless response workforce is overwhelmed and underfunded. More and sustained Federal investments in housing and homelessness program are needed.

The workforce challenges we are seeing everywhere are also impacting homeless services. These providers have never been well paid. Staffing shortages not only undermine overall capacity but also efficiency and effectiveness as crisis services must focus on the bare necessities of keeping their doors open, rather than the work of providing case management and housing navigation. The scrappy nonprofits running these vital programs must have a way to attract, develop, and retain talent. This is hard to achieve without increased funding.

While more investment in the homeless crisis response is critical, homelessness is not a problem that homeless service providers can solve alone. Homeless service providers are like an emergency room, dealing with the crisis of the moment. But just as we would not expect an emergency room to solve the nation's health problems, our homeless service providers cannot make up for the lack of housing needed to solve the problem.

2. Housing is out of reach for the lowest-income Americans. We need to increase the supply of housing as well as its affordability by making bold investments in rental assistance.

Every year the need for housing that is affordable to lower-income Americans outpaces the production of units at those needed price points. The result is a net loss. In Minnesota alone, we are short nearly 100,000 units of housing for the number of households at 30% and below area median income (\$35,200 for a family of four). As the gap between what housing costs and how much low-income people earn continues to grow, homelessness will continue to grow.

Most evictions in Minnesota are based on non-payment of rent. Often, relatively small amounts of money are needed to prevent homelessness for a family and ultimately even greater public costs. In Hennepin County, for example, the average amount of rent owed is just over \$4,000. Simply put, rental assistance keeps people, including children and their parents, in their homes during periods of a financial crisis and avoids the trauma of homelessness and the costs that comes with it to society, both immediate and long-term.

3. People with complex medical conditions, including substance use, mental illness, and other physical health issues are not well served in existing systems or interventions. We need increased investments and a stronger alignment of social services, health care, and housing.

The opioid epidemic is at the epicenter of the most challenging situations around unsheltered homelessness. We desperately need to develop and invest in models to serve people who are actively using opioids. Models that promote easier access to housing and harm reduction principles can provide much needed options to bring people inside.

4. Our system to prevent and end homelessness for Veterans works. We need to sustain that commitment and expand it to reach all populations.

Developing a system to end homelessness will require investment, aligned efforts across levels of government and private sector partners, and policy changes designed to improve access to housing outcomes for people who face the greatest challenges to housing now. A system to prevent and end homelessness that works for everyone cannot be its own island. As with the example of ending Veteran homelessness, it needs strong and deep connections to address the health and behavioral health care that contribute to and complicate people's housing challenges. The Federal government must play a prominent role for it to be successful.

All these solutions will require that we center the voices and experiences of people who have faced homelessness. They are the experts in what works.

In these nearly 30 years of work on this issue, I have never stopped believing that in Minnesota and in this country, we can achieve the vision that all people have a safe place to call home; that children and youth need not sleep in cars one night and go to school the next day, but rather be home preparing for exams and play dates and their future; that we can live in a state and in a country without homelessness. This is a problem we know how to solve. It is not a question of *can* we but *will* we.

During the pandemic, we have witnessed the life-saving work of shelters and outreach workers. And we also know that while shelters do save lives, housing is what ends homelessness. The resources that were invested to respond to the pandemic taught us all what was possible. We can prevent homelessness. We can bring people home. We can protect children from the trauma that homelessness brings. We can provide people the care they need and deserve. I believe this is the very moment to be bold, to build on what we just did together, to not go backward, to not take incremental steps that will only prolong our national housing crisis, but rather to make bold new investments and commitments that will ensure a more stable future for all of us.

It is my hope that we continue to respond with the same level of urgency we have seen these last two and a half years, recognizing homelessness as the public health emergency that it has always been. Recognizing housing not only as a social determinant of health but also a social determinant of educational achievement, workforce growth, and neighborhood, community, state, and national well-being.

Thank you.