

Transitional Housing:  
Creating Upward Mobility for  
Minnesota's Homeless

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**Minnesota Coalition** *for the Homeless*

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## Introduction

Transitional housing has served a central role in the toolbox of housing options since the mid-1980s. In recent years, state level funding has flattened and regional planners have put pressure on transitional housing programs to convert their units to provide either shorter-term (Rapid Re-Housing) or longer-term (Permanent Supportive Housing) assistance.

Recent analysis of transitional housing has examined its necessary role in a community's range of housing options but there is little research examining why there is variation in the types of transitional housing programs. This study explores the community's contextual factors that influence client outcomes, the programmatic value of congregate versus scattered site programs, and the role of transitional housing in the current context of Rapid Re-Housing as another tool in a community's toolbox.

Staff of the Minnesota Coalition for the Homeless visited 23 Transitional Housing programs across the state, serving a range of specific populations (e.g. youth, battered women, Native American) or general populations, both congregate settings and scattered site, in rural, urban, and suburban areas. This qualitative analysis captures the experiences and observations of the staff operating these programs.

Our assessment points to the challenges of identifying common outcomes given the variety of contextual community challenges where transitional housing operates. (The availability of mental health services, transportation, jobs, subsidized housing all play a role.) We found benefits to both congregate (site-based) and scattered site (tenant-based) transitional housing and that programmatic differences allowed for a range of housing options to provide the most effective service possible. Finally we found there is an important role for transitional housing in a continuum that also includes both short-term (Rapid Re-Housing) and long-term (Permanent Supportive Housing) options.

### **CONGREGATE AND SCATTERED SITE: PROGRAMMING BASED ON CLIENT NEED**

As the continuum of homeless services has expanded and policy makers and program directors have sought efficiencies and increased return on investment, the debate in the homeless services sector over whether congregate or scattered site programs are better has been focused on what happens when the person leaves the program. It is often assumed that since the person needs to leave a congregate site when they have completed their programming in transitional housing, they are being "booted back to the street" or that there is an arbitrary time limit set by somebody else on how long they can remain stably housed. This view argues that scattered site transitional housing is far superior because the person remains housed while the services leave at the end of their transitional housing experience.

We looked at whether there was a programmatic reason for congregate housing. Some homeless service providers operate both types of housing and offer clients the option that best suits the client's needs. Additionally some congregate models have communal living where several people share a house, for example, and others are apartments together in one building. Additionally, in light of the United States Supreme Court

ruling in *Olmstead v. L.C. and E.W.* that persons with disabilities should have options for community living in the least restrictive settings, we probed the role of congregate housing in a context of a range of community options.

### **Child-Centered Programming**

*“The children can be the canary in the coal mine when we can watch them interacting on the playground onsite. Six and seven year olds often play games on the playground that mirror what they see inside the home. We put a case manager on the playground and she found that kids were hiding in corners where one was thrashing about and the other was telling the thrasher to be quiet. When asked what they were playing, the children said they were “playing rape.” We knew there was something going on in those families’ lives that we needed to pay attention to. We work to create a community environment here where kids don’t play those kinds of games because they have positive influences to parrot on the playground.”*

### **Transportation Programming**

*“In our congregate setting we can get in extra time with the clients by offering them a ride to the grocery store across town – we bring a vanload and in the 35-minute drive we can have a real conversation as a group about what’s going on in their lives. This could not happen in a scattered site but works well in our congregate setting.”*

### **Safety for Families with Recent History of Domestic Abuse**

*“Some of our women aren’t quite ready to live on their own in community. The security system we have helps them feel safe. The women support each other here and after they leave many of them remain close.”*

*“Scattered site is hard for some women. Living next to a guy they don’t know can be frightening and set them back if they’re not ready for community living.”*

### **Peer Learning**

*“Our congregate site allows the youth to create a family like setting where they eat dinner together and do homework or play the piano. For some youth it is real hard to go straight to their own apartment; the time here models healthy interpersonal relationships and boundaries and respect for property.”*

*“We are community focused. Older moms teach the younger moms; young moms take turn babysitting for each other. They all learn street smarts from each other and get tips on jobs and getting along with their bosses.”*

*“Becoming a responsible tenant is a good goal for some of our guys. The congregate setting works well for some of them to address their anger management issues or to learn to get along with others.”*

What really struck us after meeting with these providers of congregate transitional housing was that the model serves two key functions: 1) creating housing options for people who may not have access to, or do as well in, other housing in the community (e.g. youth, survivors of domestic violence, challenged rental history); and 2) providing specific congregate programming (e.g. peer learning, groups, toddler programming).

Both congregate and scattered site programs shared this sentiment “Some families might have been (air quotes) FINE just getting affordable housing, but with our programs and services, they THRIVED”. The change in the Minnesota Family Investment Program (MFIP) law (MS 256J.53) that allows families on public assistance to get a GED, high school diploma, English as a second language, or post-secondary education was too new to have a measurable impact but several family transitional housing programs saw it as the state legislature’s commitment to working alongside the families in transitional housing on longer-term outcomes.

## **BROADER CONTEXTUAL FACTORS IMPACT OUTCOMES AND PROGRAMMING IN COMMUNITIES**

The outcomes and lengths of stay in transitional housing vary widely across the state but few studies, if any, pay attention to the contextual factors that allow for success. Is there availability of permanent supportive housing in the community so that the right mix of people are entering transitional, or is the transitional housing taking people with higher barriers because it is the only program in the region? Are there housing options? Jobs? Transportation? Mental health services? College towns seemed to have similar barriers for housing options for families. Suburban communities had challenges with rents and with transportation. Rural communities lacked mental health services. Some communities had a less than 1% vacancy rate. Some have long waiting lists for Section 8 Housing Choice Vouchers; others had vouchers available but the available units were too substandard to meet federal guidelines. All of these communities are judged equally on outcomes in most studies.

### **Transportation barriers make it harder for clients to succeed.**

*“We have \$10 of transportation assistance available every 12 months. That doesn’t get a household very far.”*

*“Suburbs were not made for people who rely on buses.”*

### **Lack of mental health services and permanent supportive housing led some transitional housing programs to take in people who would be better served in other types of programs leaving them unable to serve the people who would thrive in Transitional Housing.**

*“The regional mental health facility closed. There are no mental health services in the five county region.”*

*“We don’t have any permanent supportive housing around here – our two options are shelter and transitional housing. Sure, we see people who would do better in permanent supportive housing. But it’s not an options for them here.”*

*“We have several mental health providers but there are long waiting lists to get in.”*

### **Criminal records play a big role in communities that lack a sufficient supply of affordable housing.**

*“One of the biggest challenges we see are criminal records. We need to develop a track record long enough to convince a private landlord to take a risk on our tenants. They just need a chance to prove themselves.”*

*“We have a 1% vacancy rate in town. There’s no way you’re getting housing if you have any kind of criminal or credit or rental blemishes.”*

*“Some of our tenants have burned relationships with every landlord in town. Here they can work on addressing the issues that keep coming up for them and we can work through them together so they don’t keep happening.”*

**Providers in college towns in Greater Minnesota consistently pointed to the lack of housing for families.**

*“This is a college town, it’s a lot harder to find family housing. Groups of students go together on renting the larger places or the single family homes. There’s nothing left for families.”*

**Racism clearly plays a larger role in some communities.**

*“Racism is huge around here (rural area).”*

**Some areas had a dearth of rental vouchers; others had vouchers but no housing options.**

*“Its tough to get vouchers – even after 24 months.”*

*“We don’t have any landlords who will take Section 8.”*

It became clear to us that comparing transitional housing outcomes across regions that varied widely in other community supports was a fool’s errand. Policy makers and advocates have made great strides in filling out the continuum in recent years to serve more regions of the state. As communities gain access to a full continuum, they will be able to better target transitional housing service delivery to the people and the outcomes can more universally be measured not only by who did not return to shelter but by the long-term outcomes that transitional housing is designed to achieve (e.g. increased incomes, two-generation approach to serving families, long-term success for youth).

**Transitional Housing Plays a Critical Role in the Continuum**

The range of options for providing housing with services includes Rapid Re-Housing (RRH), short-term rental assistance; Transitional Housing (THP), up to 24 months rental assistance and case management; and Permanent Supportive Housing (PSH), long-term rental assistance and support services with no time limit. Transitional Housing began in the mid-1980s, Permanent Supportive Housing in the mid-1990s and federal Rapid Re-Housing as part of the response to the economic recession of 2008-2011. RRH was initially targeted to people who lost or were at risk of losing their housing because of the recession, people who had skills and social networks but whose incomes took a hit. Because it was wildly successful, homeless planners sought to expand its use to people in shelters who had bigger barriers than decreased earnings. A recent push in the Twin Cities metropolitan area converted THP into either RRH or PSH or both. The rural areas have mostly resisted the push. We wanted to know how the conversion was helping people and whether a program designed for people with much greater stability could be used for people with greater barriers.

**Rapid Re-Housing is a good fit for people with fewest barriers but insufficient for people who need longer-term help.**

*“Our Rapid Re-Housing is used for people who don’t need case management but need short term rental assistance. A different population than transitional housing.”*

*“Our RRH program is just like our THP but we focus on quick stability. We don’t tell them they have 24 months. It’s a paradigm shift to get them out quicker.”*

*“When you’ve got a new baby and you’re just learning how to be a mom while also getting back on your feet, it takes at least 18 months to put that all together.”*

*“If RRH really becomes 3-6 months only, that would be really bad. And if PSH is only defined like HUD does, that would leave a huge gap.”*

*“RRH is income-based rental assistance. But in the area it can’t go over \$997 including utilities. Hard to find. Most people stay the whole 24 months. Then they lose the subsidy.”*

*“Most of our program participants are coming from shelter or their car – we don’t see them as a rapid re-housing population. If they don’t have income, they aren’t a fit for rapid re-housing. If they don’t have a documented disability, they are not a fit for permanent supportive housing. They come to us and we help them get the skills and help them find employment, but it takes a little while.”*

*“We work with young people. Even after we work with them intensively for six months, they’re still only sixteen some of them. We can’t push them out on their own too quickly, but we work to address their challenges, fill in the gaps they might have with aftercare and family.”*

**Assessment Challenges**

*“Some things can’t be diagnosed until you know the people better and they trust you with the full story.”*

*“VI-SPDAT [assessment tool] is supposed to magically tell us what kind of housing people need. It loses the human touch. Need more time with people to figure out barriers.”*

*“We put people in whatever bed is open. It doesn’t matter if it is RRH, THP, or PSH.”*

**Challenges with converting to a different program type.**

*“RRH is working well. It used to be THP. The only change is that it went from leasing to rental assistance but now the people aren’t considered homeless by the government.”*

*“We could convert all of our units to Permanent Supportive. It’d make our job a lot easier. We wouldn’t have to work so hard to find landlords and to help people get on their own feet. But it would plug the drain: there’d be no open units for new people; the system would get backed up. That just doesn’t make sense to us.”*

*“Since switching to RRH, case managers have become more judgmental toward the families. They no longer can work deeply with them – it’s hurry, hurry. We’re very concerned about longer-term stabilization*

*for families. But since switching to RRH we are expected to serve double the number of families with the same amount of money.”*

As Minnesota’s Rapid Re-Housing program settles into its niche in the continuum, it will be essential to consider the contextual factors to ensure short-term rental assistance doesn’t lead to longer term instability for folks who would be better served by a longer-term program. Regional planners will need to more carefully consider the contextual factors that impact a renter’s ability to obtain and retain housing to ensure they are neither creaming nor contributing to racial disparities in housing. Likewise, as Rapid Re-Housing becomes more available across the state, transitional housing providers will need to continue to target their programming to the populations who can 1) best attain upward mobility with the support of a transitional housing program; and 2) would not experience that upward mobility if it were not for the transitional housing program. Fortunately, since many communities have had both state-funded Transitional Housing and state-funded Rapid Re-Housing (Family Homeless Prevention and Assistance Program, FHPAP) since 1993, and, they already have significant experience in targeting the programs. The regional planners who are moving away from the upward mobility of transitional housing would do well to study communities that do both and focus on outcomes that are broader than a “return to shelter.”

## Conclusion

Funders and researchers should consider the context each transitional housing program is working in. If there is a full continuum in the community, better targeting can be expected. Outcomes should be more nuanced than considering only whether somebody is housed upon exit: Do culturally-specific programs deliver better outcomes for specific cultural/racial groups? What importance do we place on the interpersonal relationships developed in congregate settings? Do we want teen moms to be good parents or only minimally housed? Is the goal to reduce the numbers of people in transitional housing or to do the best we can to see they don’t return to homelessness?

Coordinated Entry will be most successful in Minnesota if it recognizes the role of transitional housing in the continuum of options for people experiencing homelessness.

Policy makers might consider changing the definition of homelessness to exclude people in transitional housing settings. Currently neither people in rapid re-housing (shorter lengths of stay and fewer services than transitional housing) or permanent supportive housing (longer stays; more services) are considered homeless, but people in transitional housing are considered homeless. As administrators and data collectors strive to “end homelessness” there could be a harmful shift away from transitional to less effective (for some people) rapid re-housing models as a numbers game rather than providing the best long-term outcomes and most responsible use of public resources.

As Minnesota’s continuum of homeless services continues to expand, homeless service providers are able to better target their programming to meet very specialized needs of the people who seek their services. Transitional Housing is a key part of the continuum for people who seek, and are personally committed to, upward mobility.

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### SITE VISITS

Avenues for Youth

Amherst H. Wilder Foundation

Kateri Residence, St Stephens

Simpson Housing Services

YWCA St Paul

Perspectives Family Services

Ain Dah Yung

CAP Agency

Rise, Inc.

Solid Ground Minnesota

Cornerstone Advocacy Services

Lakes & Pines Community Action

Life House

Center City Housing

Range Transitional Housing

KOOTASCA

BICAP

Lakes & Prairies Community Action

LSS-MN (Hope Housing)

Catholic Charities DOMUS Transitional Housing

Heartland Community Action Agency

Partners for Affordable Housing

Women's Shelter - Rochester



## DEFINITIONS

The Minnesota Transitional Housing Program, funded under Minnesota Statute 256E.33, is defined as:

(b) **"Transitional housing"** means housing designed for independent living and provided to a homeless person or family at a rental rate of at least 25 percent of the family income for a period of up to 24 months.

(c) *"Support services"* means an assessment service that identifies the needs of individuals for independent living and arranges or provides for the appropriate educational, social, legal, advocacy, child care, employment, financial, health care, or information and referral services to meet these needs.

The Federal (HUD) Emergency Solution Grant (ESG) Rapid Re-Housing is funded under the HEARTH Act, and generally is defined as: **§ 576.104 Rapid re-housing assistance component.** ESG funds may be used to provide housing relocation and stabilization services and short- and/or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.

## OEO BRIEF ON TRANSITIONAL / RAPID RE-HOUSING

### State Transitional Housing and ESG Re-Housing Information for Grantees and Partners

#### *Purpose*

- To clarify the priorities that guide funding for state Transitional Housing and ESG Re-Housing.
- To assist programs that have converted from federal Transitional Housing funding to Rapid RE-Housing in understanding their potential eligibility for Minnesota Transitional Housing funding.
- To assist ESG Re-Housing sub-recipients and CoC regions in adopting HUD-required written standards consistent with both federal regulation and DHS funding priorities.

#### *Background*

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## **CURRENT FUNDING AND PROGRAM MODELS**

For State Fiscal Years 2014-2015, DHS received \$6.3 million per biennium in State Transitional Housing funding, and awards 70 percent of this funding to scattered-site housing programs in which the participant holds the lease, pays at least 25 percent of their income for rent, and may stay indefinitely after the end of the (up to) 2-year subsidy and services.

The remaining 30 percent funds congregate settings where participants with rental barriers or other unique needs may stay up to two years before obtaining market-rate housing. These participants do not need the indefinite services and subsidies of permanent supportive housing, but are often unable to obtain or maintain market-rate housing through scattered site programs.

For State Fiscal Years 2014-2015, DHS received approximately \$592,000 in funding for ESG Re-Housing. ESG Re-Housing programs are scattered-site housing programs in which the participant holds the lease, pays a portion of their income for rent, and may stay indefinitely after the end of the (up to) 2-year subsidy and services.

In both State THP and ESG funding, DHS established funding priorities while maintaining the greatest flexibility allowed by State and Federal statute or regulation. This ensures that funding can be responsive and available to meet the wide-ranging needs of Minnesota's local communities.

## **RAPID RE-HOUSING OR SCATTERED-SITE TRANSITIONAL HOUSING?**

### *Populations Served and Length of Stay*

Although there are very few differences in the basic parameters set forth in State THP and Federal ESG statutes, attempts have been made to distinguish federal Rapid Re-Housing and Scattered-Site Transitional Housing, including suggestions that Rapid Re-Housing programs should have shorter lengths of stay or that Transitional Housing programs target only a narrow segment of the homeless population (e.g. persons in recovery, youth, etc.).

DHS-OEO supports allowing agencies to design programs that are appropriate and effective for a wide-array of homeless populations, with lengths of stay determined by client need, rather than prescribed at entry. This means that if necessary, households can be served up to the full 24 months under both State THP and ESG can fund.

## **RAPID RE-HOUSING PROGRAMS: ACCESSING STATE THP FUNDING**

Programs that have converted from federally-funded Transitional Housing to Rapid Re-Housing are eligible for State Transitional Housing funding if they comply with the State's Transitional Housing Program statute.

DHS is mostly likely to fund these converted programs if they do one of two things:

- a) Continue to operate their combined program in a manner consistent with the priorities for State-funded Transitional Housing outlined below;

**or**

b) They provide a mechanism for distinguishing between HUD-funded Rapid Re-Housing and State-funded Transitional Housing. These programs will be required to designate the number of State THP housing opportunities they will be provide that meet the THP priorities listed below.

## **PRIORITIES FOR STATE THP AND ESG RE-HOUSING FUNDING**

State-funded Transitional Housing and HUD ESG Re-Housing funding (operated by DHS) is intended to assist households in achieving a greater level of self-sufficiency and well-being than they had prior to becoming homeless.

To accomplish this goal, DHS will expect that ESG Re-Housing grantees will work with their CoC to adopt *Written Standards* consistent with the principles listed below. In addition, through its competitive RFP, DHS will give the highest priority for funding to State-funded THP and ESG programs that are designed to ensure that:

1. A wide range of homeless individuals, families, and youth are eligible for the program, particularly if limited housing options exist in the area. Programs that target eligibility to persons with chemical dependency, chronic homelessness, or other narrow criteria are a lower priority.
2. The length and depth of rental subsidies allow individuals and families to obtain or increase employment, income supports, and necessary education and training for greater self-sufficiency.
3. Persons with no or limited income may enter the program, provided there is a reasonable chance the household will increase income or obtain subsidies in the future.
4. Services provided are of sufficient intensity and length to ensure households can make progress on multiple barriers to self-sufficiency and housing stability, including but not limited to education, poor credit or rental history, criminal background, etc.
5. Whenever possible, programs work with community stakeholders to coordinate and reduce barriers to critical mainstream resources, and assist participants in securing on-going sources of financial, housing, and social supports.
6. Programs reduce disparities through culturally responsible actions and approaches.
7. Statutory requirements (THP and ESG) for participation in case management are balanced with the need for a supportive environment for persons experiencing homelessness. Staff should seek to motivate participants to succeed through engagement and client-driven strategies.
8. Staff partner with participants to assess barriers to obtaining permanent housing and self-sufficiency and enter into a structured plan with participants to achieve that goal.
9. Follow-up services to prevent a return to homelessness are an essential program component and are to be provided for a period of six months after a participant has exited the program.
10. Programs establish performance indicators and conduct a follow-up evaluation to assess participants' housing status six months after exiting the transitional program.