



ST. STEPHEN'S

Ending Homelessness

Goal 1: Expand and preserve affordable housing opportunities, to ensure that everyone has a place to call home.

The Issue

What is affordable housing?

Housing is considered affordable when people pay no more than 30% of their income on housing costs. Income calculation includes salary as well as any benefits individuals and families receive such as Medicaid, housing vouchers, child support, etc. According to the MN Housing Partnership, over 78% of Twin Cities renters are housing cost burdened, paying over 30% of income on housing. In fact, most people with a low income typically spend a majority of their monthly income on rent, leaving very little money for other necessities such as food and clothing.

A stable, affordable home is the foundation of success for all individuals and families.

The average median income for a family of 3 in Hennepin County is \$77, 300. As the following chart shows, families who make less than 30% the average median income are likely paying 53% to 87% of their income for their housing.

	30% AMI	50% AMI	80% AMI
Monthly Income 3 Person Household	\$1,932	\$3,220	\$4,920
Annual Income of 3 Person Household	\$23,200	\$38,650	\$59,150
Paying 30% Income on Housing	\$580	\$966	\$1,478
Percentage of Income Spent on Housing at Market Rate	53%- 87%	32%-52%	21%-34%

**The average cost of a 2 bedroom rental in Minneapolis is \$1,675, in the Twin Cities Metro \$1,177, and in Hennepin County \$1,027. (2016)*

Not enough affordable housing in the Twin Cities.

A healthy rental vacancy rate is considered to be 5%. 2016 was the 7th consecutive year in a row where the vacancy rate was below 3% in the Twin Cities. Currently, the vacancy rate in Minneapolis sits around 1.25%, while the Twin Cities Metro is slightly higher, at 2.5%. The exceptionally low vacancy rate results in sky rocketing rents, low rental turnover in affordable units, and makes it harder for people with low and moderate incomes to find affordable housing.

The Twin Cities metropolitan area is also losing existing affordable housing faster than new affordable housing can be developed. In 2016, Hennepin County lost 1,300 naturally occurring affordable housing (NOAH) units. These properties are typically older, built between 1940-1990, with rents averaging \$550-\$1200 a month, and 74% are unsubsidized. There are 167,100 unsubsidized NOAH units in the metro area, with half in Hennepin County. This loss of affordable housing is due to the booming housing market in the Twin Cities, with local and national investors rapidly acquiring these properties and raising rents. The resulting displacement of current tenants, some who have lived in these apartments for decades, is tragic.

Supportive housing is housing with services.

“Supportive housing” is affordable housing with supportive services designed to help individuals and families maintain their housing stability. Supportive services can be offered on/off site. St. Stephen’s offers a range of supportive services, bringing case managers, licensed alcohol and drug counselors, and other professionals into the home to work with our clients.

The Update

In the 2017 Legislative Session resources for affordable housing and homeless services did not suffer major funding cuts. The bonding bill allocated \$77 million for housing investments. There was \$2 million in one-time funding for a new pilot program, the “Homework Starts at Home Initiative”, which recognizes homelessness as one of the most significant obstacles to being a successful student. The “Homework Starts at Home Initiative” helps families who are homeless

gain housing quickly. The goal is to end homelessness among families with school aged children by 2020.

In May of 2017 Hennepin County awarded \$2.75 million to 10 projects countywide which are building affordable housing. Additionally, \$2.2 million was allocated to 7 projects developing housing along transit lines. Alliance Housing's Minnehaha Commons project on Lake Street received both state and county resources. This project, in partnership with St. Stephen's, will house senior citizens experiencing homelessness.

In 2016 the Greater Minnesota Housing Fund established a \$25 million fund to purchase apartment properties which are at risk of being sold, resulting in the loss of NOAH units. This will preserve roughly 1,000 affordable housing units. Hennepin County and the City of Minneapolis have both contributed to this fund.

The Impact

At St. Stephen's all of our clients make 30% AMI or less, which is approximately \$23, 200/year for a family of 3. They have trouble competing in the private housing market on their own and rely on St. Stephen's connections to landlords to identify potential housing opportunities.

Families in our Rapid Rehousing Program receive support services and rent subsidies for only a short period of time, typically six months. Most of these families are headed by single mothers who exhibit amazing strength and resilience in the face of the many challenges they face. For families who need more time and more support, St. Stephen's has a variety of programs to meet their needs until they're ready to stand on their own.