

HENNEPIN COUNTY

MINNESOTA

To: Hennepin County Board of Commissioners

From: Kevin Dockry, Chief Housing and Economic Development Officer
Mike Herzing, Director, Human Services, Access and Case Management
Julia Welle Ayres, Manager, Housing Development and Finance

Date: May 8, 2020

Re: Supportive Housing for chronic homeless RFP

The Client-based Housing program (HRA: Client-based Housing CP 1006848) was established in 2018 by the Hennepin County Housing and Redevelopment Authority (HCHRA) to provide targeted capital assistance to client-focused housing projects that preserve and expand the supportive housing system (Resolution 18-HCHRA-0041R1). The Supportive Housing Program Guidelines and Criteria were adopted on May 14, 2019 (19-HCHRA-0011R1). The objective of the program is to advance the development of supportive housing by enabling more intentional and proactive county investment.

For the Supportive Housing Strategy, the county identifies housing gaps, recruits and partners with supportive housing developers and providers, and provides early-in funding for projects that meet county objectives. Capital funding awards require Board approval after joint review and recommendation by Health and Human Services, Community Works, and other impacted departments. Selection criteria include:

- Alignment with county-identified population need
- Project feasibility and cost reasonableness
- Commitment to long-term affordability in a leased-based housing setting
- Anticipated impact on service outcomes

Hennepin County's Human Services and Housing and Economic Development Departments issued a request for proposals (RFP) in February 2020. This RFP was focused on people experiencing chronic homelessness and people with severe addictions. The RFP garnered 4 proposals, totaling \$2,550,000 (\$2,160,000 available). Based on the guidelines and criteria, three awards, creating 88 units of supportive housing for people experiencing chronic homelessness, are recommended for funding:

- Anishinabe III - \$1,000,000
 - American Indian Community Development Corporation (service provider) and Project for Pride in Living (developer)
 - 40 units of supportive housing, 20 of those units for people with severe addictions
- 700 10th Avenue South - \$750,000
 - Avivo (service provider) and Alliance Housing (developer)
 - 55 units of affordable housing, 48 for people experiencing chronic homelessness
- St. Stephen's Emergency Shelter and Affordable Housing - \$410,000
 - St. Stephen's Human Services (service provider) and Community Housing Development Corporation (developer)
 - 50 units of supportive housing, 20 for people experiencing chronic homelessness



HCHRA capital funding will leverage approximately \$34.4 million in federal, state, local, and private funding. The projects will create a total of 145 affordable supportive housing units (including 88 units serving the identified chronic homeless and severe addiction populations).

Total service and operating expenses for the projects is estimated at approximately \$1.44 million annually. The three recommended projects have identified a total of \$1.18 million in available federal, state, and private funding available annually for services and operating expenses; leaving a projected gap of approximately \$262,000 in unique/unfunded annual service and operating expenses. This gap covers around \$3,900 per person, lower than the \$7,500 gap modeled for the Board. While these expenses are not eligible for funding under the HCHRA supportive housing capital program, staff will work with providers to further clarify this gap and any resulting funding and agreements will be considered separately by the Hennepin County Board as part of Human Services' annual operating budget process in future years.

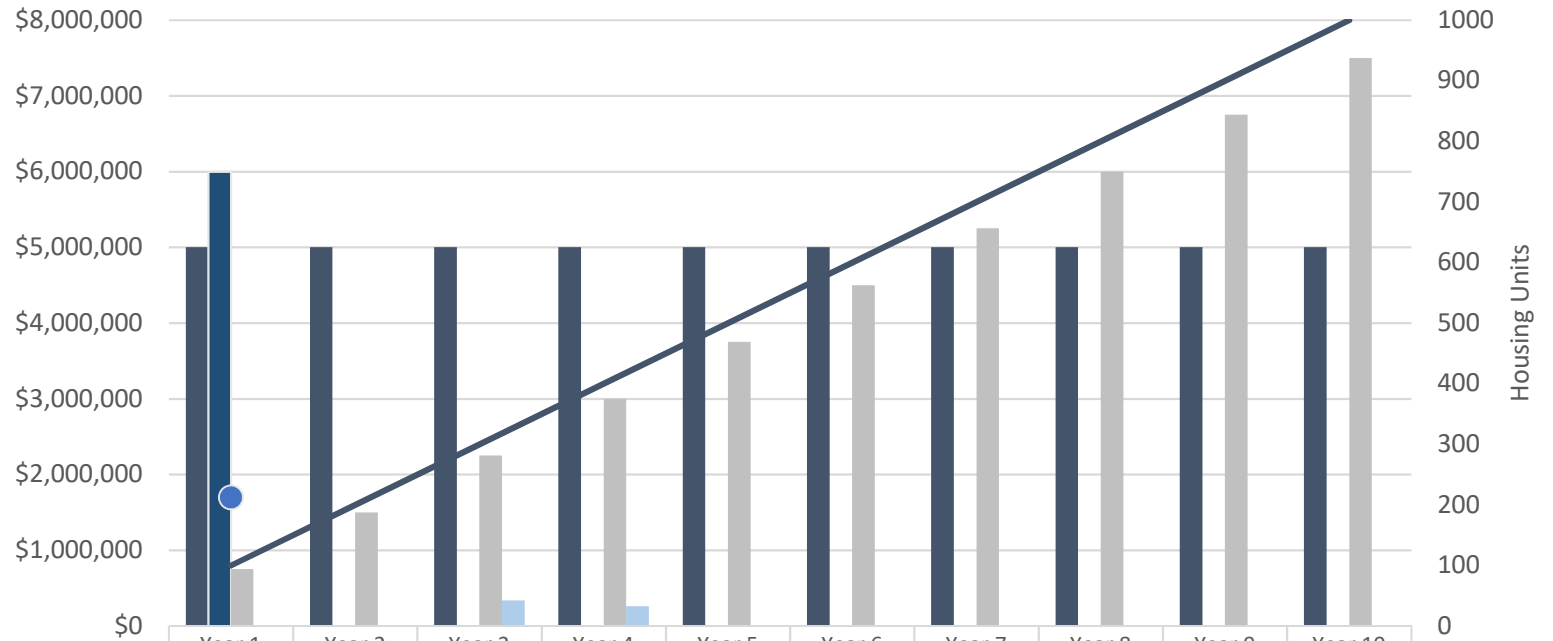
These recommended awards follow the awards made in the first Supportive Housing Strategy RFP in 2019. Altogether, the Supportive Housing Strategy has committed approximately \$6,000,000 to create 212 new units of supportive housing dedicated for priority populations (see attached Supportive Housing Implementation tracking). Looking forward, the 2021 RFP will target projects serving families involved with child protection services.

If you have any questions or if you would like additional information, please do not hesitate to contact Julia (612-543-4342), Mike (612-596-1371) or Kevin (612-348-2270).

Thank you,

Cc: David Hough
Jodi Wentland

Supportive Housing Strategy Implementation Progress



	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Projected capital	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Actual capital	\$6,000,000									
Projected Services and Operating	\$750,000	\$1,500,000	\$2,250,000	\$3,000,000	\$3,750,000	\$4,500,000	\$5,250,000	\$6,000,000	\$6,750,000	\$7,500,000
Actual Services and Operations	\$0	\$0	\$337,650	\$262,455						
Actual total units	212									
Projected total units	100	200	300	400	500	600	700	800	900	1000

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