



# Steve Horsfield

## Homelessness situation in Minnesota becoming more dire

A Minnesota Affordable Housing Policy Interview

*January 25, 2019*

Steve Horsfield of Simpson Housing Services in Minneapolis discusses five aspects of homelessness: (1) its causes; (2) the makeup of the homeless population; (3) what Simpson Housing and other organizations are doing to serve people experiencing homelessness; (4) what's being done to prevent homelessness; and (5) what's going on at the federal level.

### Present

John Adams, Steve Anderson, John Cairns (vice chair), Janis Clay (executive director), Paul Gilje, Steve Horsfield, Randy Johnson, Lee Munnich, Paul Ostrow (chair), Dana Schroeder (associate director), Clarence Shallbetter.

### Summary

According to Simpson Housing Services Executive Director Steve Horsfield, a shortage of affordable housing units in Minnesota is making the homelessness situation more dire. He says the state needs 10,000 more such units and must have more investment in entry-level housing, whether in public housing or in targeting of private housing.

That shortage is one of a number of causes of homelessness that Horsfield cites in his recent interview with the Civic Caucus. He discusses homelessness as an economic condition, saying that one-third of the guests at Simpson's 66-unit emergency shelter are working at any one time, but their wages are far below what it takes to pay for housing.

He also notes the zoning changes that have forced out most of the boarding houses in Minneapolis; the closing of the state-run residential mental health facilities, with few community programs ever developed to replace those facilities; and institutional racism.

He discusses who makes up the homeless population, noting that the number of males outnumbers the number of females by a ratio of three to one. He notes the problems of substance abuse and lack of family support among many people experiencing homelessness. And an interviewer brings up that at some charter high schools, 25 percent of the students are homeless on any given night.

Horsfield describes the programs to address homelessness run by Simpson Housing Services; the Homes for All initiative of the Minnesota Coalition for the Homeless and its 2019 legislative agenda, and the lack of federal investment in public housing, except for veterans. An interviewer suggests that maybe we'd be better off putting money into the earned-income tax credit, because of the high cost of building public housing units.

## Biography

Steve Horsfield has served as executive director of Simpson Housing Services since 2012. His core values are deeply rooted in social justice and servant leadership. He believes that every person deserves dignity, respect and equal access to critical resources, such as housing, health care, education and employment.

Under his leadership, Simpson Housing Services' programs have expanded to serve over 3,000 people per year who are transitioning out of homelessness. Horsfield led the board of directors and staff at Simpson to develop and adopt a significant five-year strategic plan that will deepen the impact of Simpson's services in the community.

Prior to joining Simpson, Horsfield worked at Salvation Army's Harbor Light Center, where he served first as business manager and for four years as chief operating officer. Prior to his professional work in the nonprofit sector, he had a 10-year career at UnitedHealth Group, managing operations and process-improvement initiatives.

Horsfield is a key leader in the homeless service movement in the Twin Cities. He has served as board chair at Metrowide Engagement on Shelter and Housing and currently serves as chair of the Healthcare for the Homeless Community board. He provides leadership in advocacy and Heading Home collaborations focused on improving the community response to homelessness.

Horsfield earned a bachelor's degree in psychology from Florida Atlantic University and a master's degree in industrial relations, with a secondary concentration in business administration, from the University of Minnesota's Carlson School of Business.

## Background

The Civic Caucus is undertaking a review of the issue of affordable housing in Minnesota. The Caucus interviewed Steve Horsfield of Simpson Housing Services to learn about causes of homelessness, who makes up the homeless population in Minneapolis and what Simpson and other organizations are doing to serve this population and to try to prevent homelessness.

**About Simpson Housing Services.** Simpson Housing Services began in 1982 as an emergency overnight shelter in the basement of Simpson United Methodist Church in south Minneapolis. Simpson Housing Services became its own 501(c)(3) nonprofit in the early 1990s, with the mission to house, support and advocate for people experiencing homelessness.

Its programs include emergency shelter, single adult supportive housing, family supportive housing and a youth program. The organization works across the metro area, partnering with landlords and developers to find housing for families and individuals. At any given time, Simpson provides supportive services to 100 individuals and 210 families with over 500 children.

According to its website, from July 1, 2017, through June 30, 2018, Simpson Housing's programs reached the following numbers of people:

- 2,452 served;
- 1,454 placed into housing;
- 1,111 received shelter beds: 682 men (61 percent) and 429 women (39 percent);
- 289 families with 649 children served in its Family Housing Program;
- 150 children participated in its Children and Youth Services Program;
- 199 adults received supportive housing services.

Simpson Housing is now partnering with the Red Lake Nation in operating the Navigation Center, a temporary shelter with supportive services, located at 21st and Cedar Ave. S. in Minneapolis. The Navigation Center, which opened in December 2018, is a response to an encampment of tents that appeared last summer along Hiawatha Avenue in Minneapolis. Eventually, as many as some 300 people experiencing homelessness were living in the encampment.

The City of Minneapolis provided funding for the Center's three large heated sprung structures, which can accommodate up to 120 people. The Red Lake Nation owns the Navigation Center site and will provide security and some of the social services at the center. The center will remain open until June 2019. After that, the Red Lake Nation will break ground on a new affordable housing project at the site.

# Discussion

## 1. What are the causes of homelessness?

**Homelessness is not climate-related; it's an economic condition.** Simpson Housing Services Executive Director Steve Horsfield made that statement during the recent extreme cold weather in Minnesota. "It's just as bad in July as in frigid weather," he said.

**Simpson Housing Services'** legacy program, a 66-bed homeless shelter at 28th St. and 1st Ave. S., provides beds for 44 men and 22 women nightly. One-third of Simpson's shelter guests are working at any one time, Horsfield said, but their wages are far below what it takes to pay for housing. He said a person would have to work 88 hours a week at a typical starting wage to afford an average two-bedroom apartment at market rates without spending more than 30 percent of their income on housing.

**The situation is growing more dire, because there are not enough units of housing.** Horsfield made that statement and said the vacancy rate in the Minneapolis rental market is two percent, while the rate for a healthy housing market should be four percent. He said we need 10,000 units of affordable housing across Minnesota.

"We must fill that gap," he said. "We need more investment in entry-level housing-either more public housing or targeting of private housing." Horsfield said he is a housing-first advocate, believing we need more housing before we can improve people's access to housing. "We haven't invested in public housing in a long time," he said. "We haven't done that in any meaningful way since Ronald Reagan was president."

**The system has removed boarding houses from the market.** Horsfield said the area of Washington and Hennepin Avenues in downtown Minneapolis and the area now occupied by the Minneapolis Convention Center were once home to 7,000 units of single-room occupancy housing. But boarding houses were eventually zoned out in Minneapolis, except for those that were grandfathered in during the 1980s. "If those rooms were available at \$500 a month," Horsfield said, "there would be fewer people in the homeless population." He noted that because of the grandfathering, there are still a handful of boarding houses around.

**When Minnesota closed its state-run residential mental health facilities, the planned community safety net system did not get executed.** Horsfield said only 10 percent of the planned community mental health facilities actually were developed. "There is a huge waiting list for permanent housing for people with mental illnesses," he said.

**Families have used housing as a wealth-building tool.** Horsfield made that statement and said, "Wealth-building is almost inextricably linked to housing. We must view housing as a resource in our community."

**Institutional racism is a major driver of homelessness.** Horsfield pointed out that there is an eight-to-one over-representation of the Native American community among the homeless population in Minnesota. One percent of the state's population is made up of Natives, while eight percent of people experiencing homelessness are Native.

## 2. Who are the people experiencing homelessness?

**People experiencing homelessness are a sliver of society.** Horsfield gave that response to an interviewer's question and said substance abuse, as in the larger society, is a problem for some people experiencing homelessness. "You take away their housing and their stress increases, making the drug problem worse," he said.

He said there is a lot of diversity among people experiencing homelessness. "A primary difference between people experiencing homelessness and those who are not is family support," he said. "If people get in crisis, the family can swoop in, in some cases."

**There is a disproportionate number of males in the homeless population.** Horsfield said the ratio of homeless males to homeless females is three-to-one. He said part of the reason for that ratio is what he called "prostitution for housing" among females who would otherwise be homeless.

**Among four different charter high schools, 25 percent of the students are homeless on any given night.** An interviewer made that comment and said that 20 percent of the students at Paladin Career & Technical High School, a charter school in Blaine, are homeless in any given week. The school pays for housing those students in motel units.

## 3. What are Simpson Housing Services

### and other organizations doing to serve the homeless?

**Simpson Housing Services is an expression of this community's will to do something about homelessness.** Horsfield made that comment and said that during the winter of 1981 to 1982, the number of people experiencing homelessness in Minneapolis spiked. Seventeen churches opened up shelters that winter, including Simpson United Methodist Church in south Minneapolis, which took on the issue of homelessness as what Horsfield called "a bold ministry of the church. They saw people not able to move on because of a lack of housing."

In the early 1990s, Simpson Housing Services was spun off as its own 501(c)(3) nonprofit organization. Horsfield said Simpson offers services in four main areas:

- Emergency shelter for people experiencing homelessness. It provides 66 beds of emergency shelter at Simpson Church and operates Adult Shelter Connect in the

basement of St. Olaf Catholic Church in downtown Minneapolis. Horsfield said more than 50 percent of people who access shelter in Hennepin County "self-resolve" within two weeks, finding alternate housing arrangements. He described Adult Shelter Connect as a single point of access for single people to access shelter. The program allocates 900 shelter beds on any given night in a number of shelters in Minneapolis.

- Supportive housing for single people who formerly experienced homelessness. Horsfield said Simpson concentrates on people who have higher barriers to finding housing. Using state support, Simpson provides efficiency apartments for single people who receive rental subsidies and case management. "We could use more of those units," he said.
- Supportive housing for families who formerly experienced homelessness. Horsfield said this is Simpson's biggest program. The program serves 210 families, who come through various shelter programs, such as Families Moving Forward, Mary's Place and domestic violence centers. He described the program as a rent subsidy, paired with a service component for each family. He said Simpson tries to find out what each family's connections are in the area and attempts to place the family near its support system. Most of the families receive scattered-site placements in Minneapolis and the suburbs, although Simpson owns one 17-unit building used for placements. The program provides rental subsidies, case management for the adults and educational support for parents and children, which involves tutors, mentors and early-childhood services that focus on parents as their children's earliest teachers. The program subsidizes families for several years.
- A supportive housing program for young people aged 17 to 24. Horsfield said this is Simpson's newest program. Simpson is partnering with Beacon Interfaith Housing on a project housing 39 young people across from Southdale, with case management services on site and a transitional housing model.

Simpson Housing's newest initiative is partnering with the Red Lake Nation to operate the emergency shelter at the Navigation Center in Minneapolis, which opened in December 2018. The Center was constructed to replace the tent encampment that appeared last summer along Hiawatha Avenue, which eventually included some 300 people. The Center was built to accommodate up to 120 people, although as of mid-February, it was sheltering 130 people. It is a temporary program, scheduled to close in June 2019. After that, the Red Lake Nation, which owns the Center's site, will break ground there on a new affordable housing project.

**The community mobilization around the former tent encampment along Hiawatha Avenue and the new Navigation Center in Minneapolis is amazing.** Horsfield made that comment and said the Minneapolis Police, the Minnesota Department of Transportation

(MnDOT), Waste Management and the Minneapolis mayor's office all worked together to support people at the encampment and to get the Navigation Center up and running.

**There is still a lot of capacity for expanding the involvement of churches and other institutions.** Horsfield gave that response to an interviewer's question and said volunteers put in 35,000 hours per year at Simpson, which is equivalent to 17 full-time employees. "We have a great relationship with the faith community," he said.

For example, he called St. Thomas the Apostle Catholic Church in Minneapolis "a tremendous partner." The parish will raise \$25,000 this year for Simpson and also runs a housewarming ministry to help furnish apartments of formerly homeless people moving into stable housing. "They're able to mobilize volunteers and resources," he said. "That level of capacity is available at other churches, too."

**In the Minneapolis School District, all children have the right to stay in their school, even if they move to a different part of the city during the school year.** Horsfield gave that response to an interviewer's question about what happens to the children who move from school to school during a single school year. "The school district is doing an estimable job of trying to maintain connections with children," he said. "If the children are changing schools, that's a choice families are making. The system allows for a child to stay in the same school."

#### 4. What's being done to prevent homelessness?

**The Minnesota Coalition for the Homeless has a campaign called Homes for All, a statewide coalition that advances shared policy initiatives that lead to housing stability for all Minnesotans.** Horsfield said the group has developed a 2019 legislative agenda, which includes the following proposals:

- \$55 million for the Minnesota Housing Finance Agency to do rehab work.
- \$25 million for shelters for the homeless population. Horsfield said the state hasn't had a significant role in funding the work done by shelters. He said if enacted, the proposal could be a significant change in how shelter operations are funded.
- \$300 million for bonding for housing.
- \$50 million in tax credits for housing.
- A new homeownership program focusing on first-time home buyers.
- A workforce-housing model.
- Improving upon what is happening in the rental market to allow for more opportunity for supportive housing.

Horsfield said people can bring their ideas and proposals related to housing and homelessness to the Homes for All campaign, which starts considering proposals for the next year's legislative agenda right after the legislative session for the current year ends.

The work intensifies by September, he said. He encouraged the Civic Caucus to present its ideas and proposals to the campaign.

**Simpson Housing runs supportive housing programs for single adults, families and youth aged 17 to 24.** The case management and other supportive services are intended to help people succeed after they're placed in stable housing.

### 5. What's going on at the federal level?

**There has been no meaningful investment in public housing over the past 40 years, except for veterans.** Horsfield made that statement and said 10 years ago, the country got serious about veterans' homelessness. "As a subpopulation of people experiencing homelessness," Horsfield said, "veterans have the best story." He said there are special Section 8 rental-subsidy vouchers set aside for veterans.

**Perhaps we can't incentivize the market to do the right thing.** An interviewer made that statement and said Steve Young of the Caux Round Table for Moral Capitalism says we can try to incentivize the market, but the market is amoral.

"Perhaps the market can't be incentivized and we'd be better off putting money into the earned-income tax credit," the interviewer said. "With federal housing costs of \$200,000 per unit, what would be the most cost-effective way to solve the problem of homelessness?"