



STATE OF MICHIGAN
MICHIGAN INTERAGENCY COUNCIL ON HOMELESSNESS
LANSING

December 11, 2023

The Honorable Gretchen Whitmer
Office of the Governor
111 S. Capitol Ave.
Lansing, MI. 48933

Dear Governor Whitmer,

The Michigan Interagency Council on Homelessness (MICH) serves in an advisory capacity for the executive branch on matters related to homeless response policy development. It is made up of representatives from state departments, the courts, and members of the general public who are striving to end homelessness in Michigan by collaborating to improve service delivery for people experiencing homelessness.

We gratefully acknowledge all the support your administration has demonstrated to increasing access to affordable housing for residents across the state. Your ongoing support of \$50 million in annual funding for the Housing and Community Development Trust Fund allows for the flexibility to create programs to address a wide range of new and ongoing needs. The \$5.3 million allocated for the Homeless Youth and Runaway Program allows for the expansion of services to underserved and unserved portions of the state, infrastructure and technology supports, and staff training, retention, and supervision. Below we outline our priorities for Fiscal Years 2024 and 2025 that align with priorities from the Campaign to End Homelessness' 2023-2025 Action Plan. These investments will provide persons experiencing chronic homelessness with access to stable housing, provide more flexible funding for the creation of affordable housing, and seek to address racial disparities in the homeless response system. We welcome a meeting to discuss these priorities and to start a dialogue between the Council and your policy team.

Increase Funding for Supportive Housing Services (\$25 million annually)

In 2022, 6,266 households in Michigan experienced long-term homelessness with one or more disabling conditions. Supportive Housing (SH) is proven to end the cycle of chronic homelessness, improve lives, and save money for systems in which this population is over-represented, including high-cost health systems and justice systems. Both the [Statewide Housing Plan](#) and the [Michigan Campaign to End Homelessness Action Plan](#) call for increased funding for SH services as well as fully leveraging Medicaid for SH services. Building off the \$6 million investment provided in FY23 (for which SH providers submitted applications with budget requests totaling \$21 million), a \$25 million funding commitment to MDHHS for Supportive Services would serve approximately 1,950 additional households per year.

Additionally, maximizing Medicaid reimbursement for supportive services will, over time, reduce the \$25 million allocation. Therefore, we also encourage enhancements to the Medicaid Housing



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Assistance benefit in order to maximize coverage of the pre-tenancy and tenancy supports needed for SH tenants, reimburse SH providers at a sustainable rate, and minimize eligibility criteria to the greatest extent possible.

Establish a Gap Financing Fund for Permanent Supportive Housing Creation (\$20 million annually)

Over the last few years, the number of people experiencing chronic homelessness has been trending up and additional resources are necessary to bring more permanent supportive housing (PSH) units online to address the growing need. PSH is a proven, effective means of rehousing those that have experienced long-term homelessness by addressing their basic needs for housing and ongoing support and services.

The creation of a PSH Gap Financing Fund would support the creation of 3-4 new PSH projects annually, in addition to the 6-7 PSH projects created annually under the state of Michigan's 9% Low Income Housing Tax Credit (LIHTC) program administered by MSHDA. The funds would be utilized as capital funding to ensure projects are financially feasible and sustainable and a portion of the funds would be leveraged to support the project's service budget to ensure barriers to accessing housing and housing retention are mitigated for vulnerable populations. The use and need for this funding directly align with the Housing Priorities, Goals and Strategies within Michigan's Statewide Housing Plan and the Michigan Campaign to End Homelessness 2023-2025 Action Plan.

Expansion of Family Emergency Shelter Services (\$2.5 million annually)

This funding would be used to expand family shelter capacity among local communities currently at maximum capacity and where families are turned away due to a lack of space. We are currently seeing this in at least five communities (Grand Rapids, Detroit, Jackson, Ann Arbor, and Saginaw). Waiting lists for available shelter can be weeks to months which is highly detrimental to young children. Family shelter and motel stays were expanded during COVID due to the availability of COVID Relief Funds. Since those programs have ended, we are seeing a significant gap in capacity for family shelter in addition to a 5% increase in the total number of homeless families. We are proposing an increase of \$2.5 million to the Emergency Shelter Program (ESP) to be used specifically to expand family shelter operations in targeted communities where there are long wait lists including Detroit, Kent County, Washtenaw County, Jackson County, and Saginaw County. Approximately 30% of this funding could also be used for short term motel stays to handle the immediate backlog as communities scale up permanent shelter options. Funding would not be used for capital expenses but could be used for operations including rent or lease of buildings.

Supplemental Funding to Support Homeless Shelter Workforce (\$4.9 million annually)

Michigan has more than 800 front line staff working 24/7/365 in its adult and family homeless and domestic violence shelters. These positions are required to work evenings, weekends, and holidays and manage a clientele with a variety of complex behavioral and physical conditions including severe trauma, physical illness, behavioral health conditions, substance use disorders, age-related disabilities, etc. To respond to the complex needs and problems faced by people experiencing homelessness, shelter staff must coordinate a loose network of public and private agencies while delivering effective



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crisis support services. The issue of occupational stress, burnout, and compassion fatigue among shelter workers has been well documented ([Baker et al. 2007](#); [Brown and O'Brien 1998](#); [Harr 2013](#); [Kulkarni et al. 2013](#); [McClure and Moore 2021](#); [Mullen and Leginski 2010](#); [Olivet et al. 2010](#); [Schiff and Lane 2019](#)). In Michigan, the average shelter staff is paid between \$12 and \$17 per hour. Due to the lack of funding available, shelters are often not able to attract or retain staff with experience and/or advanced degrees in psychology, social work or counseling but are competing against other hourly wage positions in retail, grocery and fast food. This is not a Michigan phenomenon. According to the National Alliance to End Homelessness (NAEH), the homeless workforce sector faces a deficit of at least \$4.8 billion to adequately pay current workers (represented as an aggregated sum of individual employee salaries). The Alliance estimates that the average emergency shelter employee in the US is paid \$27,830. It would require an across the board salary increase of 77 percent for these staff to afford the average cost of a one-bedroom apartment. \$4.9 million would provide a \$3 per hour increase for 811 adult, family, and domestic violence shelter workers to increase staff wages and align more closely with higher skilled, healthcare and social work positions.

Create Emergency Shelter Program/Domestic Violence/Youth Shelter Repair Grants (\$5 million annually)

MDHHS received more than 60 applications from shelters across the state for facility improvement funding in FY2022-FY2023. These applications requested more than \$18 million in repairs – many for basic habitability improvements including roof, window and furnace replacements. After reviewing the expansive needs among shelter providers across the state, it became evident that access to this type of infrastructure funding should be available on a regular basis. Many applications noted that a lack of access to funding that allowed these types of expenditures severely limited their ability to make necessary repairs. We are asking that \$5 million per year be appropriated specifically for shelter repairs and physical improvements for emergency shelters for singles, families, domestic violence survivors, and youth. This would have a direct and positive impact on the health and safety of thousands of adults, children and youth who access shelter across the state each year.

Implement More Robust Tenant Supports and Protections

Create Emergency Rental Assistance Fund (\$30 million annually)

During the pandemic many Michiganders lost their primary source of earned incomes, became ill, lost their jobs, or had to drop out of the workforce due to the health of family members or childcare needs. Evictions for many were avoided due to the widespread availability of emergency rental assistance. However, with the expiration of the eviction moratorium and expenditure of the ERA funding in MI evictions are once again increasing. [Research](#) conducted by Matthew Desmond indicates the racially disproportionate and detrimental effects of eviction are wide ranging and long lasting. 'Eviction can have serious social and health consequences, including interrupted employment, worsened physical health, and increased rates of mental health disorders such as depression and suicide.

Overall, there was a 37% increase in eviction filings in 2022 compared to 2021. Filings in Detroit in 2022 increased since the lapse of state and local moratoria, rising to 75% of the pre-pandemic level



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protections waned, and placing 61,000 renters at risk of eviction (UM Poverty Solutions). Rents are also increasing across the state at historic rates; the Michigan median rent jumped 8% in 2022, making even modest housing unaffordable for low wage workers and putting many at potential risk of eviction.

MSHDA rolled out a Homeless Prevention Program in spring 2023 using HOME ARP (\$5 million) statewide, targeted at those at risk of homelessness providing rental and utility assistance. It is estimated that the need is far greater than existing resources. UM Poverty Solutions 2020 Policy Brief on [MI Evictions](#) and [Reducing MI Evictions](#) report 2021 strongly recommended increasing funding available for emergency rental assistance, among other needed reforms at the state level. An additional benefit of standing up a permanent emergency rental assistance statewide program includes benefiting from the infrastructure and expertise of organizations with a proven track record of administering Eviction Diversion, CERA and Homeless Prevention programs. The rapidly increasing rates of eviction, the lack of affordable housing stock, and rising rents highlight the urgent need for the establishment of a permanent emergency rental assistance fund in Michigan set at \$30 million annually.

Reduce Racial Disparities Within the Homeless Response System
Create Community Based Systems Transformation Advocates (\$2 million annually)

Efforts to end homelessness must center the experiences of people who have been most disproportionately impacted – Black, Indigenous, people who identify as other or multiracial, and Hispanic people. In 2021 Michigan’s Campaign to End Homelessness partnered with C4 Innovations to transform the Michigan’s homeless response system through a racial equity lens. This work commenced by engaging with all twenty of the Continuums of Care across the state, analyzing both quantitative data, and conducting community conversations with frontline staff and people with lived experience of homelessness. Despite limited capacity, over half of the Continuums of Care were able to create racial equity action plans. These plans focus on addressing the systemic barriers in their communities. Now that we have started this incredibly important work, we must focus on developing the infrastructure necessary to sustain progress and build a shared accountability to the communities that have been marginalized. The creation of these community-based DEI positions for all twenty Continuums of Care would allow us to do exactly this.

Respectfully,

A handwritten signature in black ink that reads "Kelly Rose". The signature is written in a cursive, flowing style.

Kelly Rose
Chair, Michigan Interagency Council on Homelessness