



STATE OF MICHIGAN  
MICHIGAN INTERAGENCY COUNCIL ON HOMELESSNESS  
LANSING

October 22, 2024

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 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 Fund allows for the flexibility to create programs to address a wide range of new and ongoing needs. Additionally, the Governor's office and the legislature supported the advancement of housing stability by appropriating \$20 million for supportive housing services in the FY25 budget.

While we believe these investments are important components in the fight to end homelessness, there is more that our state can do to position itself as a leader on these issues. On the following pages, you will find our priorities for Fiscal Year 2026 that align with priorities outlined in the Campaign to End Homelessness 2023 – 2025 Action Plan. Additional research on each priority is available in the appendix to this letter. 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.

**Improving Services for Individuals and Families Who Are Experiencing Homelessness**

*Expansion of Emergency Shelter and Outreach to Unsheltered Individuals (\$10 million)*

Michigan's homeless population has increased 7% since 2020. In addition, the Emergency Shelter Program (ESP) provided 17% more shelter and motel nights between 2021 and 2023. While costs including food, utilities, and staffing have increased over the past four years, shelter funding has remained flat since 2022. The need for expansion in that area is great but cannot be accomplished without an additional investment.

We are proposing an \$10 million increase in emergency shelter funding and street outreach as follows:

- \$6.5 million to Emergency Shelter Program (ESP) (\$4 million General Funds, \$2 million TANF)
- \$1 million to Domestic Violence Shelter Program (\$500,000 General Funds; \$500,000 TANF)
- \$2.5 million to Street Outreach (\$2.5 million General Funds)

Street outreach to unsheltered homeless individuals is a critical component of a homeless response system. It is estimated that with current funding, Michigan is only providing outreach to between 40 – 50% of its unsheltered population. Current services are limited to the lower half of the lower peninsula, with many multi-county regions only having funding for two dedicated staff. As unsheltered homelessness increases, there is a much greater need to support our state partners at DNR, MDOT and others to engage with unsheltered individuals to



STATE OF MICHIGAN  
MICHIGAN INTERAGENCY COUNCIL ON HOMELESSNESS  
LANSING

help them transition to housing. The unsheltered population also continues to struggle with more severe physical and mental health conditions which require more frequent contact and connection with skilled staff who can provide competent support and assistance. This investment will expand outreach services to the entire state of Michigan.

**Implement More Robust Tenant Supports and Protections**

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

During the pandemic, many Michiganders lost their primary source of earned income, 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 Covid Emergency Rental Assistance (CERA) funding, evictions are once again increasing. This situation is compounded by ongoing lack of affordable housing stock and rising rental costs. We are seeking the establishment of a permanent emergency rental assistance fund in Michigan, set at \$30 million annually, which would stabilize housing for roughly 5,000 families.

**Improving Services for Individuals and Families Who Are Experiencing Homelessness**

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

In 2023, 4,758 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. In Michigan, we are seeing tremendous outcomes from the \$6 million appropriated to SH services in the FY23 state budget, including a 99% housing stability rate among the 470 households served.

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. We are pursuing a \$25 million appropriation for FY26 and annually thereafter, decreasing the state contribution as Medicaid reimbursement increases. This funding will serve approximately 3,125 households per year and strengthen the quality and frequency of supportive services for projects created under Michigan's Low-Income Housing Tax Credit program administered by MSHDA.

**Increase Amount of Safe, Accessible, and Affordable Housing Targeted to Households Experiencing Homelessness**

*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.

Establishing a fund of \$20 million annually would support the creation of 3-4 new PSH projects each year, 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 used 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.



STATE OF MICHIGAN  
MICHIGAN INTERAGENCY COUNCIL ON HOMELESSNESS  
LANSING

**Reduce Racial Disparities Within the Homeless Response System**

*Community-Based Systems Transformation Advocates (\$2.5 million annually)*

In 2021, Michigan's Campaign to End Homelessness partnered with C4 Innovations (now ARC 4 Justice) to transform Michigan's homeless response system through a racial equity lens. This work commenced by engaging with all 20 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. In June 2024, the ICH approved its first ever Racial Equity Action Plan to address racial disparities within homeless services and housing outcomes while implementing system changes that create equity and power sharing, especially for people with lived experience of homelessness. In September 2024, the ICH approved the proposed Racial Equity Action and Accountability Committee (REAAC) structure to maintain momentum for the action plan and ensure ongoing oversight of state and local action.

Infrastructure at the local and state level is critical to this effort, including both Community-Based Systems Transformation Advocates and staffing capacity for the REAAC. Advocates will be empowered to address current system practices through an equity lens and to sustain progress and build a shared accountability to the communities that have been marginalized. Staffing support to the REAAC will ensure measurement of progress and maintained accountability to the plan itself. We are seeking \$2.5 million annually to support hiring 20 individuals with lived experience as advocates for each Continuum of Care in Michigan and one full-time equivalency staff position for the REAAC.

*Expansion of SOAR Program (Social Security Disability Income/Social Security Income, Outreach, Access, and Recovery) (\$1 million annually)*

Almost half of the people experiencing homelessness in Michigan have a disabling condition that prevents them from working and earning the income necessary to obtain housing. The SOAR program helps provide that income through SSI or SSDI. It is the only case management service that helps put that necessary income directly into the pockets of people who need it most. The success rate for people experiencing homelessness who apply for SSI or SSDI benefits on their own is only 10-15%. With SOAR assistance that increases to 75%. We are proposing an investment of \$1 million General Funds to be granted to local nonprofit organizations to adequately staff SOAR practitioner positions statewide to address the number of currently unserved homeless individuals who may qualify for SSI/SSDI.

We welcome a meeting to discuss these priorities and to further the dialogue between the Council and your policy team.

Respectfully,

A handwritten signature in black ink that reads "Kelly Rose".

Kelly Rose

Chair, Michigan Interagency Council on Homelessness



STATE OF MICHIGAN  
MICHIGAN INTERAGENCY COUNCIL ON HOMELESSNESS  
LANSING

## Appendix A

### Additional Research

#### **Improving Services for Individuals and Families who are Experiencing Homelessness**

##### *Expansion of Emergency Shelter and Outreach to Unsheltered Individuals (\$12 million)*

- In FY24, MDHHS provided approximately \$18 million for shelter and emergency hoteling. It received more than \$32 million in requests for its recent ESP application for FY25 funding.
- New estimates suggest that \$4.8 billion is needed to bring homeless services salaries into the modern era [WorkforceSalaryNeeds-9-5-2023.pdf \(endhomelessness.org\)](#).
- According to an April 2024 report from the [Homeless Research Institute of the National Alliance to End Homelessness \(NAEH\)](#), the homeless services workforce is in crisis and needs significant investment in salaries and work environments. This includes provision of specialized and targeted training, retention initiatives, supports to manage workplace stress, and reevaluations of pay disparities. Estimates suggest that [\\$4.8 billion is needed nationally](#) to bring homeless service salaries into the modern era.

#### **Implement More Robust Tenant Supports and Protections**

##### *Emergency Rental Assistance Fund (\$30 million annually)*

- 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.
- The eviction rate increased to 23% in 2023 compared to 15% in 2022. New filings and eviction rates are reflective of the pre-pandemic numbers putting thousands of renters at risk of eviction. Rents continue to increase across the state at historic rates; from January 2023 to January 2024, Michigan saw one of the highest increases in rent prices with a 12.47% year-over-year increase, making even modest housing unaffordable for low wage workers and putting many at potential risk of eviction.
- The Covid Emergency Rental Assistance (CERA) program, which ended in 2022, provided nearly \$1 billion in assistance to impacted individuals and families and averaged \$8,700 in assistance per household.
- In the Spring of 2023, MSHDA implemented a statewide Homeless Prevention Program (HPP) utilizing \$5 million in HOME-ARP funding targeted to those at risk of homelessness by providing rental and utility assistance to prevent evictions. To date, HPP has assisted over 1,300 families and averages \$3,350 per household; however, the funds are nearly exhausted as 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.

#### **Improving Services for Individuals and Families who are Experiencing Homelessness**

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

- In October 2024, the [National Alliance to End Homelessness \(NAEH\)](#) reported a 79% increase in chronic homelessness since 2016 and that chronic homelessness accounts for two-thirds of the total increase in homelessness since 2016. Permanent Supportive Housing is a proven intervention for households



STATE OF MICHIGAN  
MICHIGAN INTERAGENCY COUNCIL ON HOMELESSNESS  
LANSING

experiencing chronic homelessness because it pairs long-term housing assistance with intensive wrap-around supportive services to help people stabilize and thrive.

**Increase Amount of Safe, Accessible, and Affordable Housing Targeted to Households Experiencing Homelessness**

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

- In February 2023, MSHDA released a Notice of Funding Availability (NOFA) to increase affordable housing access for low-income households and those experiencing homelessness. The PSH Gap Financing program combined portions of HOME-ARP, Housing and Community Development Fund (HCDF) and repurposed Covid Emergency Rental Assistance (CERA) funds for construction or rehabilitation of housing units targeted to PSH individuals and families. Roughly \$94 million was regionally allocated for project application submissions, based on the Regional Housing Partnership Map.
- As a result of the above opportunity, MSHDA was able to fund thirteen (13) housing projects throughout the state, resulting in the development or preservation of 666 units, of which 444 are PSH. While the availability of these funds moved the needle toward the PSH housing development goals, it is not sustainable, and the unmet need remains.
- This ask also aligns with the requested increase in supportive services funding based on the significant increase in households experiencing chronic homelessness (see reference above).

**Reduce Racial Disparities Within the Homeless Response System**

*Community Based Systems Transformation Advocates (\$2.5 million annually)*

- In April 2024, HUD released its [recommendations](#) to compensate and employ People With Lived Experience (PWLE) in systems work.
- The approval of the Racial Equity Action Plan by the Michigan Interagency Council on Homelessness (MICH) aligns with Goal 7 of the Statewide Action Plan.
- The interim implementation of the Racial Equity Action and Accountability Committee (REAAC) lacks dedicated staffing to support the committee structure. Current support is shared between staff from MSHDA and from the racial equity consultant, ARC 4 Justice, whose contract ends December 31, 2024.

*Expansion of SOAR Program (Social Security Disability Income/Social Security Income, Outreach, Access, and Recovery) (\$1 million annually)*

- Based on recent Homeless Management Information System (HMIS) and Medicaid data, Michigan could have as many as 1,200 homeless individuals annually who could qualify for SSI or SSDI but are not receiving these critical benefits. Of the 151 applications adjudicated, 101 were approved for benefits last year, Michigan received \$98,282 in new monthly SSI/SSDI payments as well as \$452,772 in back pay for homeless individuals who were approved a benefit.
- A typical SOAR application takes 20 hours to complete and agencies willing to provide SOAR often lack the capacity to provide such labor-intensive case management services without compensation. Consequently, Michigan has suffered from a lack of active SOAR practitioners especially when compared to states that actively fund SOAR. For example, last year Michigan completed 130 SOAR-assisted applications with 98 approvals as compared to Pennsylvania, which submitted 346 SOAR-assisted applications with 314 approvals.