



Zumbro Valley Medical Society

**SERVING PATIENTS EXPERIENCING HOMELESSNESS:
A TUTORIAL FOR PHYSICIANS IN TRAINING**

January 20, 2021

Housing Policies and Programs

with

Commissioner Sheila Kiscaden

Olmsted County Board of Commissioners

[Unofficial transcript]

Grace Johnson, medical student, Mayo Clinic Alix School of Medicine:

We are very excited to welcome Olmsted County Commissioner, Sheila Kiscaden. Commission Kiscaden serves on the Health, Housing and Human Services Committee. She formerly served as a Minnesota State Senator as well. She has extensive experience working on policies related to homelessness. We are very excited to hear her insights and perspectives on this issue. Commissioner Kiscaden, thank you so much for taking time out of your busy schedule to be with us today. If you wouldn't mind telling us a little bit about yourself and your career.

Commissioner Sheila Kiscaden, Olmsted County Board of Commissioners:

I'm a long time Rochester resident. I came here right out of college with the promise of my good spouse that I came here to marry that we would only be in Rochester for three years. We just celebrated our 50th wedding anniversary and I'm still in Rochester. So life can take you to places that you don't really expect or make you stay in places you didn't want to really even be in. So, I've known this community really well because I've been here for so long. I've run a lot of not-for-profit organizations. I became the county's human service planner. I became the county's legislative liaison and then I actually got recruited to run for the Senate, served in the Senate for 14 years, came back out, left on my own accord, which is always a good way to leave, went back into my consulting practice, and then a few years ago was talked into running for County Board.

So, I've had a theme in my long tenure here in Olmsted County and Rochester always being focused on health and human services issues, which is what I also specialized when I was in the legislature. Currently, I serve on the County Board. The County Board also serves as the housing and redevelopment authority. We do have a citizen member in addition to the County board members to represent residents. I am chairing the housing alliance for the County, well, it's actually the [Rochester] Area Foundation and that's a cross-sector group from private developers and advocates and the city and the county and philanthropy, trying to look at our housing needs overall for our community, our region. And, I'm on a donor-advised fund for the [Rochester] Area Foundation with the \$4 million that Mayo donated three years ago toward affordable housing. I served recently two years ago on the Governor's Housing Task Force.

At this stage in my career, housing didn't used to be the big, big issue for human services in Olmsted County as it is now. I think you're probably already learning that one of the things that has happened all over the country is it really got much, much worse after the 2008 recession when we quit building. As we quit building, the market just doesn't work anymore. We don't have a housing market that really works. Then to make it worse, because we have a shortage of housing, the cost of housing is going up

really fast, like 40% increases in the cost of housing and in about five or eight years time. But, salaries have gone up about 3%. So, more and more, we're having families, individuals, hardworking people who are really squeezed out of the housing market. There's really not much for them. And then if you look at Rochester, for many years, until maybe 20 years ago, we had many, many places that were very modestly priced. We had a lot of single room occupancy places, whether they were in boarding homes, boarding houses. There used to be lots of them all up and down the street by St. Mary's. We also had a number of old hotels that had been converted into residential hotels, where people just really lived in a single room, maybe had congregate dining.

As part of our renewal of the community, and it started before DMC [Destination Medical Center], but certainly has been happening even faster under DMC, we have eliminated a lot of those single room occupancy, the kind of places where people could afford a room, but they maybe couldn't afford an apartment. So that's been a contributing factor. Another factor for homelessness in our community is that we don't really have a mental health system that provides the range of services that people with chronic and persistent mental illness need. So, we have people who end up being unhoused or in very unstable housing. Or, they have substance abuse problems and they end up in that way as well.

We had a presentation just yesterday. I understand that Mary O'Neil talked with you [on October 22, 2020], a county housing specialist. In October, we were doing this three-day assessment of our homeless population, trying to try to count everybody. And, I have the data from that report that was shared with the County Board yesterday, if you would like to see that. I thought I'd show you a couple of those slides. But, I'm really wanting this to be very interactive and let you ask a lot of questions.

Commissioner Kiscaden:

So, every year in October across the state, there's a point-in-time count of people who are homeless. In 2019, here in Olmsted County, we had five different organizations that came together to count. What they do is they go out and meet with people who are homeless and ask them some questions, find out about their circumstances. We had five organizations working on it last year and they were able to identify and talk with 123 people over a three-day period of time. This year, we had 12 partners, including the school district, and we got a much more comprehensive count. We got 155 single adults identified, 40 youths identified, and 12 families identified as being unsheltered homeless. Unsheltered homeless can mean that you're couch-surfing. It doesn't mean that you're necessarily on the street.

So, this is sort of a three-day snapshot. I think everyone was really surprised to see the 40 unaccompanied youth and 12 families. But, when I look at the website for the Minnesota Coalition for the Homeless, they claim that up to 50% of all homeless people in our state are unaccompanied youth. Our school district identified over 400 students who experienced homelessness at some point in the last school year. It might be a day or two, or it might be a long period of time, but their count is that we have over 400 students. So, in October, we were able to identify 40 unaccompanied youth and 12 families who were homeless. They might be living with a relative. They might be in their car.

We also identified 155 single adults. But, that Housing Stability Team that Mary O'Neil is part of, over the last year their count is that they dealt with 398 individual single adults were homeless since last March. You can see the problem with the point in time count. Of those folks that were identified, of the adults, 91 were unsheltered, 51 of them told them that they were living in the streets, in camps, or in buildings, like stairwells, in parking ramps, 19 were living in their vehicles, and 21 refused to say where they were living. Then, we had 64 people who were sheltered. We have 31 at the Dorothy Day House in the Rochester community warming center, which is on 4th Street across from the Government Center.

We had 12 in a facility that the county has leased called the Creek. And, we had 14 in a building that the county has leased. That's 105 North Broadway. And we had people in motels. The reason we had people in motels, COVID changed the dynamic of a lot of things so that we have to really shelter people separately. We have to separate people that are quarantined or people that are ill. So, if we had this last year, we would have had the Dorothy Day House and the Rochester Community Warming Center. And, that would have been all. We wouldn't have had the Creek or the 105, and we wouldn't have been putting people into motels.

So, this is what they told us: 79 said that this was their first time of being homeless. 76 reported that they've had more than one instance of homeless. 70 met the criteria of long-term homeless, which means 12 months or more. And, nine of that group said that they're experiencing homelessness for more than five years. So, what the observation is, is that you really want to get to those 79 that are having the first-time experiencing homelessness and work with them quickly to get them into permanent housing, or more permanent housing, more stable housing. The same with those that have had more than one instance. But, when you get to this nine, they are now, this is a lifestyle. And, oftentimes when we think about homeless people, we don't think about the kids, the unaccompanied kids. We tend to think about these, the nine people who are refusing all help and refusing shelter, which does happen as well.

And then, disability status: 70 said that they reported, they had acknowledged that they have chemical dependency problems, 66 reported mental health problems. Of course, those are not exclusive counts. You can be both mentally ill and substance abusing, and 5 reported that they have physical disabilities. Disabilities really impairs your ability to find housing and your daily living. They also looked at physical abuse, special education services, and race. So, I just thought that data might be useful for you and it's useful for us in trying to figure out what do we really need to do and how many shelter beds do we need and how do we do outreach, and knowing the people is really important.

Grace Johnson:

That was great. Thank you so much for providing that perspective for us. I guess I'm curious, you have an extensive career in politics and in public service, what are some of the ways that you've seen policy put into action to sort of address homelessness?

Commissioner Kiscaden:

Well, let me just say that if you were talking to me three years ago, I probably would have told you we didn't have much of a problem. What happened, well, first of all, all across the country and across the state of Minnesota, the number of people who are unsheltered and homeless has gone up dramatically. And, COVID has made it even worse as people lost jobs and lost their homes, it's made it much, much worse. If you'd asked me two years ago, I probably would have told you we have 30 or 40 people, and they're mostly adults, and we have a few kids that are couch surfing, but, you know, nothing much. But, what happened is that a group of homeless adults decided to start sleeping in the skyways and they started sleeping in the stairwells of the ramp that's behind the library and across from the Civic Center. People on their way to the Civic Center, or on the way to the library, would literally walk by homeless people, and they found it disturbing. Some of the people who were sheltering there, occasionally, they were confrontive to the people who went by.

I remember three years ago going out for coffee one morning early. I left the Government Center, walked through the skyway, went over to Starbucks, and I was surprised to see this whole group of homeless individuals, or a group of adults sleeping in the skyway. I had never seen that before. Then, I

started noticing it was happening more and more. Well, the downtown businesspeople really did not like this. And, we got complaints from visitors that they didn't feel safe taking the skyway over to the Civic Center. And so, the community, which is so much a part of democracy, I just really want you to understand this, that community members raising issues gets government action, maybe not quickly, but it does. And, in this particular instance, the business community was quite upset. We started getting letters from visitors and other people, saying you got to do something, you've got to do something.

Way, way back in the eighties, I helped the Dorothy Day House get the building that they own. But, as I would say to people, well, that was 1987 when they bought the building. They can house 23 or 24 people and they can stay for two weeks. Then we have the Interfaith Hospitality Network and they can take six or seven families. Then we have the Salvation Army. But, it was all informal and all done with philanthropy until the volume got so big that people couldn't be housed at Dorothy Day or some people preferred the skyway. So then, the business community and the community got very concerned. We began delving deeper into what could be done. Just a year ago, fall of 2018, the County agreed to take a building that we own in a little strip mall and make a warming shelter for overnight stays. But, we didn't want to operate it. We had to recruit someone. We got Catholic Charities who's doing that. It is just growing every year.

The reality is there are more people who are unsheltered homeless. Reality is that only a few social workers and mental health workers were dealing with the people that were unsheltered, and they didn't even know the full extent. So, we've begun to look at it in a much more focused way. This idea of doing a three-day assessment, trying to reach everybody, we hadn't been doing that in a very formal way before. So, that's raising awareness, giving us data. We also realigned our community services department so that we moved the housing, we moved Mary O'Neil and the housing specialists into our HRA [Housing and Redevelopment Authority]. We have a housing unit. We've got social workers and public health workers working together. And even as saying that, I need to tell you that the county had also built Silver Creek Corner, which is out on our human service campus. It was very controversial because it's for people with chronic substance abuse problems. It gives them a place to live. We don't force them to stop using. They can still live there. And, we operate the Francis Hotel on 4th Street Southeast. That's more than 10 years old. And, within the last seven or eight years, we created the Gage East program for families and for youth who are having homeless problems. So, it isn't like we've ignored it, but, somehow, we were building in time to meet the need, and now the need exceeds what we have available.

Grace Johnson:

I guess I was curious about specific policies that have been put in place. It sounds like a lot of the work has sort of fallen into the domain of nonprofits and individual organizations who see this need and decide to address it from almost a band-aid perspective of, "We have people who need a place to sleep tonight, we can open up a space for them." I guess I'm curious about some of the, you talked about some of the structural contributors to homelessness, such as DMC [Destination Medical Center] and rising housing prices and COVID. Those seem like issues that need to be countered with structural solutions. I'm curious about your perspective on that, and if there have been policies working to sort of address it.

Commissioner Kiscaden:

Yeah, the state of Minnesota does have a Homework Begins with Home program and there's another kind of title, but it is a statewide plan in homelessness. We've had success in the state of Minnesota. There's a special program for homeless veterans. We have just about got to the place that there are no,

there are some, but there's not a lot of homeless veterans anymore. But then, on the other hand, veterans have access to benefits that can be used for their housing, which other groups of populations don't. Another policy that we have now is we work with the school district. And we've given the school district funds so that when they're working with a student and the student's family that they know that they're homeless. They can help with things like short-term housing or a rent deposit. We have greatly expanded under COVID. We've spent millions on housing assistance to keep people in their homes, those people who weren't working and were falling behind in their rent. We have spent about \$3 million this past year, average of about \$1,400 a family, to help them pay their landlord. So, even while there's an eviction moratorium right now that they aren't facing eviction when the moratorium is lifted. We've been focusing much more on those kinds of direct assistance. And we've been focusing on identifying, working with the schools to identify the kids that the family isn't gonna say, "Well, we're sleeping in our car." But, when the teacher realizes that something is awry, the social workers at the school district can work with the families as well.

Another place we're working, this might sound strange, there's a program called Damascus Way. Damascus Way houses people who are coming out of prison. We have leased space to them out on our human service campus. And, we've helped them remodel a six-plex that they own in southeast Rochester. This is for people, right now it's only men, who are coming out of prison. You're out of prison, you don't have a job, you don't have any money. This is a very high-risk way for people to get back into crime or to end up homeless. So, we're housing people in transitional housing as they come out of prison. Damascus Way works with them to get jobs, education, that they needed to kind of get on their feet and get stable and to reintegrate back into community. We can tell that those people who get that benefit are less likely to recidivate into crime, and it's far less expensive. Or, we might be housing them in our jail as they came out of prison and that's not the environment you want to help people be back into the community. So, that's another policy area that we work with.

Another thing we're doing in the county is we have what we call, "master leases." We're leasing the apartment. In turn, we house, we have one program for teen moms. If you're a mom and you're 17 years old, and you're now independent, raising your child, you're too young to legally sign a lease. So, you may have a really hard time finding a place to live. We have leased some apartments and we then sublet them. They live more in a little bit congregate setting and they don't necessarily have their own individual apartment. Then the social workers would work with those moms to get them really through school, settled down, new parents. Similar program called the "Fatherhood Project" that Family Service Rochester runs, they work with the men. We lease the space to them for those apartments as well.

So, what I'm trying to say is that there's so many particular needs. People who end up homeless, sometimes it's more than just a place to live. It's the services that they need to be able to stay stable. This is particularly true for those young parents or the mentally ill with serious and persistent mental illness, or strong substance abuse, they need other kinds of supports. And, the county does that kind of work. Or, we contract with specialty organizations, like Damascus Way, or Family Service Rochester, or Zumbro Valley Health Center to do some of that work. Zumbro Valley [Health Center] has something like 15 apartments, I think. We subsidize the cost of those apartments, and their workers work with the people who are living in those places.

Question 1:

If you had your druthers, what do you see the next three to five years that you would really like to push through? What are kind of your priorities when it comes to help in housing?

Commissioner Kiscaden:

Well, we simply need more housing. We need housing that people who earn very little can afford to live in. We need more single-room occupancy housing. We need housing that has subsidies for families who need the subsidy to live in the housing. But, we just don't have enough supply. Another kind of housing need we have is, we just did a housing study, and we know that people who are seniors, you're either in your own home or your own rental, or you're in a senior facility. But, there are many people like me, my age, I live in a four-bedroom house. I don't need a four-bedroom house anymore. My house is paid for, but to move into the townhouses they're building today, I'd end up with a mortgage. I don't want a mortgage at this stage of life. So, can we build housing that someone like me could move into? Then, my house is available for a family. Then, the family that's in a smaller house, that house is available for another family. We need to build the supply of housing in our community, and we need to build it for all income levels, for the lowest income residents, to the working person who's at the median income for their family. The rule of thumb is if you're spending more than 30% of your gross income on housing, you're house-burdened. And, we have a very high percentage.

Another thing for us is that you look at home ownership here in our county. Seventy some percent of the white families own their own home. Only 28% of our African American families own their own home. Homes are your ticket to your family wealth. Most of our wealth is tied up in our home. So, if we're keeping people out of the housing market, then we're not giving them the opportunity to build that security, that financial security for themselves. So, that's another area that we really need to work on as a community. More supply, particularly for the people who earn 50% or below of our median income, senior housing to get people out of housing that families could use, and I think we need a lot more single-room occupancy.

Question 2:

You mentioned that Mayo funded a project quite a bit back. And, I know with DMC, there is probably a lot more displacement of people. I was just curious if you could speak to kind of the role that Mayo is playing, or if Mayo's absence is being felt in that discussion, and kind of how you go about navigating that.

Commissioner Kiscaden:

First of all, Mayo's our largest employer. And, housing is a workforce issue. Our employers can't attract people to town if they don't have the right kind of housing. So, why Mayo pushes so hard for the DMC is they want well-educated people like you to find our town to be attractive. They want the kind of housing available that will make you want to stay here. So, their focus is on market rate, what is called market rate housing, what people earning good incomes can afford. But, they also recognize . . . Healthcare is our big industry. The other big industry for us is hospitality. A lot of our residents do not earn anywhere near the median income, which is about \$80,000 a year. A lot of our residents are earning far less than that. I actually believe that there was some organized efforts through the SEIU union [Service Employees International Union] a few years ago around affordable housing. I think that motivated the donation that Mayo made to the [Rochester] Area Foundation three years ago.

Mayo contributed to the Foundation in the year 2000. They went to the Foundation and said, "We'll give you 4 million for affordable housing for the workforce. And if you can, we'll match another 4 million if you raise it." The Foundation ended up raising \$12 million for housing. They created a community land trust. They have about 210 homes where the Foundation actually owns the land. The homeowner owns the house, but it subsidizes the cost of the house for those families. And, they turn over to other lower income families. They've done housing rehab. They have done all sorts of things. So, this current \$4

million that they gave three years ago to the Foundation is being used in the same way, but it's not exclusively by the Foundation. We made a number of loans. We've made some grants and we've been trying to do some innovative things in housing.

An example would if you ever go along Mayowood Road, if you know where that is, where the Waters at Mayowood is, there's a former Bible college out there. Bear Creek Church has been converting that to affordable housing. The Foundation through this donor advised fund that Mayo contributed to has helped them do an assessment of their buildings. Right now, they are converting their former library and the community center of the college into single-room occupancy apartments. We've helped finance that.

Zumbro Ridge is a manufactured home park that is now owned by the residents. We are helping them buy manufactured homes, put them on a lot, and they're brand new. Families can buy them. If they're brand new, you can get financing for a manufactured home. But, if you're buying a used manufactured home, it's very hard to get financing. So, we're financing the purchase and then they turn around and sell them to families. They can move into a three-bedroom house for about \$80,000 at Zumbro Ridge.

So, we're doing a number of things like that. We're trying to demonstrate with these funds how the marketplace can be incented to create more affordable homes and a variety of homes. The builders will tell you, "No one will buy a house that doesn't have granite countertops and stainless steel appliances." We're showing them that that's not really true. And, we're rehabbing some houses. We've been using those funds in a variety of ways. We think we've demonstrated that we've used that money wisely. Some of it actually is in a revolving account that will come back to us. And, so, we're hoping that Mayo will make another substantial donation in the future to the community's housing.

The goal had been that they would give this 4 million and other employers in town would contribute. That's what happened in the year 2000. Not happening now, not happening now. The market conditions are different and employers tend to think that the housing will just be there. The market will take care of it. It's not. It's one of the downsides of being a one-company town. We have one big employer, then we have a bunch of really small employers. And, so, their ability to contribute to something that's for the community good is more limited.

Question 2 Follow-Up:

Thank you for that. That's super helpful. And then as a follow-up question, when plans for DMC were being discussed, was there discussion about including affordable housing as part of DMC, or is that just kind of like an afterthought like, "Oh man, people are going to have to find somewhere else to live"?

Commissioner Kiscaden:

It was not part of the DMC vision. The DMC vision was about creating a viable downtown that would enhance the visitor's experience and be attractive for bringing in the health care professionals and scientists to live here because our downtown would be exciting. However, the DMC board is insistent that they look at affordable housing. So, they are looking at affordable housing, but they're looking at it along the Transit Oriented Development that they're doing for that Circulator. So, they got the city to pass a zoning requirement called "TOD," Transit Oriented Development, has to be higher density. So, you're not going to be building single family homes. You're going to be building mixed-use, higher, multilevel apartment buildings, commercial at the bottom, maybe a daycare center in it. It's an urbanization, so that you're getting people who live along transit lines. They can either take the public transit or walk to their job. Instead of single-family homes building out on the edges of town, which is

where they tend to happen, it's increasing the density along the transit line with affordable housing. What's been built so far, they call it affordable, but it's mostly at 80% or market rate of median income. Or, they'll approve a big apartment complex and then say X number of units in it have to be at affordable rates. But the affordable rate rarely gets below 60% of the area median income. That's where the biggest shortage is.

The theory is you build market rate apartments. You're already living here and you think, "Ooh, that's a lovely apartment." You move into that market rate apartment and your unit becomes open. And, so, a lot of people move into those market rate, higher value apartments. Then, the older housing stock can't compete. They have to lower their prices. That's the theory, that building high-end forces the lower end parts of the market to reduce their prices. But I will tell you, my daughter is probably about your age and she moved back to Rochester and she rented a tiny one-bedroom house, tiny one bedroom house, and it was \$1,400 a month, plus all of her utilities. That's not affordable. So, that's where we're at.

Grace Johnson:

Commissioner Kiscaden, thank you so much again for being with us and sharing your insights and perspectives with us today. We really appreciate it. And, everyone else, thank you so much for being here today.