

J. ADDITIONAL REQUIREMENTS - HOMELESS

The target market segment includes young adults age 18 to 24 that are homeless or are in danger of homelessness. This segment reflects a key portion of the homeless, as many of the young homeless have unique issues from their youth/adolescence that have led to their current status.

A primary source of information for this section of the analysis is various reports and research conducted by the Wilder Foundation and Wilder Research. A summary of the organization's findings regarding homeless youth within the Twin Cities is provided by a report from The Bridge for Youth, a local nonprofit that services troubled and homeless youth within the metropolitan area. This report indicates:

According to a comprehensive homeless study conducted by Wilder Research, there has been a 25% increase overall in people experiencing homelessness in MN in the past three years and a 57% increase in youth experiencing homelessness (Source: "Homelessness in MN, Key findings from the 2009 statewide survey." Wilder Research, May 2010.)

According to The National Center on Family Homelessness, State Report Card on Child Homelessness 2011, Minnesota ranks 1st of all 50 states in risk of child homelessness. Undoubtedly, there have been significant social and economic changes in the Twin Cities leading to increased incidence of homelessness over the past three years including: high percentage of home foreclosures; higher unemployment and fewer jobs; higher incidents of mental health issues; increased substance abuse, and deep cuts to support programs.

Using data from both Wilder's comprehensive triennial homeless survey and the department of Human Services, youth who are homeless have the following conditions:

- *Nearly half (45%) of homeless adults (18+) experienced homelessness before they were 21 and one-quarter (26%) before they were 18-indicating the cyclical nature of homelessness.*
- *There are significant racial disparities among RHY. Overall, persons of color represent 62% of homeless youth, but are only 13% of the general population.*
- *46% of youth reported a senior mental health issue*
- *42% reported being physically abused*
- *27% reported being sexually abused*
- *64% have been within a foster home, group home, treatment center, or correctional facility*
- *12% of homeless youth age 18 and younger surveyed identified as GLBT*
- *74% had been homeless before*
- *52% met the State of Minnesota's definition of long-term homeless*
- *33% have considered suicide; 21% have attempted suicide*
- *34% reported having been neglected*
- *36% have a history of delinquency that resulted in a correctional placement*
- *18% have been in an alcohol or drug treatment program*
- *49% have been pregnant or have gotten someone pregnant*
- *16% have traded sex for shelter, food, clothing, or other essentials*
- *Unaccompanied youth age 12 to 21 make up 13% of the overall homeless population within Minnesota*

Wilder Research also provides specific homeless data for Ramsey County. Based on the 2012 Minnesota Homeless Study, within the county the following data was reported:

RAMSEY COUNTY CONTINUUM OF CARE COUNTS OF PEOPLE AND FAMILIES

1. Number of people identified as homeless, by type of shelter and age group

		Emergency shelters	Battered women's shelters	Transitional housing	Total in shelters	Total not in shelters	Total
Unaccompanied minors (age < 18)	Male	14	-	2	16	6	22
	Female	5	-	4	9	4	13
	Total	19	-	6	25	10	35
Young adults (age 18-21)	Male	17	-	28	45	25	70
	Female	8	3	69	80	22	102
	Total	25	3	97	125	47	172
Adults age 22-54	Male	218	-	50	268	68	336
	Female	94	52	224	370	18	388
	Total	312	52	274	638	86	724
Adults age 55 and older	Male	117	-	9	126	12	138
	Female	16	2	9	27	2	29
	Total	133	2	18	153	14	167
Number of minors and adults		489	57	395	941	157	1,098
Number of children with parents		67	76	319	462	7	469
Total number of homeless people		556	133	714	1,403	164	1,567

2. Number of families identified as homeless, by type of shelter and age group of family head

Family composition		Families in shelters	Families interviewed in non-shelter locations	Total families counted	Children with parents in shelters	Children with parents in non-shelter locations	Total children counted
Headed by unaccompanied minors (age < 18)	Male caregiver only	-	-	-	-	-	-
	Female caregiver only	2	-	2	2	-	2
	Couples with children	-	-	-	-	-	-
	Total	2	-	2	2	-	2
Headed by young adults (age 18-21)	Male caregiver only	-	-	-	-	-	-
	Female caregiver only	34	2	36	48	2	50
	Couples with children	-	3	3	-	3	3
	Total	34	5	39	48	5	53
Headed by adults (age 22+)	Male caregiver only	7	1	8	9	1	10
	Female caregiver only	206	-	206	389	-	389
	Couples with children	7	1	8	14	1	15
	Total	220	2	222	412	2	414
Total male-headed families		7	1	8	9	1	10
Total female-headed families		242	2	244	439	2	441
Total couples with children		7	4	11	14	4	18
Total families		256	7	263	462	7	469

RAMSEY COUNTY CONTINUUM OF CARE COUNTS BY FAMILY STATUS

3. People in families: Adults or youth with accompanying children

	Number of homeless people in shelters	Number of homeless people identified in non-shelter locations	Total number of homeless people identified on October 25, 2012
Unaccompanied minors – age < 18	2	-	2
Young adults - age 18-21	34	8	42
Adults - age 22-54	225	3	228
Adults - age 55 and older	2	0	2
Total number of parents in families	263	11	274
Total number of children with parents	462	7	469
Total number of people in families	725	18	743

4. People not in families: Adults or youth without accompanying children

	Number of homeless people in shelters	Number of homeless people identified in non-shelter locations	Total number of homeless people identified on October 25, 2012
Individuals (including couples who do not have children with them and not including children who are with parents)			
Unaccompanied minors – age < 18	23	10	33
Young adults - age 18-21	91	39	130
Adults - age 22-54	413	83	496
Adults - age 55 and older	151	14	165
Total number of individuals (not including children or parents)	678	146	824

5. Total people in families and not in families

	Number of homeless people in shelters	Number of homeless people identified in non-shelter locations	Total number of homeless people identified on October 25, 2012
Total number of people in families	725	18	743
Total number of individuals	678	146	824
Total number of people identified by the study as experiencing homelessness	1,403	164	1,567

The data provides specific counts by various categories, based on a Point-in-Time (PIT) count from October 25th 2012. For Ramsey County:

- 172 young adults (age 18-21) were identified as homeless;
- Of these, 130 young adults were unaccompanied individuals (65 percent);
- The remaining 42 young adults were accompanied by family members, including non-adults (35 percent);
- An additional 33 youth (age 18 or younger) were also identified within the report and unaccompanied/alone.

By definition, these young adults are single-person households (or possibly small-sized households counted among the family households), with little or no income. It can be assumed as a result that these homeless individuals would have minimal to no incomes, and be eligible for rental subsidies and affordable housing options. Unfortunately, no specific income data is available that reflects homeless young adults.

Additionally, the site does appear to be well placed to take advantage of the immediate area's employment options, many of which are within service-related positions that would be readily available for those within the target market segment.

Housing Options for Homeless

Temporary assistance for those that are homeless or in danger of homelessness is present across the Twin Cities area. These options range from emergency shelters and transitional housing for various categories (including domestic violence, men-only, teens, and homeless families). What the community lacks is a sufficient number of permanent supportive housing options such as the subject proposal, as most facilities within the area that service the target market segment are not permanent housing alternatives. Excluding those facilities that primarily service families, mentally disabled, AIDS/HIV individuals, or general occupancy subsidized rental units, the following is a partial list of facilities are present within the nearby area for utilization by the target market segment:

Facility	# of Units/Beds	Type of Services
House of Charity	116 Beds	Homeless single adults
Eden Halfway House	45 Beds	Homeless males
Hope Harbor	96 Rooms	Homeless single adults
Salvation Army/Harbor Light	UNK Beds	Homeless single adults
Simpson Housing	66 Beds	Homeless single adults
Our Saviour’s Housing	40 Beds	Homeless single adults
People Serving People	99 Rooms	Homeless single adults
SRO Facility	# of Units	Market Served
Mary Hall	75	Subsidized (HUD)
St. Christopher Place	71	Subsidized (HUD)
Kimball Court	76	Subsidized (Public/Private)

All of these developments are operated at or near full occupancy, with some degree of seasonality depending upon the weather/time of year. What is also notable are the various categories serviced by each development. None are specialized to service young adults, which have a wide range of unique characteristics and circumstances, as described previously.

Upon review of the survey results and other market data, ample demand is present for the proposed rental units. The local marketplace features generally strong occupancy levels for available rental housing options. Alternatives to affordable rental units are generally not available, or are outside of the affordability level of the target market group. Existing special needs options are limited in scope and do not specifically service young adults.

From our research, no other similar homeless-related proposals are under consideration within the defined market area.

Demand for Affordable Rental Units Targeting Homeless

A method to measure the market potential for special needs individuals is to specifically identify those within the target market categories within the given service area. For this proposal, from a special needs standpoint the likely market area consists of all of Ramsey

County, based on the outreach potential for this development, as well as consideration given to similar facilities and the outreach potential observed within these alternatives. Adjacent counties also provide very likely secondary market sources.

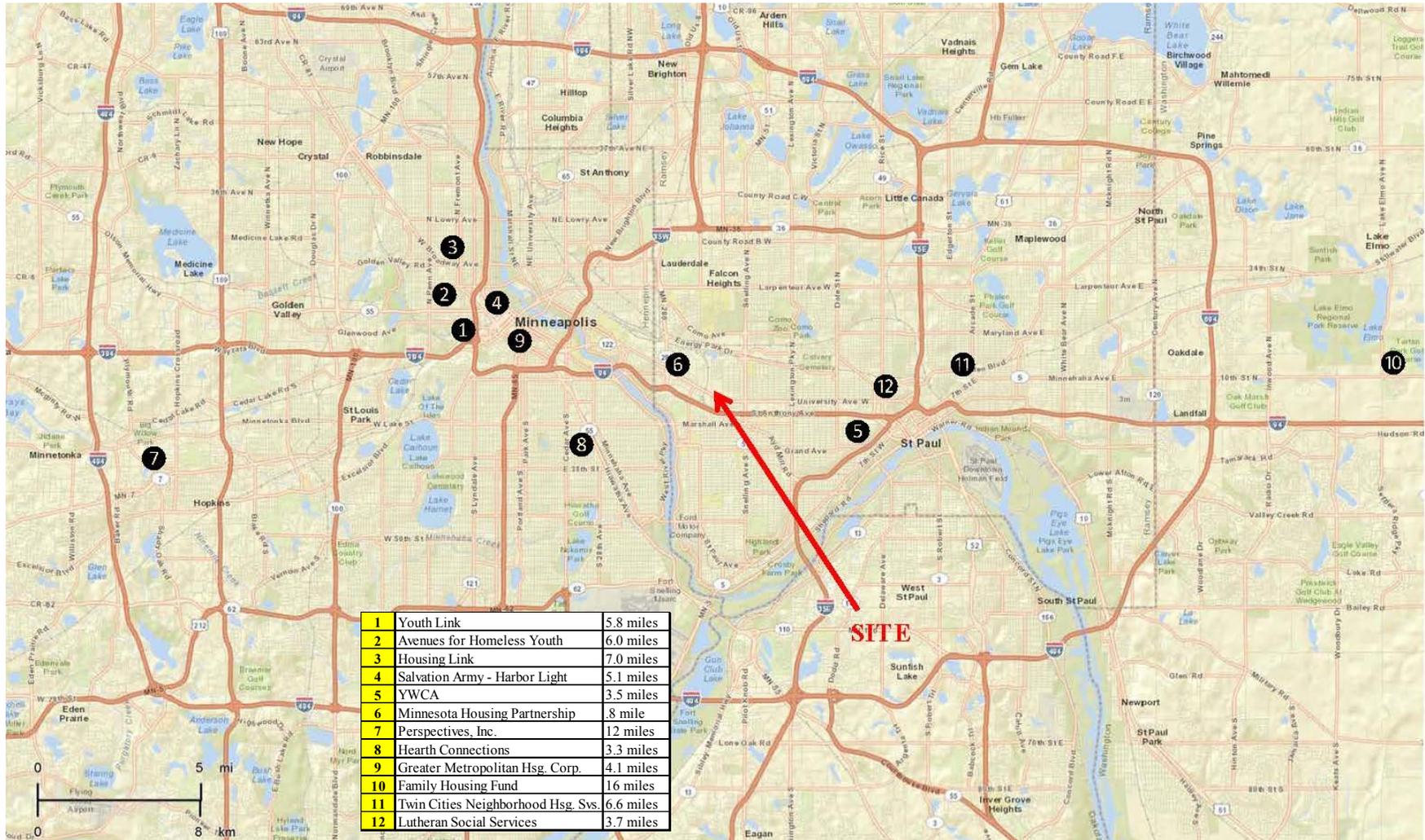
This method would utilize the most accurate assessment of the homeless population within the community as the primary source of potential residents. Using the Wilder Research data discussed previously, the number of young homeless individuals within the 2012 report totaled 172 persons. Assuming all are income-eligible for affordable housing and rental subsidies, the corresponding capture rate is 25.6 percent – indicating that only a portion of the already identified homeless population is already age and income qualified for the subject proposal. Secondary market considerations and increased advocacy/awareness of the proposal would likely reduce this capture rate well below ten percent. If non-homeless young adults are also considered (assuming such individuals are in danger of becoming homeless), the potential capture would be greatly reduced to an even lower ratio.

A low capture rate implies that absorption of the units within the marketplace would be relatively rapid. As discussed previously, the likely absorption rate should be no more than ten to fifteen units per month. This would translate into an absorption period of approximately three months. If referrals and preleasing efforts are performed in a succinct manner, this absorption schedule can be further reduced. A completely pre-leased development would not be surprising, given the size of the demand for homeless services within the Twin Cities, and the lack of any such facility for young adults.

In any case, all of the available methods to describe the target market segment provide evidence of sufficient market support for the subject proposal. The corresponding capture rates yield very low ratios, indicating a wide pool of potential tenants for the subject proposal. This does assume the inclusion of rental subsidies, along with the availability of support services at the site.

No discernable weakness can be perceived for this proposal, as the location, project characteristics, targeting, and subsidies are all very appropriate for the target market. A partial list of service organizations is provided on the following page.

Map: Service Providers
(Distance from Site)



K. ADDITIONAL SENIOR REQUIREMENTS

Not applicable

L. OTHER REQUIREMENTS

Market Study Preparation

The market study's effective date is June 5, 2014. The site visit for this proposal was conducted on May 28th – 30th 2014. Fieldwork and analysis was conducted by Kelly Murdock. Contact info:

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Data Sources

2000 U.S. Census of Population and Housing, SF1, U.S. Census Bureau

2000 U.S. Census of Population and Housing, SF3, U.S. Census Bureau

2001 American Housing Survey, U.S. Census Bureau and U.S. Department of Housing and Urban Development

2006-2011 American Community Survey, U.S. Census Bureau

2010 U.S. Census of Population and Housing, SF1/SF3, U.S. Census Bureau

ESRI Business Analyst Online, 2012-2017 Demographic Estimates and Projections

Thematic maps through ESRI Business Analyst

U.S. Department of Labor, Bureau of Labor Statistics

Crime Statistics from the U.S. Department of Justice/FBI Uniform Crime Reporting Statistics Database

Interviews with managers and leasing specialists, local rental developments

Interviews with local area service providers

Local employment information provided by City of St. Paul / Bizlistr.com

Aerial Photography from ESRI Business Analyst

Homeless data from Wilder Foundation; Youth Link; Avenues for Homeless Youth

Qualifications

KELLY J. MURDOCK

COMMUNITY RESEARCH SERVICES, LLC

Mr. Murdock has vast experience in the analysis of housing markets. Since 1988, he has provided market analyses and studies on single-family developments, apartment complexes, condominium proposals, and senior citizen communities. Mr. Murdock has also assisted numerous nonprofit groups and non-entitled communities with the use and regulations of affordable housing programs as a technical assistance representative for federal and state housing agencies. He has been featured within several published articles on housing research, and has served as a speaker at numerous housing seminars on market-related issues.

Mr. Murdock is the founder of Community Research Services, LLC (CRS). CRS was created to provide a wide variety of products and services to the affordable housing industry, ranging from market feasibility studies to consulting services. The firm provides professional advice and recommendations for numerous for-profit firms, nonprofit organizations, as well as state and local governments.

Prior to the establishment of CRS, Mr. Murdock was the founder of Community Research Group LLC and Community Targeting Associates. Both companies provided a large degree of affordable housing research over a twelve year period (1992 to 2004) across 31 states for over 250 clients. This included research conducted under contract with Rural Housing Service, HUD, and six state housing agencies. Previously, Mr. Murdock served as the Senior Market Analyst of Target Market Systems, the market research division of First Centrum Corporation. At TMS, Mr. Murdock was responsible for market research services for all development and management divisions of the corporation, and completed some of the first market reviews and studies within Michigan under the LIHTC program (IRS Section 42).

Mr. Murdock is a member of the Michigan Housing Council, a statewide affordable housing advocacy group. He previously served on the Council's Board of Directors. Mr. Murdock and CRS are also charter members of the National Council of Affordable Housing Market Analysts (NCAHMA), an organization dedicated to the establishment of standard practices and methods in affordable housing research across the nation. Mr. Murdock has previously served on the executive committee of NCAHMA. CRS is also an affiliate member of the Indiana Association of Community & Economic Development, Community & Economic Development Association of Michigan, and the National Housing & Rehabilitation Association.

A graduate of Eastern Michigan University, he holds a degree in Economics and Business, with a concentration in economic modeling and analysis, and is currently pursuing post-graduate work at the university.