Mikkel Beckmen

We must increase political will to provide housing

A Minnesota Affordable Housing Policy Interview

January 18, 2019

Declaring that housing is a human right, Hennepin County's Mikkel Beckmen laments the lack of political will to have housing opportunities available for everyone and to intervene in the market. He says there has been a retreat from housing programs at the federal level, leaving long waiting lists for housing vouchers and no new public housing units being built. He defines affordable housing and describes the priority populations who are the focus of Hennepin County's housing services. He discusses the importance of reducing evictions, of slowing the loss of naturally occurring affordable housing and of combining income-related opportunities to housing stability efforts.

Present

John Adams, Steve Anderson, Mikkel Beckmen, John Cairns (vice chair), Janis Clay (executive director), Paul Gilje, Randy Johnson, Lee Munnich, Dana Schroeder (associate director). By phone: Pat Davies, Paul Ostrow (chair).

Summary

According to Hennepin County Housing Coordinator Mikkel Beckmen, housing is a human right. Without housing, he says, it's virtually impossible to make a positive change in one's life. But, he says, "the political will to have housing opportunities available for everybody and to intervene in the market has a long way to go."

Beckmen says there's been a retreat from housing programs at the federal level, despite a market failure in the rental housing market. There has been no increase in federal funding for housing assistance in decades, leaving long waiting lists for housing choice vouchers. And no more public housing units are being built.

He discusses affordable housing, which is aimed at people whose income is at 50 to 80 percent of the area's median income. *Deeply* affordable housing is aimed at people with income at 15 to 30 percent of median income. But, he says, *no* housing is affordable for people without money, which includes a large subset of people in the community.

Beckmen describes the priority populations who are the focus of Hennepin County's housing services. He notes that 1,100 families went through the shelter system in Hennepin County last year, while 5,000 to 6,000 single adults go through the shelter system each year.

He says reducing evictions is the best way to prevent homelessness, noting that 3,000 evictions from Minneapolis are filed in Housing Court each year, disproportionately concentrated in just a few ZIP codes. He also notes the loss of naturally occurring affordable housing, mainly older apartment buildings in first-ring suburbs that are being bought by speculators.They do cosmetic upgrades to the buildings and then raise the rents beyond the level current tenants can afford.

Beckmen says the route to stable housing must include income-related opportunities and describes the Hennepin Pathways Program, which gives people a pathway into jobs.

Biography

Mikkel Beckmen is Housing Coordinator at Hennepin County, the newly created position he has held since August 2016. He believes housing is a human right. His position was created to help structure housing activities within Hennepin County, help strengthen community partnerships and to set some priorities.The county's vision is that all citizens of Hennepin County have housing.

Previously, Beckmen served as director of the Minneapolis/Hennepin County Office to End Homelessness. He served eight years as executive director of St. Stephen's Human Services and worked five years at the Corporation for Supportive Housing.

He has a bachelor's degree from Luther College in Decorah, Iowa.

Background

The Civic Caucus is undertaking a review of the issue of affordable housing in Minnesota. The Caucus interviewed Hennepin County's Mikkel Beckmen to learn about the county's

role in helping solve the shelter, stable housing and service needs of people experiencing homelessness and those facing high housing cost burdens.

Discussion

1.History of homelessness.

There have been four great periods of homelessness in the U.S. Hennepin County Housing Coordinator Mikkel Beckmen named those as (1) after the Civil War; (2) during the Great Depression; (3) after World War II and the Korean War, mostly combat veterans with PTSD; and (4) now.

In 1978, Beckman said, 26 percent of federal funding went to urban America. By 1982, that figure had dropped to six percent. "That's a pretty major disinvestment in cities," he said. There were no homeless shelters in 1978 in the community because in the 1970s, there was a surplus of affordable housing units for families that needed them, he said.

Now, he said, there are 5.6 million affordable housing units nationally for the 12.8 million households earning 30 percent or less of area median income.

Affordable housing is aimed at people whose income is at 50 to 80 percent of the area's median income. Beckmensaid *deeply* affordable housing is aimed at people with income at 15 to 30 percent of median income. "But," he said, "no housing is affordable for people without money. We have a large subset of people in the community without money and without wealth and without the means to participate in the housing market."

There's been a retreat from housing programs at the federal level, despite a market failure in the rental housing market. Beckmen said the rental market failure has been there since the Great Depression. He noted that federal intervention in the rental housing market does not go very far, compared to, say, a lot of intervention in the areas of food and energy.

He said the housing choice voucher program, sometimes referred to as Section 8, has long waiting lists and there has been no increase in federal funding for housing assistance in decades. He noted that no more public housing units are being built. "It's a reality we've been living with," he said.

2. Hennepin County's Housing Priorities.

Housing, affordable housing and homelessness are hard to talk about. Beckmen said it's hard to have a common understanding of those topics. He said most people think about bricks and mortar, but he works in the county's Human Services Department, where we talk about housing as "the essential platform by which we carry out our essential activities."

"It's virtually impossible without housing to make a positive change in your life," he said. "When people are in a homeless shelter, all they can think about is crisis survival."

We often make and design interventions in our health care, correctional and welfare systems without taking that into account, he said. We design a lot of programs and policies without consulting the people for whom we're trying to design an intervention. "If you're not at the table, you're on the menu," Beckmen said.

We need to increase the political will to provide housing. "We take public education for granted," Beckmen said. "But we don't understand housing in the same way we understand education or our freeways. The political will to have housing opportunities available for everybody and to intervene in the market still has a long way to go."

The new housing coordinator position Beckmen holds was created to bring some structure to Hennepin County's activities and to set some priorities. The vision, Beckmen said, is that all citizens of Hennepin County have housing. "There's a grand competition because of the scarcity of housing," he said. "People with vulnerabilities or a criminal history are unable to compete."

Beckmen said that leads people to constant mobility, living in and out of shelters, and a lack of a positive environment. He noted that every time a child moves, he or she is set back in school.

Hennepin County is focusing its housing services on the following priority populations:

1. Adults living with developmental disabilities.

2. Adults who have high detox use.

3. Adults with disabilities and predatory offenses.

4. Adults leaving treatment.

5. Medically complex adults.

6. Chronically homeless adults.

7. Sexually exploited minors and young adults. Beckmen said the county needs 150 housing units for these young adults.

8. Young people leaving foster care.

9. Neurodiverse youth, i.e., youth with neurologically atypical patterns of thought or behavior, such as autism, attention deficit hyperactivity disorder (ADHD), Tourette syndrome and others.

3. Housing Services in Hennepin County.

Last year, there were 1,100 families who went through the shelter system in Hennepin County. Beckmen said an analysis of who these families were showed that a lot of them were women with children-many of them young women under age 25 with children aged five and under. They worked an average of 10 hours a week, earning $10 an hour. "When you do the math on that, there is no housing that's affordable," he said.

He said a lot of the women had to go on public assistance to supplement their part-time work. Many of them wanted to work more, he said, but were not getting more hours from their employers. "We had a subset of women who had used up their lifetime supply of public assistance and had no income," he said. "When you're in shelter with no income, it's challenging to find a place for you to live, if you don't have a subsidy or a resource."

Between 5,000 and 6,000 single adults move through the shelter system in Hennepin County each year. "Most people stay a week or less and don't return," he said. Eighty percent of those single adults in our community using a shelter stay for about 30 days and don't come back. "It's there when they need it," he said.

Beckmen said there is a subset of people with more profound issues and disabilities who tend to stay for very long periods of time and become the chronically homeless population. "They use tremendous amounts of resources," he said.

"Our response to that is to develop supportive housing programs for them," he said, noting that the community has done a great job of doing that. He said there are over 4,000 units of supportive housing in Hennepin County. The bulk of them are in Minneapolis, with some in suburban communities. There are some for families, he said, but most are for single adults.

He said supportive housing includes a rent subsidy for an individual or family and on-site services to help them maintain their housing.

Hennepin County now has a closer relationship with the Minneapolis Public Housing Authority. Beckmen said the two entities are working together on a number of projects. "Historically, we've been connected on efforts to end homelessness," he said.

"Silos will always exist at some level," he continued. "The more we can create convenings and coordinate efforts, the better.

4. Funding for housing needs.

There are three buckets of funding for affordable housing: brick-and-mortar funding; operating funding; and supportive services funding. Beckmen said it's possible to get brick-and-mortar funding and throw up a building. But unless there is an ongoing source of operating funds, he said, the building's not going to be sustainable, because the rents you're charging people are so low. "That's why the marketplace doesn't do it," he said. "You have to find a subsidy that'll last for 15 years."

Then, he said, you add support services and somebody has to pay for that. "That's typically a human-services response," he said. "And you have a county system that has capacity limits on funding case managers. It's very complex, very challenging. This is why it takes three to five to seven years to get one building up. This is why the supply doesn't keep up with the need."

What could we do here with $500 million, like Microsoft has donated to help with the homelessness problem in Seattle? An interviewer asked that question and Beckmen pointed out that $450 million of the amount from Microsoft is actually being structured as low-interest loans. "We'd try to leverage it and work with existing funding flows," he said. "We'd try to structure it so it hits the right target populations."

He pointed out that there are pots of money or rivers or streams of funding. Many of the streams of funding come from the federal government, he said. For example, low-income housing tax credits flow from the federal government to the states, counties and cities.

"We have to figure out how to create streams of resources that continue, so we can continually plan for them and have a robust pipeline of projects being developed," he said. "We need to figure out streams for three things: service dollars to support tenants, a stream for operating support, and a stream to develop, rehab or build housing. We don't have that."

"There are things we could do," Beckmen said. Los Angeles County, which has 76,000 people living on the street, just passed a ¼ cent sales tax, he said. The tax will produce $2 billion a year for supportive housing and housing for people at 30 percent or below of median income. He said Santa Clara County just passed a $250 million bond measure over 20 years to do the same thing.

Cities could pass a bond measure or create a real estate transactional tax to go into a pool to create a trust fund, he suggested. "We have to figure this out and create streams and move away from searching for little pots that dry up," he said.

If someone provided backing for no-money-down mortgages-guaranteed for people with good credit ratings, but no savings-that could free up rental units for people

looking for rental housing. An interviewer made that comment and Beckmen responded that Minneapolis Public Housing does that for four to six homes a year. He said that would be a role for the federal government.

The interviewer said the federal government lost almost no money on guaranteed mortgages for veterans after WWII.

The mortgage-interest income tax deduction gives the highest subsidies to the richest people. Beckmen said Matthew Desmond, author of the 2016 book *Evicted: Poverty and Profit in the American City*, believes we should have a universal housing voucher, funded by limiting the mortgage-interest deduction. Beckmen pointed out that the federal government has zeroed out lots of supports for low-income renters.

The nonprofit development community can probably produce 2,000 units per year at most in the metro area. There was one year, Beckmen said, where seven units were produced for families at 30 percent of median income. "The scale of need and what we're able to produce is such a mismatch right now," he said. "As a community, we're barely able to keep our heads above water right now."

5. Housing stability and income opportunities.

The route to stable housing must include income-related opportunities. "I don't know if there's an appreciation for how little money people have," Beckmen said, noting that 80percent of men in homeless shelters are not disabled. "We have to figure out how to get more money into their pockets," he said. "We must combine housing and workforce opportunities. Right now, those are pretty separate sectors."

"People simply don't have enough earning power," an interviewer added. "We have high school graduates who are functionally illiterate. What can we do about preparation of our kids for life? How about teaching them marketable skills before they graduate from high school? Is there a way of backing up and solving problems before they happen?"

"We closed Minneapolis Vocational High School," the interviewer continued. "We don't teach tenancy education and budgeting."

Beckmen responded that if we could stably house families with children, we would go a long way toward helping those children learn and be ready for life. He said vocational education used to provide a clear path for some students to jobs.

People without a high school education make $8,000 less per year over their lifetimes than people with a high school diploma. Beckmen said there are 6,000 county-involved youth and noted that the foster-care population has a graduation rate of less than 50 percent. He asked how we can ensure that people know what to do when they exit the

foster care system. "It used to be that people without high school diplomas were able to find jobs that covered their expenses," he said. "That doesn't exist now."

Beckmen said schools are facing young people who have a lot of problems. He noted that Steven Unowsky, superintendent of Richfield Public Schools, has said that schools have become providers of clothing, food, education and now housing. Beckmen said Hennepin County funds mediators in schools to mediate conflicts between students about to be expelled and the system

The St. Louis Park School District has achieved parity in graduation rates among the races. Beckmen said St. Louis Park does things very differently and is graduating students of color at rates of 80 to 90 percent. "They've cracked the code," he said. "They do lots of interventions if kids are about to fail in ninth grade."

We don't appreciate the chaotic situations many low-income people are living in. Brain research studies at Harvard have found that, as the researchers put it, "If I made you poor tomorrow, you'd start behaving like poor people do." He said the University of Minnesota studied volunteers who nearly starved themselves to learn about the effects of scarcity. The study found that food scarcity does something to the brain: https://harvardmagazine.com/2015/05/the-science-of-scarcity .

The Hennepin Pathways Program gives people a pathway into jobs. Beckmen said the program pays for participants to attend community college, finds them paid internships in the public and private sectors, and then tries to move them into full-time employment.

The Pathways Program website describes the program's purpose as "connecting our region's employers to a diverse pool of well-trained candidates to meet their workforce needs." According to the website, Pathways trains residents of marginalized communities for high-demand fields with good wages, benefits and a future, in both public and private sector jobs. Since 2014, almost 90 percent of Pathways graduates have been hired into jobs they otherwise likely would not have landed. Twelve months after their hiring, 88 percent of Pathways graduates are still with the same employer.

6. Housing evictions.

Eviction reduction is the best way to prevent homelessness. Property management practices, Beckmen said, often screen out potential renters who have had evictions within the last three years. But, he said, 90 percent of the time, people are evicted because of a financial crisis, such as getting hospitalized for a month or having a car break down. "This dooms the poorest people to disruption, moving and homeless shelters," he said.

Beckmen pointed to a July 2016 report by the Minneapolis Innovation Team, *Evictions in Minneapolis*. According to the report, over 3,000 evictions from Minneapolis are filed in the Fourth District Housing Court each year.

These cases are disproportionately concentrated in just a few ZIP codes, the report noted. It went on to say that evictions are a major issue facing renters in low-income and minority neighborhoods and they affect nearly half of all renter households in North Minneapolis.

The report found that nearly all evictions (93 percent) are filed on the basis of nonpayment of rent. For these cases, tenants were an average of two months behind and owed an average of $2,000.

Beckmen said the Hennepin County Eviction Dashboard shows eviction filings and actual evictions by neighborhood in the county. In 2018, 4,755 evictions were filed in court for Hennepin County, leading to 2,003 actual evictions.

The Fourth District Housing Court, which covers Hennepin County, is one of the fastest housing courts in the country. Given that,Beckmen said, evictions through the courts can happen as quickly as six days or less from the date of the eviction filing.

The Homes for All Campaign, a coalition of more than 200 organizations statewide that work together for legislative change, has included a 14-day payer quit notice proposal as one of the items on its 2019-2020 legislative agenda. The proposal would give tenants a 14-day notice when eviction filings are made. Beckmen said that would allow tenants more time to get emergency assistance before the court makes an eviction judgment.

7. Loss of naturally occurring affordable housing.

There is a loss of naturally occurring affordable housing, mainly in the first-ring suburbs. Beckmen said these are older apartment buildings with affordable rent. But now speculators are coming in and buying these buildings, putting in granite countertops, fixing them up, doubling the rents and evicting the tenants *en masse*.

"I've heard some developers say we might lose 20,000 of those affordable units in the metro area in the next decade," Beckmen said.

Why can't the public sector buy old buildings that provide naturally occurring affordable housing instead of building new units? An interviewer asked that question and Beckmen said Hennepin County, the City of Minneapolis and some foundations created a NOAH (Naturally Occurring Affordable Housing) preservation fund and seeded it with

money. He said all 45 municipal governments in Hennepin County could pass local measures with right of first refusal. That is, they could require that if someone were going to sell NOAH, they'd have to give a 90-day notice to the city.

"We're trying to do what we can," Beckmen said. "It's privately held property and people have the right to sell it. We're trying to figure out ways to slow it down. We're never going to stop all of it."

What happened to rooming houses? An interviewer asked that question, noting that increasingly in America people are willing to travel with strangers, eat with strangers and have strangers in their houses. The interviewer said the City of Minneapolis zoned out rooming houses, although a few were grandfathered in.

Beckmen said organized neighborhoods have pressured city councils about undesirable neighbors and the move against rooming houses was part of that. An interviewer commented that the neighborhood organization in Minneapolis's Lowry Hill made getting rid of rooming houses its great priority.

A third interviewer commented that there is no problem with rooming houses if people behave themselves. Beckmen said a blanket policy covering the whole city-like removal of rooming houses-is not an effective way to deal with selective problems.