2014 Annual Report

Dear Friends, Volunteers & Supporters,

Debt-free. That’s how Grace House rang in the New Year. Through the unbelievable generosity of individuals, businesses, service organizations and churches, we were able to **pay off our mortgage in less than three years!** The incredible outpouring of support from the community has enabled Grace House to become financially stable while developing new programs to move our guests from homelessness to stable housing.

Here are a few of the other highlights that occurred in 2014:

* A 17% increase in the number of guests who secured stable housing in 2014
* 166 volunteers contributed nearly 9,000 hours of service; the equivalent of 4.5 full-time employees
* Creation of an on-site training program to improve the self-sufficiency and employability of our guests
* A 12% increase in job placements among guests who were unemployed upon entry to the shelter
* Establishment of a scholarship program for guests pursuing post-secondary degrees
* An 8% reduction in repeat guest stays
* A $13,000 increase in donated goods and food
* Development of a faith-based emergency overflow shelter program and discretionary fund to prevent individuals from becoming homeless
* A $10,000 increase in fundraising revenue

2014 proved to be a very busy, yet highly productive year for Itasca County’s only homeless shelter. We successfully and simultaneously implemented three new programs in 2014—all with the goal of preventing and reducing homelessness in our community.

First was the introduction of the Winter Overflow Shelter Plan (WOSP), which was created in response to the growing demand for emergency shelter in our region. Eight local churches take turns serving as overnight emergency shelters when Grace House is full. Church volunteers provided hospitality and supervision to 65 adults and children during the 2014 WOSP cycle. The involvement of the faith community prevented these individuals from the grim prospect of finding sanctuary in cars, unheated buildings or on the streets. Approximately 60% of our WOSP guests ultimately transferred into Grace House where they continued their journeys toward housing and economic stability.

Next, we implemented the **S**elf-sufficiency **T**raining for **R**eaching **I**ndependence & **V**ocational **E**mpowerment (STRIVE) Project with generous support from United Way of 1000 Lakes, Blandin Foundation, Lake Country Power—Operation Roundup and other funders . More than 150 guests attended financial literacy, food & nutrition and workforce preparedness classes taught by staff of Affinity Plus Credit Union, University of Minnesota Extension Service and Northern Opportunity Works. As a result of the STRIVE Project, the number of **guests who found employment while they stayed at Grace House jumped from 9% to 21% in 2014!**

One of the most difficult aspects of operating a homeless shelter is turning people away from our facility, especially when they have nowhere else to go, no support system in place and little to no financial resources. In addition to an ongoing lack of vacancies at Grace House, we sometimes have no choice but to turn people away due to criminal records, medical or psychological instability or time policies.

Through the benevolence of the Grand Rapids Ministerial Association, a new Homeless Prevention Fund has been established to provide emergency assistance to people who are ineligible to stay at Grace House or those who become stranded in our community. Donations from area churches helped **121 individuals avoid homelessness** by providing temporary shelter at local motels.

The Homeless Prevention Fund, along with the Winter Overflow Shelter Plan, enabled Grace House to **reduce its turn-away rate by 29% in 2014**. We are sincerely grateful to have the opportunity to reconnect with faith leaders and engage their congregations in our work to prevent and reduce homelessness in Itasca County.

Grace House was predicated on community collaboration. This is evidenced by our continued partnerships with KOOTASCA Community Action, Northland Counseling Center and The Salvation Army. Through individualized case management sessions, supportive services, rental assistance and transitional housing programs, these community partners are helping our guests move into stable housing. In spite of the incredibly tight housing market in Grand Rapids, **62% of our guests secured stable housing last year.** We are deeply indebted to these agencies for their assistance in helping our guests get back on their feet again.

As a member organization of the Itasca County Housing Institute Team, Grace House is playing a critical role in raising the community’s awareness of homelessness, housing scarcity and the urgent need for more affordable housing. As a result of this formidable team’s efforts, construction will soon begin on Beacon Hill: a 48-unit affordable housing development designed to meet the housing needs of families and single individuals whose limited incomes make it difficult to afford or maintain stable housing. Beacon Hill offers community inclusion, housing security and a place to call home for people of all ages, abilities and income levels. Construction of Beacon Hill begins July 2015 and is expected to be completed by July 2016.

Although our mortgage has been retired, many critical issues loom on the horizon. In spite of overflow sheltering activities, greater housing placements for our guests and the Homeless Prevention Fund, the reality is that **300 or more people are turned away from Grace House each year!**

The focus of our attention has now turned to strategic planning. If homelessness continues to escalate, will we need to increase the size of our shelter? What steps need to be taken to achieve long-term financial sustainability for Grace House? How do our guests move from homelessness to independent living if housing costs continue to rise and wages remain low?

We appreciate the proactive approach to strategic planning as undertaken by our dedicated board of directors: Barb Sanderson, Pat Medure, Jenny Wettersten, Ron Oleheiser, Larke Huntley, Steve Teff, Barb Veit, Dave Roerick, board members; and staff members Heidi Madsen, Jessica Mohn, Peg Christensen, Jessyca Bardzel Pam Dowell and Chris Knapp.

We are incredibly grateful to our growing volunteer corps whose compassion and devotion make each guest feel at home while they’re at our shelter. Moreover, we thank you for your donations of time, food, money and other goods. Our 2014 achievements simply would not have been possible without your support!

Your continued involvement will ensure the future success of Grace House and the guests we serve.

Sincerely,

Sherry Shadley Madelen Schuemann

Executive Director Board Chair