

Expanding housing services that promote stability and address the homelessness crisis in Minnesota

Homelessness, already a significant issue before COVID-19, has become worse during the pandemic. The crisis impacts communities across Minnesota. During the most recent one-night count by the Minnesota Homeless Study in 2018, before the pandemic, nearly 20,000 people were experiencing homelessness on any given night. Since then, emergency shelters have been stretched to a breaking point as they struggle to maintain adequate staffing as more Minnesotans experience homelessness.

The Governor's budget recommendations build on existing federal and state investments, including funding approved by the 2021 Legislature, while adding new resources to respond to homelessness and housing instability. The proposals support programs that help people find and keep housing and will build capacity at shelters and other emergency housing providers.

Proposals

Governor Walz's budget includes the following proposals:

- **Strengthening emergency shelters:** Additional funding for the Emergency Services Program will benefit Minnesota adults, youth and families experiencing homelessness. Shelter capacity and services will increase across the state, with support for shelter providers to cover higher costs, manage safe facilities and deliver enhanced services to Minnesotans experiencing homelessness. *FY 2023-25: \$115 million*
- **Bonding to build and renovate emergency shelters:** Grants will help local and Tribal governments and nonprofits improve and expand emergency shelter operations throughout the state. This project will allow them to acquire land and construct new emergency homeless shelters, renovate existing facilities, and improve safety and sanitation in existing shelters. *FY 2023-26: \$72 million in bonding*
- **Addressing youth homelessness:** Additional investment in the Homeless Youth Act, the state's primary program for homeless youth, will enhance supports and add housing units for youth experiencing homelessness. This proposal emphasizes young parents who are homeless and LGBTQ+ youth, who are disproportionately homeless compared to other young people. *FY 2024-25: \$11.2 million*
- **Developing housing infrastructure:** Higher base funding for the Community Living Infrastructure program will add flexibility when temporary federal funding expires in 2024. The program funds local and Tribal governments to develop housing infrastructure and provide direct assistance through lease or rental deposits, security deposits, utility set-ups, essential furnishings and costs related to expungement of criminal records that negatively affect individuals' access to housing. *FY2025: \$11 million*
- **Funding housing resource navigators:** A team of navigators in AmeriCorps' recently launched Heading Home Corps program helps Minnesotans work towards safe and stable housing. With three years of federal funding to launch this program, additional state funding will keep Heading Home Corps accessible for all organizations that want to participate. *FY 2023-25: \$3.3 million*

- **Expanding transitional housing and supports:** Raising the base funding for the Transitional Housing Program will expand transitional housing and wrap-around support services for individuals and families experiencing homelessness. Preventative programming will help families avoid intergenerational housing instability. An increase in culturally specific transitional housing units and services will help address racial disparities among those who are homeless. *FY 2024-25: \$3 million*
- **Extending housing transition services in Medicaid:** Housing Transition Services for Minnesotans on Medical Assistance who have a documented disability and are homeless, or at risk of homelessness, will continue in 2024 and 2025 after federal funding expires. Transition services available through the Housing Stabilization Services Medicaid benefit cover costs such as rent deposits and utility setup costs. *FY 2024-25: \$2.3 million*

Related information

Governor's 2022 Revised Supplemental Budget Recommendations:

- [Addressing Homelessness for Minnesota Adults, Youth and Families](#)

Governor's 2022 Local Jobs and Projects Plan

- [Emergency Shelter Facilities](#)

Additional background:

- [Homelessness in Minnesota: helping to connect people to the services they need \(PDF\)](#)
- [Housing Stabilization Services video](#)
- [Housing Stabilization Services webpage](#)
- [Programs and services for youth webpage](#)