

# Shelter Proposal for LAHA Funding

## Executive Summary

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This proposal outlines a data-informed, equitable model to allocate \$880,000 in LAHA dollars set aside by the City of St. Paul for the Heading Home Ramsey (HHR) Continuum of Care (CoC). This proposal also represents the unified perspective of St. Paul shelter providers, emphasizing the urgent need for emergency shelter and services funding.

Shelters play a crucial role in the broader spectrum of care for people experiencing homelessness. They offer immediate access to safety, meet basic needs such as hot meals and a place to sleep, and make critical connections to supportive services and housing solutions. St. Paul shelter providers vary in the array of services each offers, but collectively, St. Paul daytime and overnight shelters offer dignity for our most vulnerable community members and a path toward stability.

Shelter providers in St. Paul are universally reporting increases in the volume, complexity, and acuity of community needs. In Minnesota, public funding for shelter operations has historically been limited to three statewide funding sources<sup>1</sup> – despite recent investments, these sources do not cover the full cost of serving those in need. **In 2024, the legislature recognized this increased need by adding shelter operations to the allowable uses for LAHA dollars.** Funding these established shelter programs is essential to maintaining stability in the system, ensuring that vulnerable community members have dependable places to turn to both day and night.

## Background and Purpose

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When the City of St. Paul allocated \$880,000 of LAHA dollars to HHR, the CoC community was invited to weigh in on funding priorities. A recent prioritization exercise conducted by the CoC identified prevention, shelter, and supportive housing as key funding priorities. When looking at the complete funding picture, the City of St. Paul and Ramsey County have already allocated significant LAHA dollars toward prevention and supportive housing. Dedicating this \$880,000 to shelter operations would appropriately diversify investment across the priority triad to better meet the needs of people we serve throughout the housing and homelessness continuum.

Allocating funding to existing shelter programs is essential to maintaining the stability of the local homelessness response system. These programs are already operational, deeply embedded in the community, and generate positive outcomes for individuals and families in need of immediate shelter and supportive services.

**Without additional funding, many shelters risk reducing capacity, leaving vulnerable residents without a safe place to stay during the day and night. This would not only increase unsheltered homelessness but also disrupt critical pathways to permanent housing.**

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<sup>1</sup> Emergency Services Grants provide funding for emergency shelter and essential services; the Homeless Youth Act includes some funding for emergency shelters for youth; and Safe Harbor Shelter and Housing includes some funding for emergency shelters that support youth experiencing, or at risk of, sexual exploitation. In 2023, statewide applications amounted to nearly four times available funding.

Shelters serve as the main point of entry for individuals to access case management, housing navigation, and other supportive services. For many, this is the only place outreach teams or service providers can locate them. If shelter beds are unavailable, people may become disconnected from the system and miss the chance to move into Permanent Supportive Housing (PSH) or other long-term options.

**Investing in established shelter programs is not only cost-effective, but also strategically aligned with system goals to reduce homelessness, improve outcomes, and ensure equitable access to housing resources.**

## **Proposed Model**

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**Our coalition of shelter providers is seeking approval to dedicate the \$880,000 of LAHA funding to emergency shelters and services.**

This proposal includes an allocation model for equitable distribution, as a starting place for discussion. The proposed model would set a base amount to be divided evenly among all St. Paul daytime and overnight shelter providers – ensuring all providers receive operating funds despite their size. The remainder would be divided based on service factors such as the number of people served. Further discussion by the CoC around other equity measures such as provision of culturally specific services is warranted.

The following organizations are key contributors to St. Paul's shelter system and are included in coordinated data reporting as reflected in the Heading Home Ramsey Situation Report (May 25 – June 7, 2025):

- **Ain Dah Yung Center**
- **Catholic Charities** (Higher Ground Men's & Women's, Medical Respite, St. Paul Opportunity Center)
- **Face2Face**
- **Interfaith Action** (Project Home)
- **Listening House**
- **Lutheran Social Service (LSS)** (Metro Youth Safe House)
- **Minnesota One Stop** (Emerald Inn)
- **Model Cities** (Safe Space Shelter for Men and Women)
- **Union Gospel Mission Twin Cities** (Cots, Dorms 1, 2, and 3 Pay-for-Stay)
- **Salvation Army** (Booth Brown House)

### **Proposed Formula:**

Base Amount + Variable Share = Allocation

### **Example (with \$20,000 base for each organization):**

- 10 Organizations receive \$20,000 each = \$200,000 Total Base Amount
- \$880,000 - \$200,000 (Total Base Amount) = \$680,000 Variable Share Pool

Variable Share = (Provider's Daily Visits / St. Paul Daily Visit Total) x \$680,000

### Sample Calculation for Provider A:

Provider A's Daily Visits: 120

St. Paul Daily Visit Total (all shelters): 350

Variable Share:  $(120 / 350) \times 680,000 = \$240,000$

$\$233,000$  (Variable Share) +  $\$20,000$  (Base Amount) =  $\$253,000$

Total Allocation:  $\$253,000$

### Conclusion

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Increasing volume, complexity and acuity of need among people experiencing homelessness in St. Paul, combined with limited public funding sources for emergency shelters and services, has left shelter providers struggling to stay afloat. Funding shelter operations helps move people off the streets, meets basic needs, provides a point of entry to supportive services and access to housing referrals. **This is a critical, yet chronically underfunded part of the housing and homelessness continuum – dedicating \$880,000 of LAHA to emergency shelter and services would benefit our most vulnerable community members across the City of St Paul.**

## HHR Strategic Plan Alignment

### Goal #2: Respond to Homelessness

1. Maintain existing single adult shelter capacity.
2. Improve capacity for specific populations.
3. Eliminate the family shelter waitlist.
4. Support families with low-barrier access to shelter and housing
5. Increase Services for Youth to reach functional zero.

## HHR Alignment - Needs, Priorities and Strategic Plan

### 1. Address System Gaps (Needs Alignment):

They provide critical shelter and support services for families, single adults, and youth populations that are often underserved or face barriers to accessing stable housing and day shelter/services. Their work directly addresses gaps in emergency shelter availability, culturally specific services, and youth-focused interventions. This past month, UGMTC, Safe Space and Model Cities have each reached capacity limits and had to refer guests to other providers. The current capacity in the shelters, during even less seasonal times, is beyond stretched.

### 2. Align with Continuum of Care (CoC) Priorities:

These programs are integral to the local CoC strategy, supporting coordinated entry, diversion, and housing-focused case management. Their services are aligned with CoC goals to reduce unsheltered homelessness, increase housing placements, and improve system flow. While shelter is the focus here, most of the shelter providers also provide social services, access to healthcare, referrals for housing, and meals.

### 3. Demonstrate Outcomes and System Impact:

Through consistent data reporting and high utilization rates, these providers show a measurable impact in reducing homelessness and connecting individuals to long-term housing solutions. Their participation in emergency shelter, coordinated entry and diversion efforts contributes to system-wide performance improvements.

### 4. Advance Equity:

These organizations serve a diverse range of clients—including BIPOC communities, youth, women, families and culturally specific populations including LGBTQ+ —ensuring equitable access to shelter and services. Their commitment to culturally responsive care supports broader equity goals across the housing system.

### 5. Exhibit Organizational Readiness:

All listed providers are established, experienced, and actively engaged in data reporting and service delivery. Their operational infrastructure, staffing, and partnerships demonstrate readiness to effectively manage and deploy funding in alignment with community priorities. No additional administration or ramp time is required.