



March 2, 2026

Dear Committee members,

This is a letter of support for the State Housing Tax Credit (SHTC) Program.

This program has had a significant impact here in the Fergus Falls area and has widespread bi-partisan support. We have encouraged our supporters to help direct a portion of their state tax dollars to our local single family housing projects for the past three years. The first year, about \$126K was directed locally. Last year, about \$256K was directed to our projects and this year we had 99 supporters direct about \$480K for our three projects.

In a time when there are so many news stories about the efficacy of some state programs, the ability for taxpayers to direct a portion of their state taxes to new homes in the local area is very powerful. I have not seen anything comparable to the response to the SHTC program in my ten years of working in the affordable housing arena. We had a list of over 180 families who wanted to participate this year. We were able to motivate Minnesotans from all over the United States and the world in the short 2-3 hours when the program opened up. We had snowbirds in Arizona and Florida sign up as well as supporters on vacation in Mexico, the Caribbean, and Hawaii. We even had a wonderful lady who passed away last month whose daughter coordinated with us and Minnesota Housing to ensure that her desire to support us and affordable housing be carried out in posterity.

I urge the committee to remove the sunset clause of the SHTC and extend the program. I ask you to consider raising the amount of credits available each year. I agree with an equitable metro area/greater Minnesota split of credits and I ask that you consider separating multi-family housing and single-family housing so that each has a certain level of credits. A couple of multi-family projects can quickly absorb the majority of credits.

Thank you for the work you do on behalf of all Minnesotans. We appreciate the difficulty of your legislative tasks and the hard work of crafting bipartisan programs. This is a good one and a keeper.

Sincerely,



Stanley A. Carignan

Executive Director

Fergus Falls Area Habitat for Humanity



March 3, 2026

Re: Support for HF XXXX and HF XXXX – modifications to the State Housing Tax Credit

Chair Howard, Chair Igo and members of the House Housing Finance and Policy Committee:

On behalf of our 842 member cities, the League of Minnesota Cities appreciates the opportunity to voice our support for HF XXXX and HF XXXX, authored by Chair Igo. Both bills include important improvements to the State Housing Tax Credit (SHTC), including expanding eligibility to better support market-rate workforce housing in Greater Minnesota, establishing geographic balance language to ensure Greater Minnesota communities receive a meaningful share of available credits, and repealing the program’s existing statutory sunset.

Cities, developers, and the private sector all play essential roles in addressing housing needs that foster economic development, grow communities, and support job creation. When housing supply does not keep pace with workforce demand, communities and employers face real constraints. The SHTC was created as a flexible tool to incentivize private investment in housing while leveraging public dollars. Through the Contribution Fund, taxpayers receive a credit equal to 85 percent of their contribution and may designate funds to specific local projects. In both 2024 and 2025, the full \$9.9 million in available credits were fully subscribed, demonstrating strong demand.

Both bills improve the program by allowing Greater Minnesota projects eligible for market-rate workforce housing development funding to receive SHTC contributions without being income restricted. This change reflects the reality in many rural communities, where the most urgent need is housing for working families who do not qualify for income-restricted units but still cannot find available homes. HF XXXX further strengthens geographic balance by reserving 50 percent of credits each year for projects located in Greater Minnesota, with any unused credits becoming available statewide after September 30 ensuring both regional equity and flexibility.

Finally, we strongly support repeal of the program’s sunset in HF XXXX. Housing development requires long-term planning and predictable financing tools. Removing the sunset provides certainty to developers, lenders, and business contributors that the SHTC will remain a stable part of the financing stack.

Thank you for your time and consideration. We respectfully urge you to support HF XXXX and HF XXXX.

Sincerely,

A handwritten signature in black ink that reads 'Daniel Lightfoot'.

Daniel Lightfoot
Senior Intergovernmental Relations Representative
League of Minnesota Cities



March 3, 2026

The Honorable Spencer Igo
2nd Floor Centennial Office Building
St. Paul, MN 55155

The Honorable Michael Howard
5th Floor Centennial Office Building
St. Paul, MN 55155

Via email

Re: HFxxx Strengthening the State Housing Tax Credit

Dear Chair Igo, Chair Howard, and members of the House Housing Finance and Policy Committee:

The State Housing Tax Credit and Contribution Fund (SHTC)—approved by the Minnesota Legislature in 2021 and launched by Minnesota Housing as a program in 2023—has in a few short years become a signature success story, incentivizing hundreds of contributions by individuals and businesses to create dozens of affordable homes in their communities. We urge lawmakers to continue this success by strengthening the SHTC and making it permanent.

The SHTC is a straightforward and flexible program, initiated by a large coalition of business, local government, and housing leaders across Minnesota. It works well in urban, suburban, and rural communities. It has helped create single family homes and multifamily rental housing, homeownership opportunities, and deeply affordable homes for households earning less than 50% of AMI.

Just days ago, in only its fourth program year, the SHTC 's credit limit of \$9.9 million, was oversubscribed in just two hours—showing the overwhelming demand of contributors to support housing solutions across Minnesota and Minnesotans' great need for housing. At a time when demand for affordable homes significantly outpaces available resources—exemplified by comparing the 2025 multifamily funding requests of \$483 million to the available awards made of \$108 million—we need dedicated, predictable funding like the SHTC program more than ever.

The State Housing Tax Credit is a bipartisan success that empowers families, expands housing choice, and strengthens local economies. Please continue this success by extending this program beyond its current sunset and continuing to improve its statewide effectiveness as a tool that works well for Greater Minnesota and the Twin Cities Metropolitan area.



Alliance Housing Inc.
Aspen Blue, LLC
Beacon Interfaith Housing Collaborative
Carver County Community Development Agency
Catalyst for Systems Change
Central Minnesota Habitat for Humanity
City of Winona
City of Gaylord
Center City Housing
Central Minnesota Housing Partnership
CommonBond Communities
Corporation for Supportive Housing
D.W. Jones, Inc.
East Central Minnesota Habitat for Humanity
Fergus Falls Area Habitat for Humanity
Golden Valley Affordable Housing Coalition
Greater Minnesota Housing Fund
Habitat for Humanity of Martin Faribault Counties
Hope Community
Housing Justice Center
Itasca County Habitat for Humanity
Housing in Action
Laura Baker Services Association
One Roof Community Housing
Our Savior's Community Services
Outreach Development Corporation
MHP
Minnesota Homeownership Center
Minnesota NAHRO
Model Cities of St Paul, Inc.
North St. Louis County Habitat for Humanity
Olmsted County
Project for Pride in Living
Simpson Housing Services
Southwest Minnesota Housing Partnership
Three Rivers Community Action
Trellis
Twin Cities Habitat for Humanity
Twin Cities Housing Development Corporation

MINNESOTA STATE HOUSING TAX CREDIT PROGRAM AND CONTRIBUTION FUND

VIEW EXAMPLES OF SHTC-QUALIFIED PROJECTS AT:
mhponline.org/tax-credit-contribution-fund-projects

AN OVERVIEW

The Minnesota State Housing Tax Credit (SHTC) Program and Contribution Fund, administered by Minnesota Housing, is an innovative way for taxpayers to help finance affordable housing throughout the state. Since its start in October 2023, eligible Minnesota individuals, corporations, businesses — any one who pays state taxes — can contribute to the SHTC Program Fund, and in return receive a substantial credit to offset their Minnesota taxes.

6-year Tax Credit Program
2023 – 2028

Administered by



HOW IT WORKS

For Contributors

\$11.6M



MN Housing can accept total contributions **up to \$11.6M**.

\$1K - \$2M



Each taxpayer can contribute **\$1K to \$2M** to an eligible project of their choice or the General Contribution Fund.

85%



Taxpayers receive a state **tax credit certificate that equals 85%** of their total contributions.

For Developers

Developers can identify projects eligible to receive the contributions.



Homeownership Projects

Owners must not have incomes at the time of initial occupancy that exceed the greater of 115% of state or area median income.



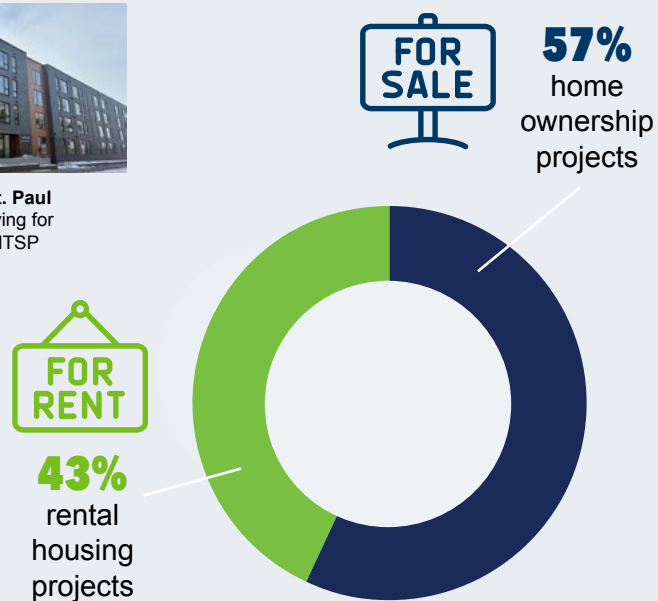
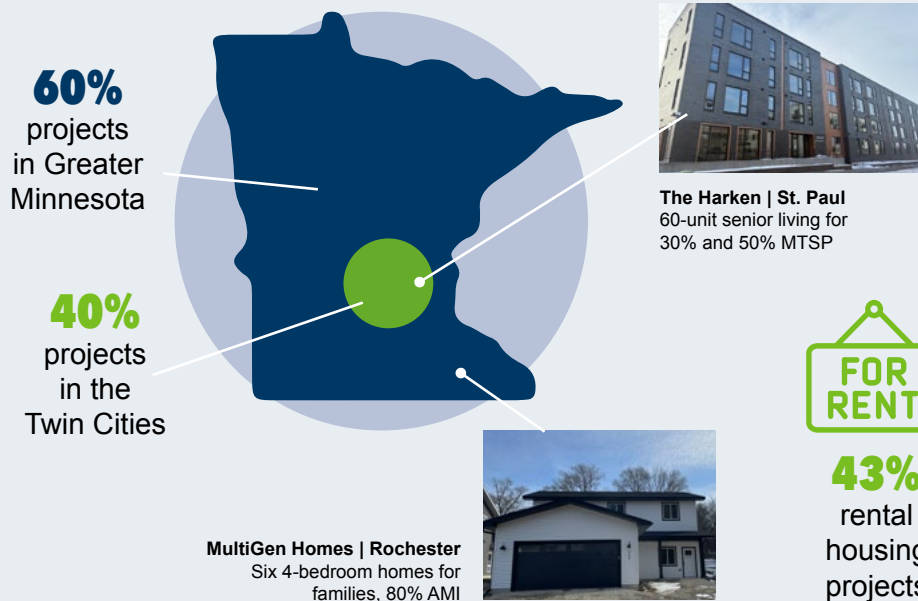
Rental Projects

Renters must not have incomes at the time of initial occupancy that exceed 80% of the greater of state or area median income.

MINNESOTA STATE HOUSING TAX CREDIT PROGRAM AND CONTRIBUTION FUND

VIEW EXAMPLES OF SHTC-QUALIFIED PROJECTS AT:
mhponline.org/tax-credit-contribution-fund-projects

SUCCESSSES THROUGH 2025



The Fund is Filling Faster



2023: \$6.9M in 70 days

The 2023 fund opened in October, vs. in February 2024–2026

2024: \$11.6M in 290 days

2025: \$11.6M in 53 days

2026: RECORD TIME \$11.6M in 2 hours!!