

Sustain + Grow Supportive Housing

Add Services in Supportive Housing as an eligible use of the Minnesota State Housing Tax Credit

HF2901 / SF2976

Supportive housing, provides safe, affordable, and stable housing with on-site services. Housing is available to families, individuals, and unaccompanied youth and young adults who are at risk of or are already experiencing homelessness. Supportive housing is the solution to homelessness by giving individuals and families the stability and help they need to thrive.

Capital + Services = Supportive Housing

Supportive Housing serves the lowest income Minnesotans with the highest barriers to remaining in housing. To create and maintain supportive housing, you need both the capital dollars to construct the building, and the services dollars to provide a caring home. Filling the gaps between the service contracts and needs is the most challenging part of making supportive housing work.

Powerful Tool

The State Housing Tax Credit provides needed funds to build affordable housing. It allows supporters to donate directly to a development and receive a tax credit on their state income taxes.

It can also be a powerful tool to create and sustain the supportive housing we have by allowing supporters to receive a tax credit by donating to new or existing buildings for services.

Supportive Housing Providers fundraise to fill a building's service reserve, which can be drawn upon for years to fill annual service gaps. By adding this eligible use we give providers a powerful tool to provide the best quality services to residents.



Bill Language

Section 1. Minnesota Statutes 2024, section 462A.40, subdivision 2, is amended to read:

Subd. 2. Use of funds; grant and loan program.

(a) The agency may award grants and loans to be used for multifamily and single-family developments for persons and families of low and moderate income. Allowable use of the funds include: gap financing, as defined in section 462A.33, subdivision 1; new construction; acquisition; rehabilitation; demolition or removal of existing structures; construction financing; permanent financing; interest rate reduction; services enumerated in section 462A.37, subdivision 1, paragraph (k), in existing supportive housing as defined in that paragraph; and refinancing.*

(b) The agency may give preference for grants and loans to comparable proposals that include regulatory changes or waivers that result in identifiable cost avoidance or cost reductions, including but not limited to increased density, flexibility in site development standards, or zoning code requirements.

**Section 462A.37, subdivision 1, paragraph (k), = "Supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.*

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Living at Cranberry Ridge has been a healing opportunity for our family. This supportive environment has changed everything for my family. I've seen my kids grow in new ways.

I believe we need more homes like Cranberry Ridge because being here has given my kids a chance to stabilize, find the resources they need, and make friends in a beautiful community. Being in one spot has made all the difference in the world.

Sasha,
Resident of Cranberry Ridge



Beacon is changing the landscape of home through the power of our collaborative of congregations that advocates to create new, deeply affordable homes, invests in residents through wrap-around services, and champions transformative policy solutions to ensure all people have a home.



Beacon

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