Beacon
INTERFAITH HOUSING COLLABORATIVE

November 16th, 2026

Co-Chair Esther Agbaje
Co-Chair Greg Davids
Members of the Tax Expenditure Review Commission
c/o Legislative Budget Office
100 Rev. Dr. Martin Luther King Jr. Blvd.

RE: Expanding the State Housing Tax Credit

Dear Co-Chair Agbaje, Co-Chair Davids, and Members of the Commission:

On behalf of Beacon Interfaith Housing Collaborative, I write to urge the Tax Expenditure Review Commission to recommend continuing and expanding Minnesota's State Housing Tax Credit (SHTC) and extending or repealing its December 31, 2028 sunset. Beacon is a collaborative of over 100 congregations and one of Minnesota's largest developers, owners, and operators of supportive housing, with 24 buildings and more than 1,500 residents across the state. Supportive housing, deeply affordable, permanent rental homes paired with voluntary, on-site wraparound services, is our state's primary and most effective response to chronic homelessness.

Deeply affordable, supportive housing developments rely on assembling multiple layers of public and private financing, and projects frequently stall because of final capital gaps. Beacon has utilized the State Housing Tax Credit to great success, most notably to raise critical gap capital for Gladstone Crossing, a supportive housing development in Maplewood, bringing deeply affordable homes to the community that otherwise could not have closed. By offering an 85% state tax credit, the SHTC unlocks private philanthropic and corporate capital that would not otherwise enter the affordable housing sector.

Because affordable housing development operates on multi-year timelines, developers, lenders, and contributors need long-term certainty to structure projects in the pipeline. With demand far exceeding the current annual cap, we urge the Commission to vote to continue the SHTC, recommend extending or eliminating its 2028 sunset, and support expanding the program so Minnesota communities can continue building the deeply affordable homes our neighbors need. No single tool solves Minnesota's housing shortage alone, but the State Housing Tax Credit is a proven, high-leverage success story.

We urge the Commission to vote to continue and expand the SHTC.

Thank you,

Benjamin Helvick Anderson
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