Fergus Falls Area Habitat for Humanity® Affiliate

35 YEARS

November 12, 2026

To: Tax Expenditure Review Commission

Re: Continuing the State Housing Tax Credit program

Dear Co-Chairs and Members of the Tax Expenditure Review Commission,

Thank you for the opportunity to share Fergus Falls Area Habitat for Humanity's support for the continuation of the State Housing Tax Credit (SHTC) program. For thirty-five years, our affiliate has built about 70 homes in the west Ottertail County area. We recently expanded our service area to all of Otter Tail County and look forward to working in Perham and New York Mills in coming years.

The SHTC program has been an incredible tool to build desperately needed starter homes in our area. We have had 5 single family home SHTC projects, with two completed and three in process. In my decade of running this affiliate, I think it is fair to say that most of the state assistance for affordable housing in my world has been targeted to subsidizing the families who purchase our homes. This program can do that (Affordability gap), but it really is targeted at the supply side – building new starter homes with Interim construction loans. That is the real difference in my opinion. We need more homes, period. SHTC builds the very homes that are needed most – starter homes – small, modest homes for families making less than 115% AMI.

The second thing I would say is that this program is accountable to Minnesota taxpayers and lawmakers. Over one hundred local taxpayers of means have contributed about $840,000 to our five projects. They are invested in the local area and see the homes and know the families who purchase these homes. Many state programs can't say this. Many programs can't 'prove' their effectiveness – we can. I would invite any legislator to visit Fergus Falls and see our homes and meet our families.

I strongly recommend that the Tax Expenditure Review Committee vote to continue the SHTC program.

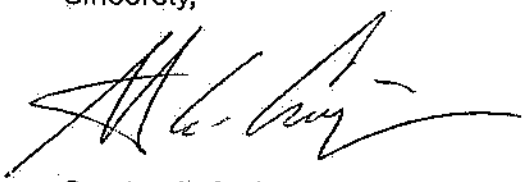
I also recommend that the program be enhanced by **creating an equitable balance of the credits going to Greater Minnesota.** First come, first serve has some merits, but the race usually goes to the fastest and the fight to the strongest... A geographic balance in the credits would be truly fair and equitable.

I would also recommend that the **credits be equitably split between multi-family and single-family homes.** It is true that multi-family buildings give the taxpayers more bang for the buck, but single-family homes have a place in our society and culture. When we envision our cities and towns, we see the churches and schools and businesses surrounded by homes, not just apartment buildings. While there are many philosophical arguments against single family homes, it is still a part of the American Dream, where the majority of American's live.

My last recommendation is to **substantially raise the $10 million cap.** While I understand that this is a sensitive topic, I think it is justifiable. Otter Tail County is the land of Lake Wobegon – filled with traditional, conservative folks. This program has resonated strongly here because even fiscal conservatives will pay for things that work and create a stronger community. This is a commonsense program that common sense people support. It is worth repeating – **how many state programs return a dollar for every 85 cents spent?**

Thank you for your consideration and for your work evaluating this program. We appreciate the opportunity to share our experience and would be happy to answer any questions.

Sincerely,



Stanley A. Carignan

Executive Director