Habitat for Humanity® of Minnesota

Dedicated to building a world where everyone has a safe, stable, and affordable place to call home

12 November 2026
Re: Continuing the State Housing Tax Credit Program

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

Thank you for the opportunity to share Habitat for Humanity of Minnesota's (Habitat Minnesota) support for the continuation of the State Housing Tax Credit (SHTC) Program. Habitat Minnesota is the statewide support organization for the 23 local Habitat offices that serve as developers, lenders, and homeowner counselors across the state. Together, Habitat for Humanity expands affordable homeownership opportunities for low- and moderate-income Minnesotans.

We appreciate the work of Legislative Budget Office (LBO) staff and TERC members in evaluating this key program, powered by taxpayer contributions, that supports affordable housing projects and creates new local investment that would not otherwise occur.

Habitat for Humanity is one of the few builders addressing the shortage of starter homes. We see firsthand that the gap in accessible, affordable homeownership is widening for Minnesotans. For Habitat offices across the state, the SHTC is especially effective because it strengthens what they already do best: bringing together neighbors, supporters, businesses, and community partners to build homes and create opportunities. Over the last few years, Habitat for Humanity offices have raised over $4.8 million in contributions through the SHTC for more than 55 local Habitat projects.

Habitat Minnesota urges members to vote to <u>continue</u> the State Housing Tax Credit Program.

Beyond critical funding, this program reinforces a culture of community investment in affordable housing and helps ensure more families have access to safe, stable, and affordable homes. The LBO findings underscore this impact: a majority of respondents reported they would not have contributed to housing projects in Minnesota without the SHTC and are now more likely to contribute to or invest in Minnesota housing projects because of their participation in the program.

With smart improvements, it can work even better for every region of the state. While Greater Minnesota drives participation through many smaller contributions, the metro receives most of the funding through fewer, larger contributions (with ~17% of designated contribution funds going to projects in Greater MN in 2026). Habitat Minnesota will support efforts to promote greater geographic balance to ensure communities in both Greater Minnesota and the metro region have fair access to this locally generated resource.

Thank you for your consideration. Please do not hesitate to reach out with any questions.

Sincerely,



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