One Minnesota Budget

Minnesota Housing’s FY 2026-2027 Budget

Governor Walz’s and Lt. Governor Flanagan's budget provides resources to address the range of housing needs experienced by Minnesotans in all regions of the state, while focusing on closing disparities and assisting lowest-income Minnesotans and underserved geographies:

- Rental and homeownership
- New construction and preservation
- Deeply affordable housing and market-rate housing in Greater Minnesota
- Homelessness prevention and homeownership development
- Rental assistance and downpayment assistance

Governor’s Housing Budget at a Glance	
FY 2026-2027 Governor’s Recommendation	$165.6 million
Increase/Decrease Over Base Budget	*$0*
Total FY 2026-2027 Recommendations	**$165.6 million**

Governor’s Budget Recommendations by Area	FY 2026-2027
Preserve and Create New Homes	$53.8 million
Increase Housing Stability	$106.0 million
Support and Strengthen Homeownership	$4.5 million
Build and Support Organizational Capacity	$1.3 million

Governor's Budget Recommendations by Program		
Program	**Description**	**FY 2026-2027**
PRESERVE AND CREATE NEW HOMES		
Economic Development and Housing Challenge (Challenge)	Funds both multifamily rental and single-family homeownership new construction and redevelopment. Leverages federal, private and local government funds.	$25.9 million
Workforce Homeownership Program	Provides development resources to increase the supply of homeownership opportunities.	$0.5 million
Greater Minnesota Workforce Housing Program	Provides competitive financial assistance to build market-rate residential rental properties in Greater Minnesota.	$4 million
Manufactured Home Community Infrastructure Grants	Provides grants for manufactured home community acquisition, improvements and infrastructure.	$2 million
Rental Rehabilitation Loans	Rehabs federally subsidized rental housing in Greater Minnesota.	$7.5 million
Preservation (PARIF)	Assists with repair, rehabilitation and stabilization of federally assisted rental housing that is at risk of aging out of federal assistance programs.	$8.4 million
Rehab Loans (Single Family)	Helps low-income homeowners make basic health and safety improvements to their homes.	$5.5 million

INCREASE HOUSING STABILITY		
Bring It Home Rental Assistance	Provides statewide rental assistance to cost-burdened renters with a priority to families with children. Rental assistance in the metro area is also funded via a .25% metro-area sales tax.	$46 million
Family Homeless Prevention and Assistance	Provides short-term assistance to families at risk of homelessness. Types of assistance may include one-time rental payments, assistance with first or last month's rent, or one-time mortgage payments.	$20.5 million
Housing Trust Fund	Provides rental assistance for individuals and families, many of whom have previously experienced homelessness.	$23.3 million
Homework Starts with Home	Provides rent and other housing assistance to families with children that lack housing stability.	$5.5 million
Bridges	Provides rental assistance for families in which at least one adult household member has a serious mental illness.	$10.7 million
SUPPORT AND STRENGTHEN HOMEOWNERSHIP		
Downpayment Assistance	Provides funding for the Agency's downpayment and closing cost assistance loan program. Serves low- to moderate-income first-time homebuyers across the state.	$1.8 million
Homeownership Education, Counseling and Training Fund (HECAT)	Provides both pre-purchase homebuyer counseling and foreclosure prevention counseling services.	$1.7 million
Build Wealth	Direct appropriation to support capacity.	$1 million
BUILD AND SUPPORT ORGANIZATIONAL CAPACITY		
Capacity Building	Provides grants to organizations for regional coordination, housing planning and to build capacity.	$1.3 million
TOTAL		**$165.6 million**