



April 21, 2026

The Honorable Senator Marty
3235 Minnesota Senate Building
St. Paul, MN 55155

RE: Support for SF203

Dear Chair Marty and members of the Finance Committee:

Minnesota Housing Partnership (MHP) writes in support of SF203.

SF203 Section 22: Housing Infrastructure Bonds

MHP supports the allocation of \$50 million for Housing Infrastructure Bonds to create deeply affordable homes.

Housing Infrastructure Bonds (HIBs) are a flexible source of funding for projects across the state. HIBs are unique in that they can leverage federal resources to build new housing and preserve existing housing for extremely low- and very low-income households.

As Minnesota faces a substantial housing shortage, we need HIBs to create and preserve badly needed affordable homes. Today, there are only 39 rental homes that are affordable and available for every 100 extremely low-income Minnesota household. And, consistently, Minnesota Housing programs are well oversubscribed, as typically only 1 in 3 projects that apply for resources from Minnesota Housing are funded.

SF203 Section 25: State Housing Tax Credit

The **State Housing Tax Credit** is a creative way to help finance housing throughout the state. Eligible Minnesota corporate and individual taxpayers can contribute to and in return receive a credit to offset their Minnesota tax liability. Due to income restrictions in statute, the State Housing Tax Credit program cannot currently be paired with the Greater Minnesota **Workforce Housing Development Program**. Our rural communities have significant challenges to financing and building housing, and the Workforce Housing Development Program is uniquely designed to support rental housing development in Greater Minnesota.

MHP supports the proposed change on line 19.28 to ensure the State Housing Tax Credit can be paired with all single family and multifamily programs at Minnesota Housing, including those that receive awards from the Greater Minnesota Workforce Housing Development Program.



SF203 Section 27: Tax Exempt Bonds

The **Low Income Housing Tax Credit (LIHTC)** is the nation's most important tool for building and preserving affordable rental homes, helping to finance almost 80,000 homes serving 186,000 low-income households from 1986 to 2004. Updates to LIHTC in the federal H.R. 1, which became law in 2025, are considered the most significant expansion of LIHTC in over two decades.

MHP supports the changes to **reduce the aggregate bond limitation** applicable to the allocation of private activity bonds for qualifying residential rental projects. This will allow Minnesota to receive the maximum benefit of federal changes to increase affordable homes in Minnesota.

Minnesota Housing Partnership (MHP) expands housing and community development opportunity for those most impacted by economic and racial disparities by leading collaborative work to promote systems change and grow equitable development capacity. For more than 30 years, MHP has accomplished this mission by producing data-informed research, advocating for equitable housing policy, and providing community development services across the US.

Thank you for your attention; we urge your support for SF203.

Sincerely,

Courtney Schaff
Policy Manager