



September 11, 2025

Re. Public Comments to Minnesota Housing 2026-2027 Draft Affordable Housing Plan

Dear Commissioner Jennifer Ho,

Thank you for the opportunity to comment on Minnesota Housing's 2026-2027 Draft Affordable Housing Plan. The work of Minnesota Housing over the next two years is crucial as communities in Greater Minnesota continue to struggle with housing shortages that have limited their economic opportunities. Solving the housing shortage in Greater Minnesota continues to be more challenging because the costs of building in Greater Minnesota is equal to or greater than the metro area, but the return for developers is lower.

Thankfully, over time, we have created some housing programs specifically focused on addressing Greater Minnesota's housing challenges including supports for workforce housing development and housing infrastructure in addition to Minnesota Housing's statewide housing programs. And while I appreciate that this Plan can only reflect some of the state's housing needs, the amount of unmet demand for housing in many Greater Minnesota communities and the headwinds that has on local economies is an issue that persists in every Greater Minnesota economic conversation but remains unreflected in either the Agency's Key Housing Issues & Trends or in this Plan. I would urge the Agency to specifically outline Greater Minnesota's unique housing challenges in this Plan as well as in other key research and reports.

After reviewing the draft 2026 – 2027 Strategic Plan I have the following feedback:

Make Our Programs More Accessible and Easier to Use. One of your stated goals of the Plan is to "Make our Programs More Accessible and Easier to Use." According to the draft Plan, this goal includes reducing and eliminating barriers, simplifying and streamlining programs and processes and increasing flexibility in program eligibility and use of funds. We applaud this goal and strongly encourage the Agency to conduct outreach with Greater Minnesota communities for this feedback. Communities that have never applied for Minnesota Housing resources are as likely to provide constructive feedback about program challenges than communities that are familiar with the Agency's programs and procedures and should be equally tapped. I would also encourage the Agency to review how and where statewide funding is awarded and not awarded and identify when state requirements and processes might be holding Greater Minnesota communities back from applying or being awarded funding as a component of that outreach. Finally, I would identify the mismatches between Agency programs and current housing needs and consider whether increased program flexibility could help meet those needs. For

example, in what ways do programs not support 2-to-30-unit buildings which might be more appropriate in some Greater Minnesota locations and communities.

Address climate change. Climate change and the investments the Agency can support to make homes safer, healthier and more affordable to live in are laudable and could have positive long-term impacts on Minnesotans. However, as the Agency updates the Single-Family and Multi-Family Overlays and Guides to Enterprise Green Communities, it will be important to incorporate input from Greater Minnesota communities into those updates and considerations should include:

- Available workforce to implement new technologies.
- The cost-benefit analysis of any additional development requirements, balancing affordability with energy efficiency.
- Opportunities to promote and support innovation in housing production with an eye toward faster and less expensive methods that are also more energy efficient.

Additional Notes for the 2026-2027 Plan. In the draft Plan, the State Housing Tax Credit program is flagged as having been very popular with the Agency estimating that if the program is fully subscribed, it can provide a maximum overall contribution of \$11.6 million annually and would assist in the development of roughly 580 housing units. The Agency had proposed a modest tweak to the program during the 2025 legislative session that would have better aligned this program with the Workforce Housing Development Program. In light of the Agency's constricted resources and this program's popularity, I would urge the Agency to again propose revisions to this program to maximize its application in Greater Minnesota in the 2026 legislative session.

Thank you again for the opportunity to comment on Minnesota Housing's 2026-27 Draft Affordable Housing Plan. Please let me know if you have any questions about any of the feedback provided.

Thank you,

A handwritten signature in dark ink, appearing to read 'D. Dannen', with a stylized, flowing script.

Danielle Dannen, Executive Director
Greater Minnesota Partnership