Housing Related Provisions Enacted During 2026 Legislative Session

There we not many budget or policy committees that worked well together over the biennium, but Housing was the exception. Chair Igo, Chair Howard, and Chair Port worked very well together and were able to move forward where there was agreement and ended up passing the most consequential of all the supplemental budget bills passed in 2026. Between new debt service authorization of HIB's, using money from the Tyler Settlement, and repurposing interest funds at MHFA the bill was able to allocate a meaningful amount of new spending on housing programs.

Omnibus Housing Budget and Policy Bill (Chapter 100 of the 2026 Minnesota Session Laws)

1. Housing Appropriations (Article 1)

This section adjusts previously allocated funds and appropriates $25,000,000 for fiscal year 2027 from the aggregated investment earnings of the housing development fund. This is repurposing money collected by MHFA via interest and being used towards housing priorities.

Allocation Breakdown:

- **Workforce Housing Development:** $14,275,000
- **Supportive Housing Program:** $4,000,000 (with updated language extending grant timelines for federal Continuum of Care recipients through 2027).
- **Manufactured Home Park Infrastructure:** $4,000,000 for grants and loans.
- **Family Homeless Prevention & Assistance Program (FHPAP):** $2,000,000 allocated directly from earnings, plus an additional general fund appropriation from unused tax-forfeited land settlement funds (Tyler Settlement)
    - Note there is an additional $38 million for FHPAP that was funded via the omnibus tax bill, which is highlighted below
- **Tenant Education & Legal Advice:** $425,000 for a statewide renter hotline.
- **Homeownership Education:** $150,000 for counseling and training.

New Pilot Program:

- **Minnesota Nice HomeShare Pilot Program:** $150,000 is granted to St. Louis County to administer a program assisting seniors (ages 55+) in Lake, St. Louis, and Washington counties. It matches home-owning seniors with spare rooms to adults needing affordable housing, handling background checks, references, and rent processing.

2. Housing Infrastructure Bonds (Article 2)

- **Additional Bond Authorization:** Authorizes the MHFA to issue up to **$100,000,000** in additional housing infrastructure bonds.

- **Debt Service Transfers:** Schedules annual general fund debt service transfers to the housing infrastructure bond account every July 15 from 2028 through 2049 to cover these new series.

3. Housing Policy and Administrative Changes (Article 3)

- **Expanded Investment Authority:** Allows qualifying local housing and redevelopment authorities to invest in certain SEC-registered, investment-grade fixed-income companies that support local multifamily housing development.

- **Interactive Technology for Meetings:** Updates the agency's ability to conduct meetings remotely via "interactive technology," provided the public can hear all discussions, at least one official is at the physical meeting location, and votes are conducted by roll call. Meetings must be live-streamed and archived on a website.

- **Lived-Experience Engagement Exemption:** Income earned by individuals providing feedback or serving as community proposal reviewers ("lived-experience engagement") will *not* count against their eligibility or recertification for state public assistance programs (such as childcare assistance, SNAP/food support, General Assistance, and MFIP).

- **Increased Oversight and Reporting:** Imposes strict annual reporting requirements on MHFA operating costs due by February 15 each year. The report must clearly separate the costs of administering state-funded programs from other agency activities and provide a breakdown of staff positions and investment earnings.

- **Legislative Access:** Requires the MHFA to report by February 15, 2027, on how it will provide legislative fiscal staff with remote access to the agency's accounting subsystem.

Omnibus Capital Investment Bill

- A bonding bill came together on the final day of session with a bonding spreadsheet posted around 3:30 pm on the final day of the Legislative session
- There were two bills, a general fund bill and a general obligation bonds bill with a combined overall cost of $1.2 billion
- The main focus of the bill was wastewater projects with roughly 1/3 of the total spending on local wastewater and drinking water projects
- The bill included **$17.5 million for the Publicly Owned Housing Program**

Omnibus Tax Bill

- Appropriates $38,000,000 from the general fund to the Minnesota Housing Finance Agency for the family homeless prevention and assistance program. The section allows grants to be awarded to existing and former program grantees and Indian Tribes. The agency may redistribute unused money among grantees and must use all available methods of payment. The appropriation must be spent by December 31, 2026.