

MINNESOTA HOUSING STABILITY COALITION

Progress Report: Fall 2026

About the Coalition

The Minnesota Housing Stability Coalition formed in 2023 to address the significant threats to the housing stability of low-income residents and the health and sustainability of the mission-centered affordable housing system in Minnesota. Consisting of nonprofit affordable housing and supportive housing providers and nonprofit housing intermediaries, the Coalition highlights the challenges confronting the regulated affordable housing sector and advocates for solutions to ensure a thriving housing ecosystem that can be sustained over the long-term. To Minnesota's credit, a wide array of partners from the nonprofit, philanthropic, and government sectors recognized early on that this challenge was a shared problem that required a collective, systemic response. The Coalition has emerged as a national leader, charting a path forward through these extraordinarily challenging times.

Key Successes

Key philanthropic partners—including the McKnight, Margaret A. Cargill, and Pohlad Foundations—stepped up to support the early work of the Coalition. Financial support, paired with the dedicated time of member organizations, has allowed the Coalition to achieve successes in several key areas during its first years of existence. These include: creating a shared understanding of the challenges, securing financial support, informing policy, the creation and funding of the Distressed Buildings Program, and cultivating a peer exchange network and stronger collective voice.

Creating a Shared Understanding of the Challenges

Before the Coalition's formation, key public sector funders did not believe or understand the depth and systemic nature of the challenges confronting the affordable housing sector. The first important work, therefore, was to build knowledge about the problem and create a shared understanding of the extent of the need and the most viable systemic solutions. The Coalition commissioned valuable research, which is housed on its website (www.mnhousingstability.org). Examples include:

- [*Distressed Property Data Project*](#): Explores the current state of distressed affordable housing in 2024 through an examination of data for more than 26,000 units of regulated affordable housing across the state and interviews with operators
- [*Understanding Resident Perspectives on Distressed Properties*](#): Summarizes key themes from focus groups with residents living in financially distressed homes managed by Coalition members
- [*Coordinated Entry and Vacancy in Supportive Housing*](#): Research and recommendations regarding the impact of the Coordinated Entry system for the referral of individuals experiencing homelessness to permanent housing has on vacancy rates and management issues in supportive housing units

- *Understanding Renter Experiences in Integrated Supportive Housing Models* (current research project with the Center for Urban and Regional Affairs (CURA)): this research seeks to understand the experiences of residents living in buildings where supportive housing units are integrated with affordable housing units

Additionally, the research highlighted the importance of policy and administrative changes that would support a more sustainable affordable housing system in the future. The Coalition advocated at the legislature for statewide task forces to provide specific policy recommendations.

Securing Financial Support: Over \$100 Million in New Resources

In 2023, several housing providers sought funding from the Minnesota legislature for the Stable Housing Organization Relief Program (SHORP) to help prevent system-wide collapse. In late 2023, this \$50 million in funding began to flow directly to many organizations that would soon be among the founding members of the Coalition. By receiving both organizational and research support, the Coalition formed and was able to prepare a robust set of legislative proposals for the 2024 legislative session to further support housing stability.

The Coalition successfully advocated for the creation and funding of the **Distressed Multifamily Rental Buildings Program** during the 2024 legislative session. \$50 million was appropriated to support distressed properties and improve the overall health of the sector, including \$15 million specifically for supportive housing properties. That funding was awarded in May of 2026 to operators of regulated affordable housing statewide, including more than \$41 million (\$41,499,364) to Coalition member organizations. The funding awards included:

- \$35,708,364 in grant funding
- \$14,938,000 in loans

Informing Policy: Task Forces, Working Groups, Frameworks, and Funding Priorities

The Housing Stability Coalition has continued to shape policy relating to the stabilization and preservation of regulated affordable housing across the state with the goal of creating a more sustainable and resilient system that keeps residents stably housed.

In 2024, the legislature created the 19-member **Task Force on Long-Term Sustainability of Affordable Housing**, including appointees from the Coalition. The Coalition submitted multiple research reports and presentations to the Task Force and contributed ideas and recommendations that were ultimately included in the [Task Force's final report to the legislature](#). A key recommendation was for the legislature to require Minnesota Housing to create, in consultation with members of the Coalition and other outside parties, a Preservation Framework to address the stabilization of distressed affordable properties.

The [Preservation Framework](#) is one of the Coalition's most significant accomplishments. Coalition members helped define "targeted stabilization" distinct from comprehensive, long-term preservation and provided significant input into the development of the overall Framework and its actions, recommendations and tools. Previously mentioned research

commissioned by the Coalition informed the overall understanding of systemic distress and need for improved collaboration and coordination across funders and jurisdictions. The Framework is presented as an ongoing working draft that will need to evolve as market conditions change and solutions are implemented. The Coalition is committed to working with Minnesota Housing and other funding partners to ensure that the actions and strategies outlined in the Framework are refined and successfully implemented.

In 2025, the Housing Stability Coalition was designated with its own appointee to the [Working Group on Simplifying Supportive Housing Resources](#), which was mandated by the legislature in 2024. The Coalition worked to ensure that its top priorities were reflected in its final report to the legislature, including recommendations to align funding streams between Minnesota Housing and the Department of Human Services and a recommendation to simplify and streamline eligibility and documentation standards across programs and agencies. These key priorities are now the focus of a series of meetings between the Coalition, the Department of Human Services, and Minnesota Housing to develop implementations steps.

In 2025, the federal **Continuum of Care program**, which is the largest and most crucial funding source for **permanent supportive housing** saw dramatic changes to its funding criteria and many members of the Coalition faced immediate loss of funding. While Minnesota organizations teamed up with national groups to seek national legal and legislative relief, the Coalition's top legislative priority for 2026 was to secure state dollars to bridge federal funding gaps. Several member organizations led this charge, taking advantage of the scale of the Coalition to broaden and deepen the advocacy efforts. **A bipartisan agreement among state leaders that the Coalition championed added \$13 million in one-time funding for permanent supportive housing.** With federal funding still under threat, identifying and securing stable funding for permanent supportive housing will continue to be a major concern for Coalition members.

Cultivating a Peer Exchange Network and Stronger Collective Voice

Regular meetings of coalition members create the opportunity for **continuous exchange of information** about the experiences of individual organizations and foster a better understanding of the entire field. Members also share news they hear from similarly positioned organizations in other states, while also sharing the work of the Minnesota Housing Stability Coalition with national organizations. This reciprocal learning approach deepens all organizations' knowledge and has positioned Minnesota as a national leader in taking a systemic, cross-sector approach to finding solutions to deep, shared challenges. The Coalition has proven that **significant policy and funding wins are possible when housing organizations speak in a collective voice** to share challenges and offer solutions that ensure dignified homes for all residents.

Building on Our Success: What's Next

Since its formation in 2023, the Minnesota Housing Stability Coalition has grown and deepened. The Coalition now includes 35 member organizations who bring great diversity in size, scope, geographic focus, and scale, allowing the Coalition to speak powerfully from the experiences of operating affordable housing and permanent supportive housing buildings and supportive

housing services. This year, the Coalition discussed, debated, and adopted a new charter and bylaws to further solidify its structure and decision-making. The Coalition has an active and engaged executive committee and multiple working groups that dig deeply into important topics before presenting them to the full Coalition for awareness and approval.

The affordable housing ecosystem is at a critical inflection point. Organizations are seeing improvements in certain areas, due to the significant investments providers have made in organizational capacity, systems, and strategies and to the systems-level changes and additional resources the Coalition has helped secure in collaboration with ecosystem partners. Operators have been proactive in controlling the areas they can best control, including rent collections, vacancies, and unit turns. However, there continue to be many areas over which operators have little to no control, but which significantly impact the health of a building and its residents. These external factors that are not under Coalition members' control are generally trending worse—not better—and include: delays in the coordinated entry system, the financial precariousness of our residents, security concerns up to and including violence against residents and property managers, fundamental market changes that negatively impact financial pro formas, market demand and pricing for tax credits and debt, and federal policy retreats away from permanent supportive housing. Each of these areas requires a systemic, community-wide response to bring the sector back to full health. The collective voice of the Coalition is essential to inform new solutions.

While economic and policy headwinds remain strong, the Minnesota Housing Stability Coalition continues to demonstrate that important policy and funding wins are possible when housing organizations take collective responsibility to ensure dignified homes for all residents. Building on the significant successes of recent years, the Coalition is currently prioritizing the four core bodies of work. We look forward to continuing to collaborate with our partners across the housing ecosystem to advance these important needs.

- **Proactive Approach:** Shift the system to a proactive approach of identifying threats, challenges, and opportunities early, and convening partners to identify and implement solutions. This includes developing an ongoing system for collecting and analyzing data on the health of the affordable housing system and developing and advocating for a policy agenda to ensure a sustainable system. There is currently no centralized data collection or state-level understanding of the health of the affordable housing industry, which results in unnecessary delays to critical interventions.
- **Preservation Framework:** Ensure faithful implementation of the Preservation Framework, which the Coalition successfully advocated for in the 2025 legislative session. Our top priorities are to advocate for additional resources to appropriately fund the programs and tools that are best suited for stabilization efforts and to ensure the Preservation Framework is a top housing priority for the next governor.
- **Supportive Housing:** Work with Minnesota Housing and the Department of Human Services to align their processes and funding with the understanding that the physical

infrastructure and the service funding are both essential and must work in tandem. Advance recommendations to reduce administrative burdens in program administration. Continue to underscore the threat of federal government retrenchment and the need to identify sustainable state funding to avoid large increases in homelessness.

- **Deep Collaboration and Partnership:** Build a larger tent that fosters relationships among all organizations and coalitions working for safe, stable, affordable housing in the state. Educate elected officials and candidates on housing policy and finance to support them in becoming productive champions of a healthy and effective housing ecosystem. Strengthen relationships with tenant advocates and other coalitions working across the housing spectrum. It is also worth noting that this is a national issue. The Coalition is committed to sharing its learning with other states and staying connected to national work in order to bring emerging best practices back to efforts here in Minnesota.