



March 11th, 2025

Chair Igo and Members of the Housing Finance & Policy Committee,

On behalf of our thousands of activists and supporters across Minnesota, we thank you and your colleagues for having an important discussion about affordable housing. We know that one of the key foundations of success is having a stable place to call home. That is why I am pleased to offer our support for House File 1987, the Minnesota Starter Home Act and HF 2013, a prohibition on selective aesthetics and square footage requirements.

Americans for Prosperity strives to create an economy that works for all – empowering people to earn success and realize their potential. Overly burdensome regulations related to housing, land use, and zoning make housing more costly and erect barriers to economic growth that inhibit opportunity and geographic mobility. Expensive housing prevents people from moving to areas with the most economic opportunity, which erodes their dignity and diminishes their ability to self-actualize. Additionally, excessive regulations limit property rights, as homeowners are no longer able to make use of their homes and properties as they see fit. HF 2013 is a prime example of the type of overly prescriptive regulatory requirements that limit and add costs to housing options in Minnesota.

Our state currently faces a housing supply and affordability crisis. We have a shortage of over 100,000 homes, and average home prices are \$100,000 higher than the national average. Some lawmakers may propose more government intervention to address these issues. However, the root of Minnesota's housing crisis lies in excessive government intervention, including restrictive zoning, land use, and building regulations that drive up costs and make home construction difficult.

The Minnesota Starter Home Act would significantly reduce these regulations by allowing single-family homes, duplexes, and accessory dwelling units (ADUs) to be built on any residential lot. Townhomes would be allowed on any vacant lot or lot platted after 2025. Regulations, standards, and permitting processes for these units could not be more stringent than those currently applied to single-family homes. Additionally, the bill would allow smaller residential lots, allowing for more starter homes to be built across the state.

These reforms would significantly increase the housing supply, as more homes and units could be built on residential lots. By allowing smaller units, such as starter single-family homes, duplexes, and townhomes, the Minnesota Starter Home Act would increase affordability for young families, as these units are often less expensive to own or rent than large single-family homes.

Moreover, the Minnesota Starter Home Act would increase property rights and freedoms for property owners. Allowing homeowners to build and maintain ADUs on their property would give them more freedom and control, whether to house family members and friends, create a studio or study space, or rent the ADU for additional income. The bill would also increase freedom for homeowners, developers, and builders who could build more types of housing and use materials and methods best suited for their needs, as well as the needs of Minnesota residents.



The Minnesota Starter Home Act would increase the housing supply and protect property rights for homeowners without sacrificing Minnesotans' well-being. All projects allowed under this bill would still be subject to federal, state, and local regulations regarding health, safety, and general welfare.

Housing in Minnesota has become too expensive for families to afford. The Minnesota Starter Home Act would help ease the Gopher State's supply crisis and increase housing affordability. We urge your support of HF 1987 and HF 2013 to promote a housing market that is free of overly burdensome requirements that inhibit affordable options for Minnesotans.

We appreciate your leadership on this issue and look forward to being a part of this conversation to help more Minnesotans find a stable place to call home and break the barriers that stand in the way of their American Dream.

Sincerely,

RaeAnna K. Lee

RaeAnna K. Lee
Legislative & Coalitions Director, Minnesota
Americans for Prosperity
rlee@afphq.org



March 10, 2025

Subject: Urgent Support for House File 1987: The Building Minnesota Starter Home Act - Addressing Minnesota's Critical Housing Shortage

Chairman Igo and Esteemed Members of the House Housing Committee,

The Builders Association of Minnesota (BAM) endorses House File 1987, a strategic and forward-thinking legislative initiative designed to alleviate Minnesota's escalating housing crisis. This legislation offers a crucial, standardized framework for expanding housing options on single-family lots, addressing the core challenge of affordability and availability.

Minnesota's housing shortage has reached a critical juncture, demanding immediate and decisive action. HF 1987 presents a solution by establishing a minimum uniform standard, coupled with essential safeguards, to enable the development of additional housing units. This approach empowers prospective homeowners with accessible entry points into the market, facilitating potential income diversification and fostering adaptable, multigenerational living arrangements. By providing builders and developers with the necessary flexibility, HF 1987 enables tailored solutions that effectively meet the diverse needs of families and communities across the state.

While BAM deeply values the contributions of our local government officials, the severity of the current housing deficit necessitates a statewide, coordinated response. We commend Chairman Igo for his visionary leadership in introducing this pivotal legislation.

For half a century, the Builders Association of Minnesota has served as the authoritative voice for the residential construction industry statewide. Our extensive membership, comprising home builders, remodelers, developers, and a robust network of allied professionals, including subcontractors, suppliers, realtors, manufacturers, and financial institutions, underscores our comprehensive understanding of the housing market.

We urge the committee to vote favorably on House File 1987.

Thank you for your thoughtful consideration.

Sincerely,

Grace Keliher Executive Vice President Builders Association of Minnesota

March 10, 2025



CENTRAL MINNESOTA
**BUILDERS
ASSOCIATION**

Pg. 1 of 2

CMBA SUPPORTS THE STARTER HOME ACT – SF2229 / HF1987

CMBA represents nearly 300 local developers, builders, contractors, and related businesses in the Greater St. Cloud area. CMBA strives to improve the Central Minnesota building industry by advocating at the local, state, and national levels, educating our members about building industry best practices, and connecting our members in activities that strengthen competitiveness, professionalism, and the public's confidence in our industry. CMBA also collaborates with our local communities in addressing development and building needs, including the need for housing in which people can afford to live.

As part of CMBA's overall efforts to address the increasingly critical need for housing of all types in our communities, **we enthusiastically support passage of the Minnesota Starter Home Act SF2229/HF1987.**

Starter homes see it all: marriages, births, first steps, and most importantly, achieving the American dream of home ownership. Starter homes help Minnesotans build equity and generational wealth, and make move-up homes more attainable. **They are at the core of building community!**

Starter homes are a critical feature of a healthy housing ecosystem, yet they are not a fixture of Minnesota's new home market. The Minnesota Starter Home Act (SF2229 /HF1987) gives us all the best chance to fix that on a bi-partisan basis.

Why We Need The Minnesota Starter Home Act:

- **Minnesota has the highest median new home price in the region:** nearly 30% higher than North Dakota, more than 41% higher than Iowa, and more than 51% higher than South Dakota. This comparison is apples-to-apples, and takes into account differences in property values among states. (*Zonda*).
- Our state's **housing deficit has doubled** since 2018 and now represents nearly four years of homebuilding; **the status quo is no longer capable of addressing and solving this crisis.** (*State Task Force on Housing, Up for Growth*)
- The **median first-time home buyer age is nearing 40**, leaving the next generation of homeowners to lose out on a decade of wealth building. (*National Association of Realtors – real # is 38*)
- Since 2005, **home price growth has eclipsed income growth.** The median new home price has increased 85.87%, while incomes are up only 11.38%. (*Zonda and U.S. Census*)

These are important reasons why CMBA supports the Minnesota Starter Home Act. Builders across the country build affordable new starter homes. But in Minnesota, **our outdated land use laws make it too difficult to supply new starter homes** – particularly at entry-level price points. Minnesota's regulatory framework does not allow the starter homes we need for the future of our state.

We appreciate your careful consideration, and **urge you to vote "YES"** on the Minnesota Starter Home Act.

Sincerely yours,

A handwritten signature in blue ink that reads "Wanda Schroeder".

Wanda Schroeder
Executive Director

Cc: CMBA Board of Directors

March 11, 2025

Chair Spencer Igo
House Housing Finance and Policy—Capitol G-3
75 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, Minnesota, 55155

Chair Igo and members of the House Housing Finance and Policy Committee:

The Council on Asian Pacific Minnesotans (the Council) submits this letter in support of H.F. 1987, offered by Representative Igo, to increase the supply of starter homes in Minnesota.

The Council is charged by the Legislature with the statutory duty of advocating on behalf of Minnesota's Asian and Pacific Islander (API) communities, acting as the liaison between state government and Minnesota's API communities and serving as an advisory body to the Legislature and the Governor. It is in this capacity that we express our support for H.F. 1987.

In the Council's 2024 Community Priorities Survey, Home Ownership was identified as among the top priority issues for Asian Pacific Minnesotans through hundreds of responses gathered from across Minnesota's API communities. Homeownership is the foundation of financial security and building generational wealth for many Minnesotans, yet remains challenging to achieve for first-generation homebuyers, including among Minnesota's refugee-experienced populations.

Asian Pacific Minnesotans currently have a lower rate of homeownership than the population of the state as a whole, particularly for those from the Southeast Asian community. Improving access to stable housing, including through homeownership, will benefit Asian Pacific Minnesotan families, their communities, and employers. The lack of availability and cost of purchasing a first home are both commonly cited barriers to homeownership by Asian Pacific Minnesotans. By promoting an increase in the housing supply, particularly for starter homes, H.F. 1987 will help make housing both more available and more affordable for Minnesotans, including Asian Pacific Minnesotans.

We thank the Committee for its consideration of this bill and the opportunity to express the Council's view. We urge the Committee to support to H.F. 1987.

Sincerely,



Andrew Morris
Legislative and Public Affairs Liaison
Council on Asian Pacific Minnesotans



Building homes, community, and hope.

11 March 2025

Re: HF1987 MN Starter Home Act and HF 2013 Freedom in Home Design Act

To: Chair Igo and Members of the Housing Finance & Policy Committee

Dear Chair Igo and Members of the Committee,

Thank you for the opportunity to share Habitat for Humanity of Minnesota's (Habitat Minnesota) support of HF1987 and SF2013. Habitat Minnesota is a statewide support organization that provides training, technical assistance, lending, grants to the 24 local Habitat affiliates, working in 59 counties across the state. We are deeply invested in homeownership production and preservation and know that the stability of a family's living situation is closely tied to their wealth, health, and education.

Habitat Minnesota is part of *Yes to Homes*, a large and diverse coalition united around the common goal of creating statewide housing policy focused on meaningfully expanding development to increase the variety and supply of housing options.

Safe and stable homes are essential for strong communities, yet too many Minnesotans struggle to find housing that fits their needs. By updating zoning policies and expanding the types of homes that can be built, we can increase access to affordable homeownership, address affordability, support economic growth, and ensure families can find homes that meet their needs at every stage of life. Habitat Minnesota supports the following legislation that advances these goals:

- ❖ **HF1987 MN Starter Home Act** would allow smaller lots, duplexes, ADUS, and townhomes in residential zones. The bill also establishes a process for administrative approvals, ensuring local governments review and approve projects within a reasonable timeframe.
- ❖ **HF 2013 Freedom in Home Design Act** seeks to increase affordability by addressing the common exclusionary zoning tactic of aesthetic requirements. The state building code will still be in effect, preserving regulations related to safety, durability, or energy-efficiency.

Thank you for the opportunity to share our support of HF1987 and HF2013 which will reduce barriers to building more home and ensure more families can afford a place to call home. Please reach out to myself or Jeru Gobeze (jeru.gobeze@habitatminnesota.org) with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Cristen Incitti".

Cristen Incitti, President & CEO
Habitat for Humanity of Minnesota
cristen.incitti@habitatminnesota.org



12600 Whitewater Drive | Suite 150 | Hopkins, MN 55343

March 11, 2024

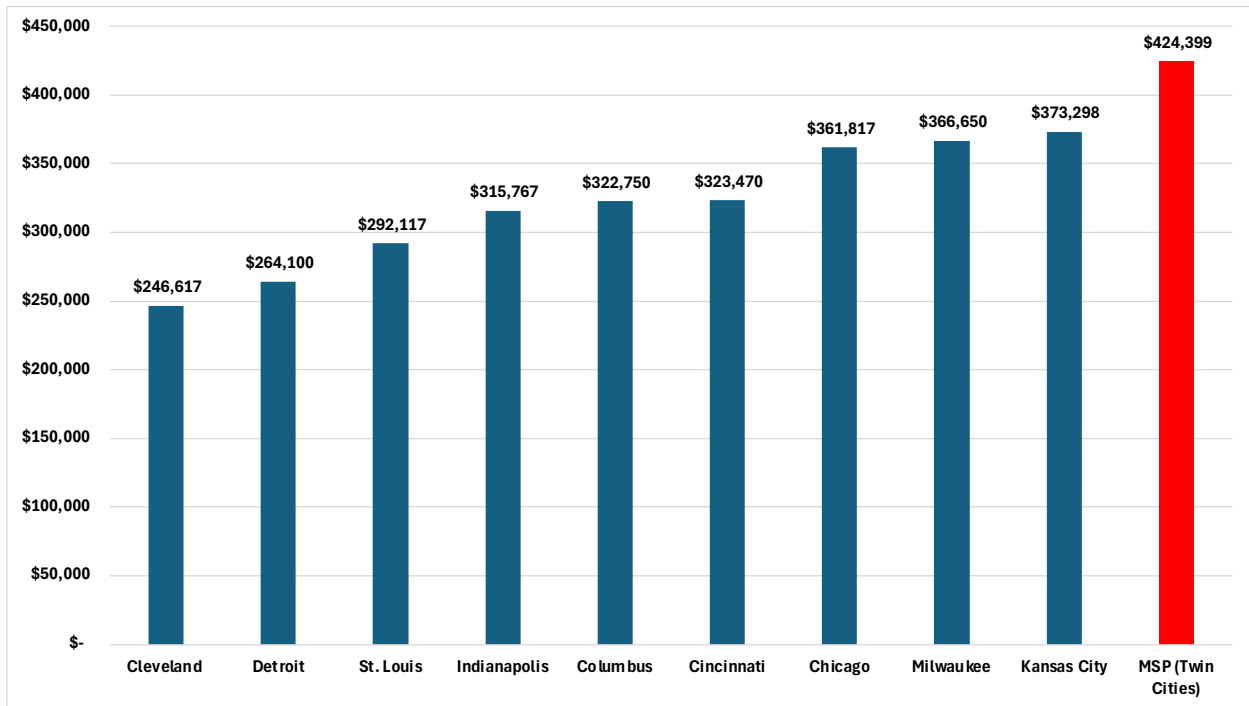
Mr. Chair and Members of the Housing Finance and Policy Committee

My name is Martha Njolomole, and I am an Economist at Center of the American Experiment. Minnesota needs more housing, and HF 1987 and HF 2013 provide a pathway to building more homes in Minnesota.

More housing = Affordable prices

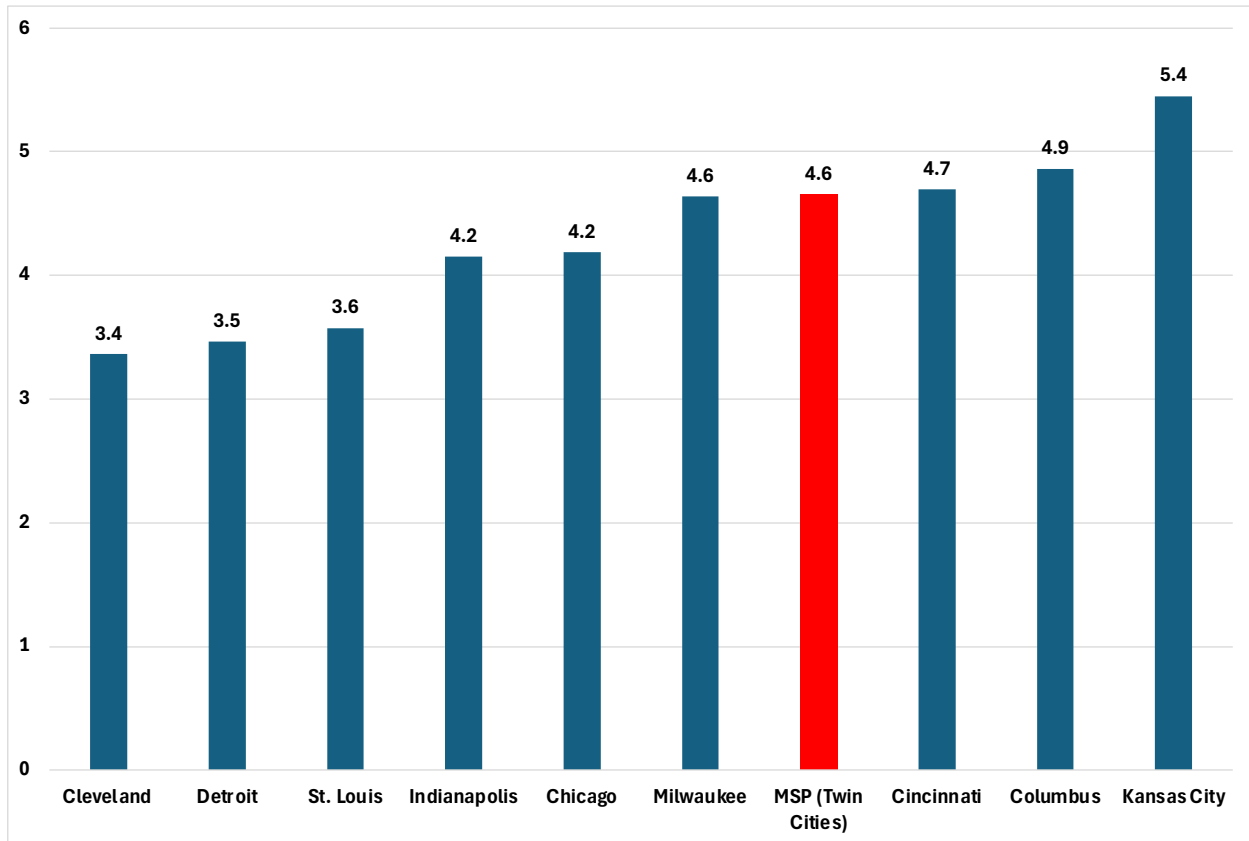
Minnesotans, especially those living in the Twin Cities, are short-changed when it comes to housing. Data from Realtor.com shows that in the last quarter of 2024, the median home price in the Twin Cities Metro reached \$424,000. This places the Twin Cities as the third most expensive non-coastal metro area in the U.S. Among Midwestern cities, it ranked as the priciest in dollar terms in Q4 of 2024 and came in fourth after adjusting for household income in 2023.

Figure 1: Median home price in the top ten Midwest Metros, Q4 2024



Source: Realtor.com

Figure 2: Median home price to median household income ratio, 2023



Source: Realtor.com, US Census Bureau

HF 1987 and HF 2013 provide a step in the right direction by addressing some of the numerous regulations that hinder and delay housing development and add tens of thousands of dollars to the cost of new housing. Aesthetic mandates, and rules dictating housing design and materials to be used, for instance, limit flexibility and add extra costs. Minimum lot size requirements and zoning rules limit options and raise the cost of housing by preventing development on smaller lots, as well as the development of smaller and more affordable housing options such as townhomes and duplexes. Loosening regulations will spur housing development, increasing the housing supply. This will lessen competition on existing homes, and likely lower prices or lower the rate of price growth.

Certainly, local control is a significant and indispensable part of our federal system of government. However, by going beyond broad land use segregation and limiting what kind of housing can be built and where, dictating how big lots and housing units must be, and how housing should look like, local governments have inadvertently restricted opportunities and personal freedoms for Minnesotans. To deliver long-lasting and substantial results, housing



12600 Whitewater Drive | Suite 150 | Hopkins, MN 55343

reform must deal with these restrictive local rules. HF 2013 and HF 1987 outline a way for that while also respecting local control.

Thank you, Mr. Chair and Members of the Committee,

Martha Njolomole
Economist
Center of the American Experiment


MUNICIPAL LEGISLATIVE
COMMISSION

MLC Cities

Apple Valley
Bloomington
Burnsville
Chanhassen
Eagan
Eden Prairie
Edina
Golden Valley
Inver Grove Heights
Lakeville
Maple Grove
Minnetonka
Plymouth
Prior Lake
Rosemount
Shakopee
Shoreview
Woodbury

March 10, 2025

Dear Members of the House Housing Finance and Policy Committee:

This week, as you deliberate on bills aimed at addressing Minnesota’s housing gap, the Municipal Legislative Commission (MLC)—a coalition of 18 cities representing nearly one million residents across the seven-county metropolitan region—would like to highlight the significant efforts our cities are already undertaking to enhance housing production and affordability.

MLC cities are committed to addressing housing challenges through innovative and diverse approaches. As illustrated in the attached city housing snapshots, these efforts include comprehensive planning, removing barriers to housing development with tailored local policies and ordinances, and local investments in affordable housing to provide a spectrum of options that meet the unique needs of our communities.

As you consider legislative changes, we urge caution regarding proposals that impose rigid restrictions on local land use and zoning authority. Such measures could undermine the progress our cities have made in responding to unique community needs. Instead, we advocate for incentive-based approaches that empower our cities to continue their effective work in expanding housing options. For more examples of the substantial housing efforts happening in MLC cities, please check out **MLC Housing** (<https://www.mlcmn.org/housing>).

We look forward to collaborating with you and the bill authors to advance solutions that build on existing successes while addressing the urgent need for affordable housing across Minnesota. Thank you for your leadership on this critical issue.

Sincerely,



James Hovland
Chair, MLC
Mayor, City of Edina

Attachments:

Housing Availability and Affordability in Bloomington
Affordable Housing in Eagan
Edina Housing Update
Lakeville Housing Snapshot
Minnetonka Housing Report
Prior Lake Housing Update

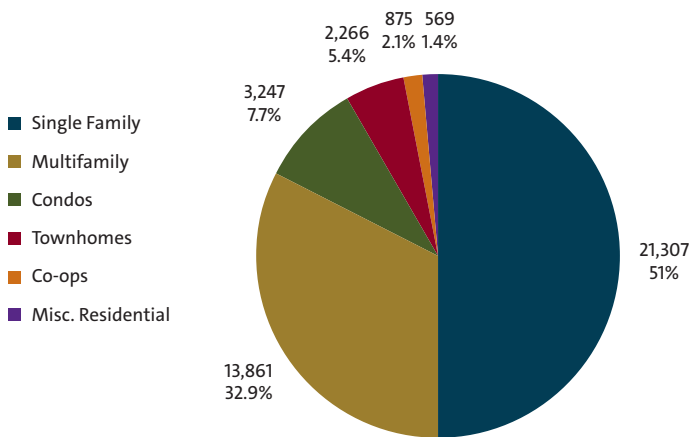
BLOOMINGTON.

tomorrow. together.



HOUSING AVAILABILITY AND AFFORDABILITY IN BLOOMINGTON

HOUSING UNITS BY TYPE



City of Bloomington, City Assessor's Office (2024) Assessment Report 2024
 The City has 42,125 taxable housing units. There are 21,307 Single Family, 569 Misc. Residential, 13,861 Multifamily, 3,247 Condos, 2,266 Townhouse, and 875 Co-op Units.

- 91,537 residents
- 39,634 households
- 2.3 persons per household

Met Council and US Census Bureau

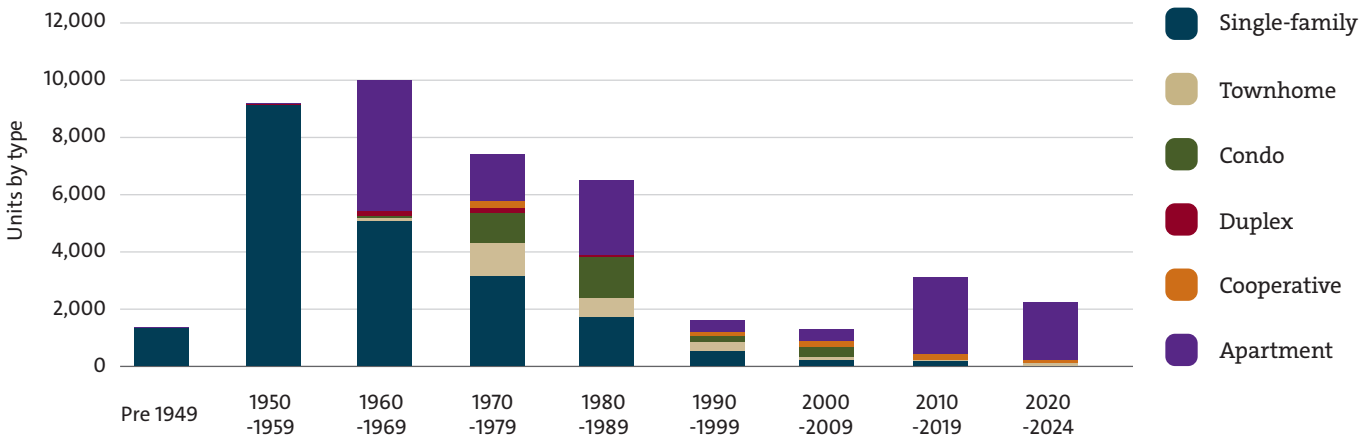
- Median home value: \$361,800
- Average rent: \$1,361

City of Bloomington Assessment Report (2024)

- 67% of housing is owner-occupied
- 27% of households are housing cost burdened (pay more than 30% of income toward housing costs)

2017-2021 American Community Survey 5-year Estimates

NEW HOUSING UNIT COUNT BY TYPE AND DECADE IN BLOOMINGTON



Bloomington has seen steady residential development since the 1950s and is fully developed. To meet today’s housing needs with limited available land, the City promotes redevelopment and infill development and focuses on these four areas:



1. PEOPLE CENTERED PROGRAMMING

Bloomington’s Housing Redevelopment Authority runs numerous programs that strive to create a stable and inclusive community through safe and dignified housing. Key programs include:

- Rental assistance (500+ Housing Choice Vouchers)
- 42 HRA-owned rental homes
- Home rehab loans / Emergency rehab loans
- Downpayment assistance
- Rent to own program, called Rental Homes for Future Homebuyers
- Many other education and outreach programs



2. REMOVE BARRIERS TO HOUSING PRODUCTION

Bloomington is reviewing its codes and development processes to remove barriers to the production of housing, including considering ways to allow for and promote the development of missing middle housing and the conversion of offices to housing. Recent changes to support housing production include:

ZONING CODE CHANGES:

- Simplified standards for Accessory Dwelling Units (ADUs)
- Reduced setbacks, minimum lot and unit size, and parking for single- and two-unit sites

DEVELOPMENT PROCESS CHANGES:

- 2-units are a permitted use by-right on all single-unit lots
- Multi-unit changed from conditional use to permitted in some districts
- Expanded administrative site plan/zoning approval

3. REQUIRE AFFORDABILITY

OPPORTUNITY HOUSING ORDINANCE (OHO)

In 2019 Bloomington approved the Opportunity Housing Ordinance (OHO) that includes inclusionary zoning standard with both requirements and incentives.

- 9% of new units must be affordable at 60% Area Median Income (AMI)
- Between 2020 and 2024
 - 13 multifamily projects entitled under the OHO
 - 11 projects utilized incentives, most frequently parking stall reduction, tax increment financing, and alternative exterior materials
 - 2 projects paid fee in lieu
 - 616 of the 2,586 units (23%) are affordable up to 60% AMI
 - 322 of the 2,586 units (12%) are affordable up to 50% AMI
 - Producing housing at 30% AMI is the most challenging, typically requiring Housing Choice Voucher program involvement. 40 of the 2,586 units (1.5%) are affordable at 30%.

4. FUND THE FINANCIAL GAP

HOUSING TRUST FUND

In 2019 the City created an affordable housing trust fund and funded it with \$15M in bonds through Old National Bank. The Housing Trust Fund was used to support 5 projects that resulted in 524 new and 306 preserved affordable units.

AFFORDABLE HOMEOWNERSHIP

The City partners to build new affordable homeownership housing. A planned project with Habitat for Humanity and Homes Within Reach will result in 6 new affordable homes. And a grant from Minnesota Housing will fund a new home development program to produce 27 new affordable homes.

REHABILITATION LOANS FOR AFFORDABLE APARTMENTS

On an ongoing basis, the City’s HRA works with apartment owners to support renovations that preserve existing affordable units.

PROJECTS FUNDED WITH \$15M IN HOUSING TRUST FUNDS (2020-2024)

Project Name	Loan Amount	Affordable Units Created or Preserved	Subsidy per Affordable Unit
Blooming Meadows	\$7,000,000	306 preserved 172 new	\$16,393
Lyndale Flats	\$1,457,913	81 new	\$17,999
Cadence	\$975,000	68 new	\$14,338
Oxboro Heights	\$2,125,000	75 new	\$28,333
700 American	\$3,426,460	128 new	\$26,769

AFFORDABLE HOUSING IN EAGAN

2021

Lexington Flats



50 units, 50%-60% AMI, one- to three-bedroom units, LIHTC

- Supported increased density and building coverage
- Allowed reduced building and parking setbacks
- City supported low-income tax credit financing
- Low-income housing tax credit financing (LIHTC)



EAGAN

WHERE EVERYONE THRIVES

2022

Aster House



204 units, 30% 50-70% AMI, one- to three-bedroom units, LIHTC-TIF

- Allowed increased density
- Allowed for reduced building setbacks, reduced enclosed parking, and recreation areas
- \$750,000 HOPE loan from local levy source
- City supported use of tax increment financing (TIF) and LIHTC

How does the City of Eagan encourage affordable housing developments?

2024

Nicols Pointe



24 units, 30% AMI, one-bedroom units, seniors & veterans preference

- Supported reduced parking, storage, and recreation area
- 100% funded by the Dakota County American Rescue Plan (ARP) State and Local Fiscal Recovery Funds

2024

The Haven at Eagandale



120 units, 60-80% AMI, one- to two-bedroom units, conversion of former extended stay hotel

- Waived enclosed parking stalls (120 required)
- Supported reduced parking and reduced trash enclosure setbacks

2025

Veteran's Village

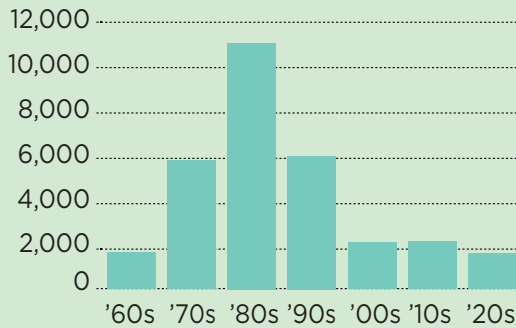


22 units, one- and three-bedroom units, veterans housing

- Increased density
- Reduced building setbacks, enclosed parking, storage space, and recreation area

HOUSING STOCK IN EAGAN

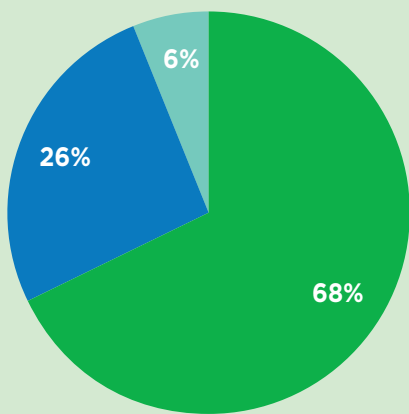
Eagan housing units by year



Affordability

- 45% of all licensed rentals are estimated affordable at 60% or below area median income
- 19% of all ownership housing is valued under \$290K
- 26% of new housing qualified as affordable

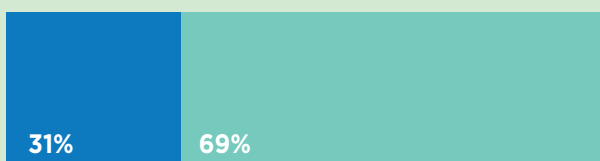
New housing units 2020-2024



- Affordable multifamily: 420 units
- Single family/townhome: 92 units
- Multifamily: 1,108 units

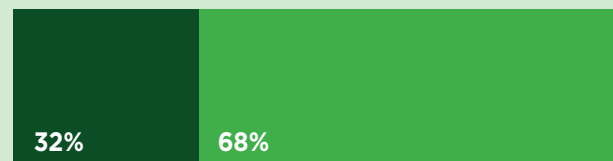
- Eagan is a fully developed and mature city
- Eagan's housing stock largely constructed in '70s-'90s
- Over 30,100 housing units in the city
- 31% of all units are multifamily
- 1,620 new housing units constructed within the past five years.
- 94% of new housing built within the past five years is multifamily

Total housing units by type



- Multifamily: 9,485
- Single family/townhome: 20,693

Housing tenure (all units)



- Licensed rentals: 9,615
- Owner occupied: 20,563





Edina Housing Demographics

Fast Facts

- 7% of land in Edina is zoned for multifamily housing
- 11% of new multifamily housing is rated "affordable"
- Edina has a housing performance score of 92.99
- 900 affordable units in Edina
- 1,804 affordable housing units are needed in Edina by 2030

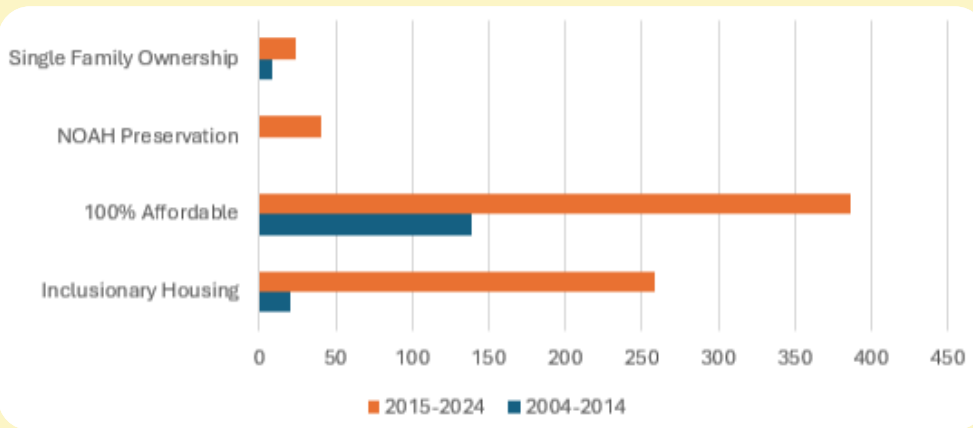


Comprehensive Plan Goals for Affordable Housing

	Forecasted Need	Approved	% of Need
Total Units	1804	586	32.5%
<30% AMI	751	22	2.9%
31-50% AMI	480	260	54.2%
51-80% AMI	573	304	53.1%

Affordable Housing Policy

Affordable Housing Approved Before and After Adoption of the Affordable Housing Policy



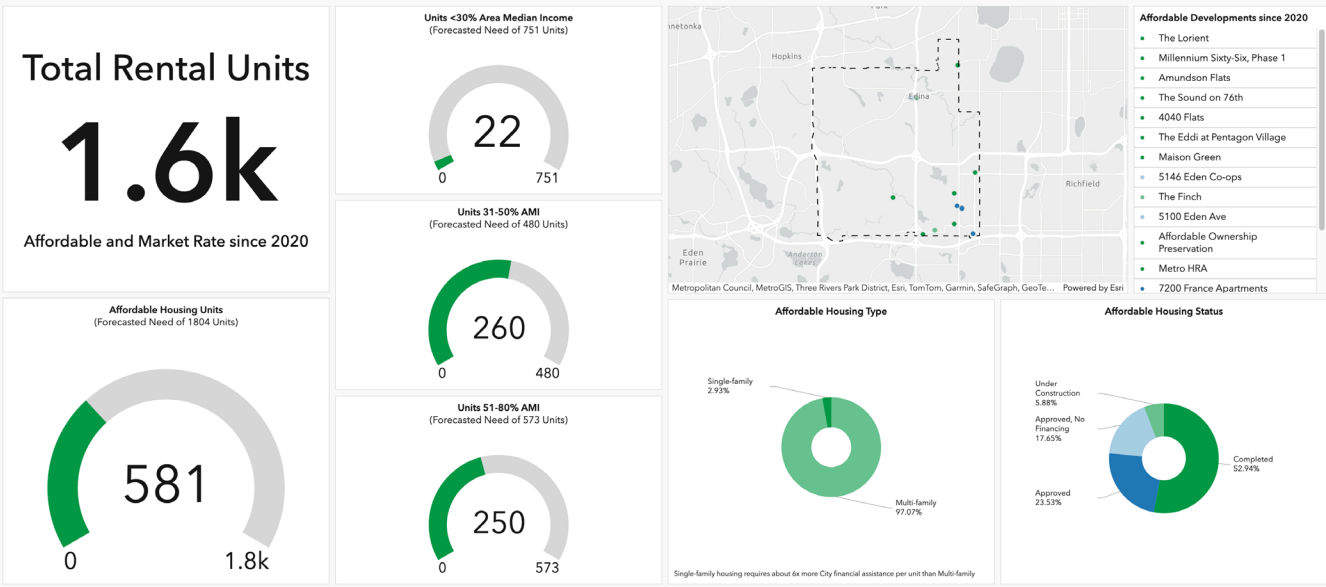
Edina's Affordable Housing Policy was adopted in 2015, helping to spur such development and the preservation of naturally occurring affordable housing (NOAH). Not all units that have been approved have been built.



Multifamily Rental

Since 2020, 1,851 apartment units have been developed in Edina, of which 321 (17.3%) are affordable. In this time period, three 100% affordable apartment buildings have been added, breaking a dry spell for such development. Previously, the last all-affordable housing development was built in 2014 with 39 affordable apartments.

Affordable Housing Goals by 2030



Rental Housing Support

- SPARC program
- Tax-increment financing
- Federal-, State- and County-financed projects
- Emergency rental assistance
- Fair Housing Policy
- Tenant Protection Policy

Multifamily Ownership

In 2024, the City approved what could be its first affordable condominium project (A nine-unit co-op approved in 2022 fell through.) Enclave Companies and Lifestyle Communities plan to subdivide the 9-acre site of the current Macy's Furniture & Mattress Gallery at 7235 France Ave. into three separate lots. Four buildings were approved for construction on the site. The southwest parcel will include an 11-story building with 49 senior condominiums, office and retail space.



Single-Family Ownership

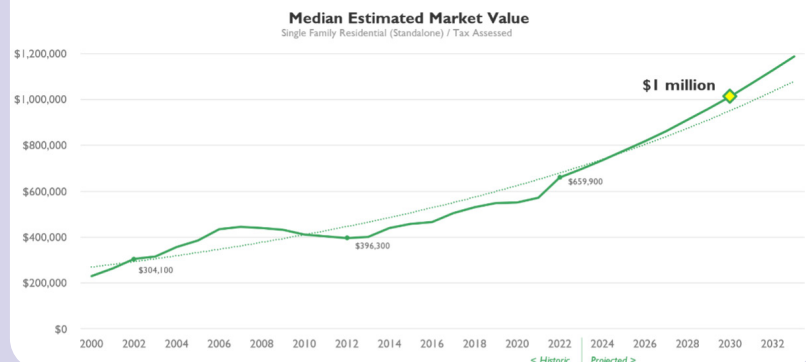
Between 2004 and 2014, Edina added nine single-family houses into a Community Land Trust to secure affordability for 99 years. From 2015 to 2021, the City more than doubled that with 20 additional houses being placed into a Land Trust and sold to eligible buyers.

Since 2020, 72 households have benefited from the Come Home 2 Edina downpayment assistance program, including 12 first-generation homebuyers. (The first-generation homebuyer program was established by the City in 2021.) \$4,137,614 in subordinate mortgage financing was provided, leveraging \$19,245,991 in home purchases.

Housing affordability is at risk in Edina as the median home value in the community continues to increase. It is projected that the median home value in Edina will be \$1 million by 2030.

Housing Affordability At Risk

Example: Single Family Housing Values (Projected)



Stephanie Hawkinson, Affordable Housing Development Manager
Planning Division
shawkinson@EdinaMN.gov
952-833-9578
OpenDoorsEdina.org

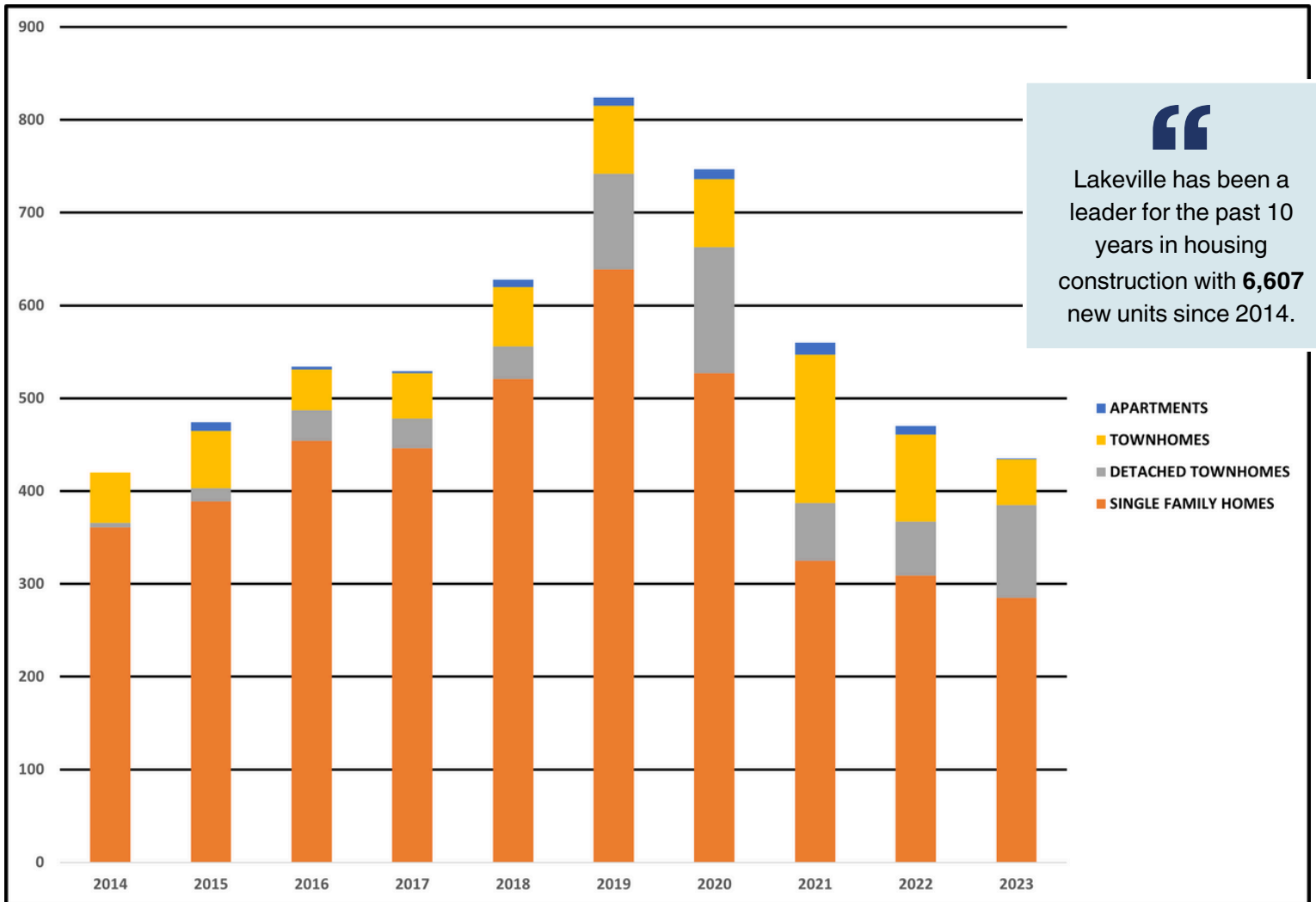




HOUSING SNAPSHOT

Community Values: A home for all ages and stages of life.

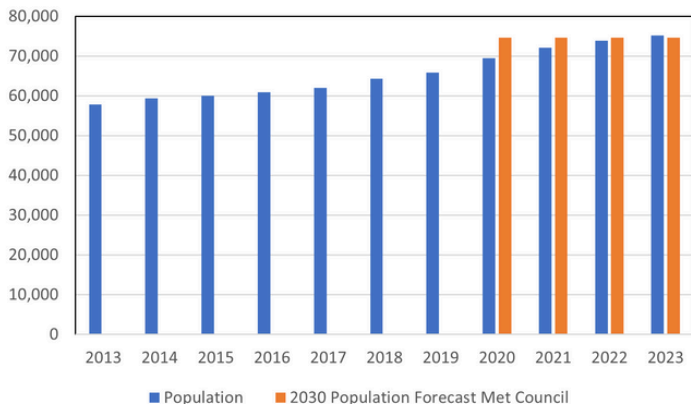
Residential Units Permitted



“
Lakeville has been a leader for the past 10 years in housing construction with **6,607** new units since 2014.

- APARTMENTS
- TOWNHOMES
- DETACHED TOWNHOMES
- SINGLE FAMILY HOMES

Lakeville’s population has grown 9.7% since 2020 and exceeded the Metropolitan Council’s 2030 forecast of 74,600 by July 2023.



City of Lakeville Population Data



As we look to the future, Lakeville will continue to be a leader in unit production. The City has **525** available single-family lots and **731** available townhome lots, with an additional **314** single-family and **337** townhome lots waiting for final platting. Altogether, this equates to a total of **1,907** lots in the pipeline ready for builders.

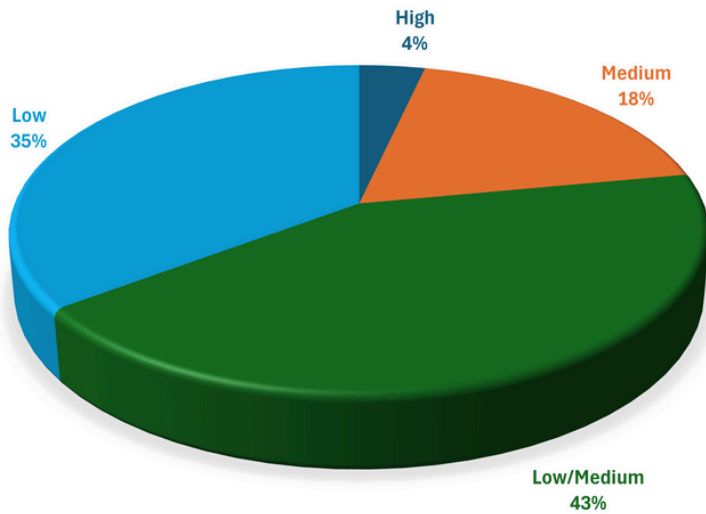


HOUSING SNAPSHOT

Community Values: A home for all ages and stages of life.

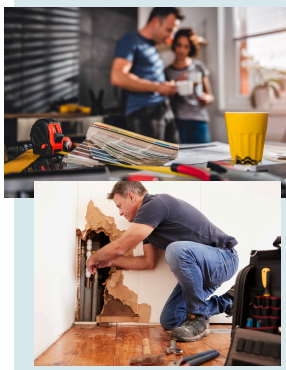


Remaining Developable Residential Acres



Lakeville has **1,945** acres available for new residential development. Of this, **77%** of the acres are available for single family with lots as small as 55' wide. The remaining **22%** of acres are available for higher density development, like townhomes and apartments.

Lakeville has added over **1,500** multi-family units, of which 25% are affordable, to its housing stock in the last seven years and continues to support new apartment projects. Currently, the City has **460** units with entitlements moving through our development pipeline.



- Lakeville has expanded programs to **maintain and rehabilitate existing housing**.
 - Community Development Block Grant funds are requested annually to assist residents with home rehabilitation.
 - The City Council approved the use of Local Affordable Housing Aid funds for home improvement and radon mitigation grants.
- Lakeville operates a **residential rental registration program** to ensure rental housing is decent, safe and sanitary.
 - The program builds strong partnerships with rental property owners.
 - Registration is free for property owners.
 - Over 650 properties have registered since December 2023.



Minnetonka Housing Demographics



Minnetonka HOUSING

Minnetonka was one of the first communities to participate in the Livable Communities Act when the Minnesota legislature created it 30 years ago. In that time, the city has continued to lead the way in developing and achieving comprehensive plan housing goals.



Encourage diversity of affordable housing types, sizes and prices

Rental housing support

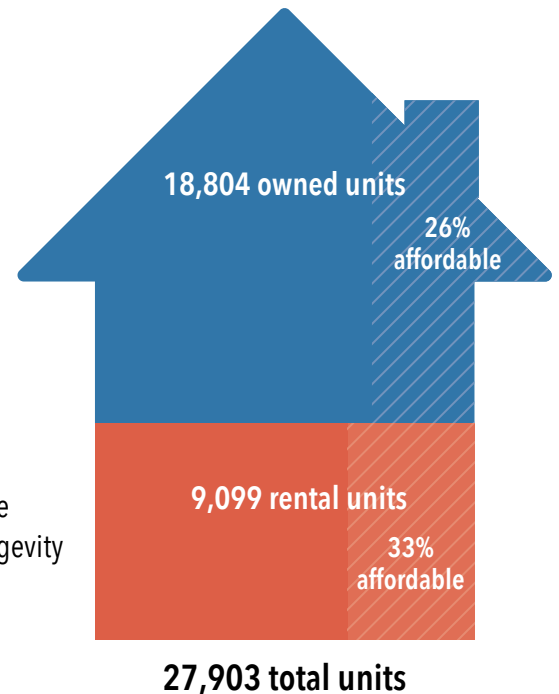
- Affordable Housing Trust Fund
- TIF funding
- State and federally financed projects
- Housing policy
- Rental assistance



Create partnerships and programs to ensure affordable housing longevity

Housing ownership support

- HRA Home Loans
- Pathways to Homeownership
- CDBG Loans
- Homes Within Reach program
- Indexing (limit resale price)
- City-owned properties



Minnetonka prioritizes housing production affordability.

2011-20 Minnetonka Livable Communities Act Affordable Housing Goals

	GOAL	RESULTS
New affordable units (rental and ownership)	246-378	679 (276% achieved)
New lifecycle unit	375-800	1,655 (441% achieved)

2021-30 Minnetonka Livable Communities Act Affordable Housing Goals

	GOAL	RESULTS
New affordable units (rental & ownership)	558-1064	752 (135% achieved to date)
New lifecycle units	2400	1,336 (55% achieved to date)

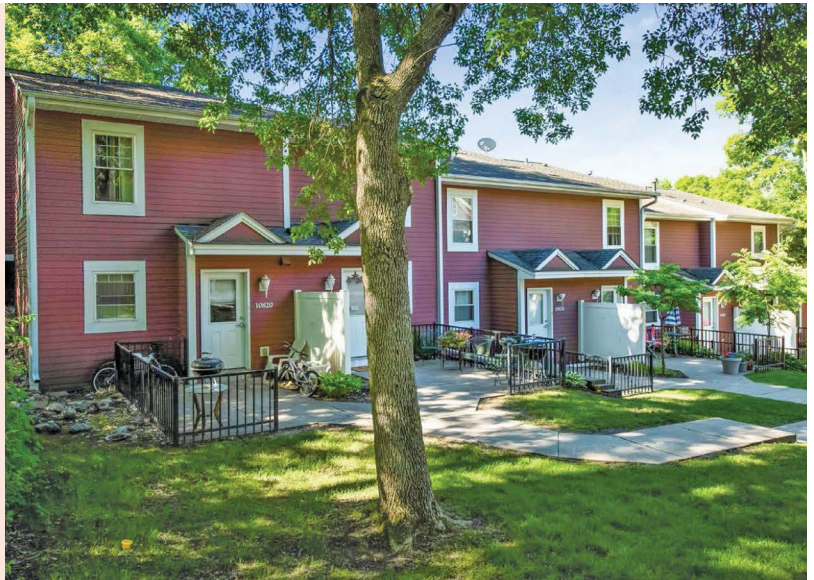


In the past five years, 2,809 multi-unit households have been added in the city; 28 percent are affordable.

GOAL 3

Strengthen neighborhoods through improving and preserving existing housing stock

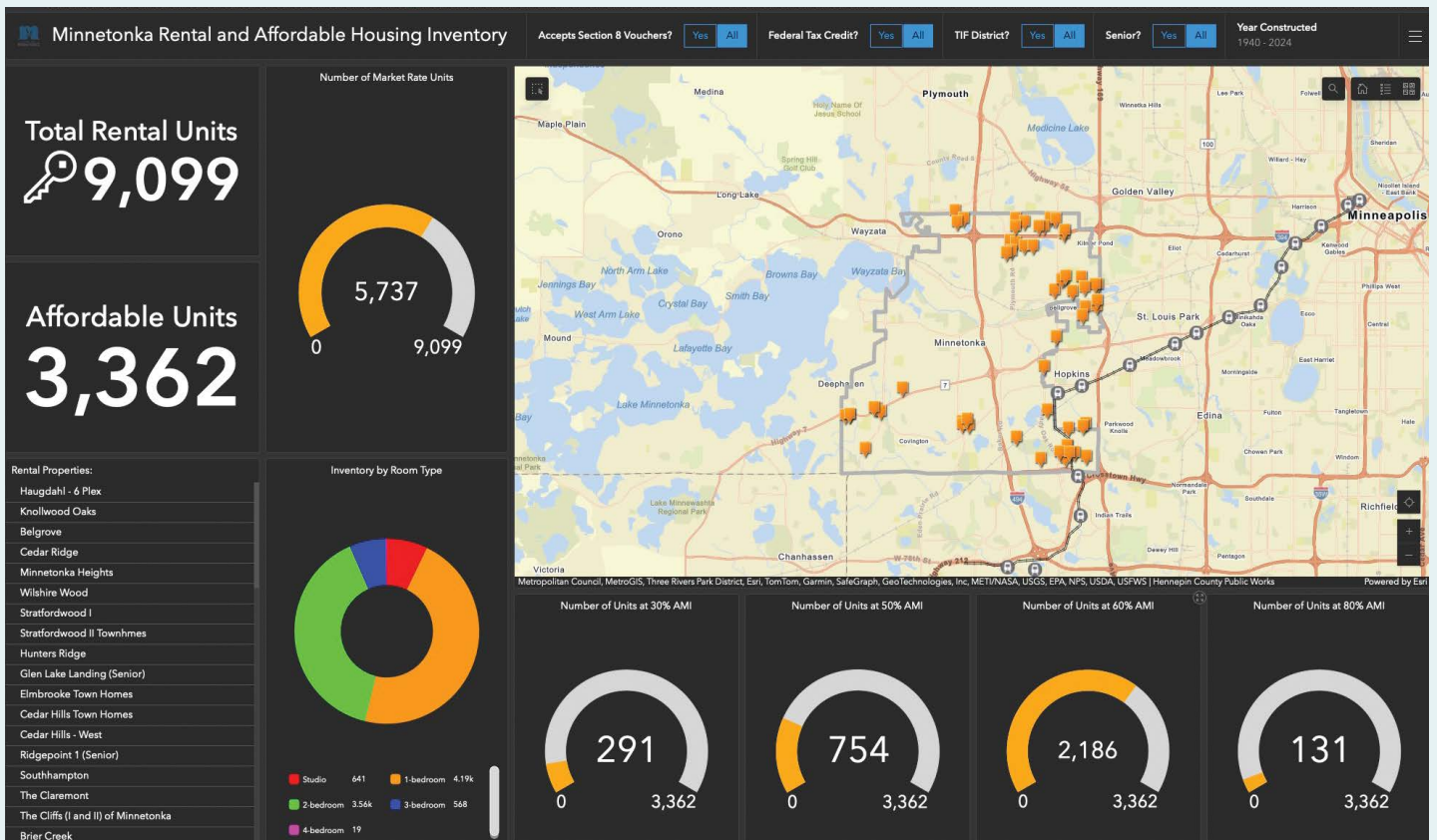
Minnetonka's housing trust fund helped support the rehabilitation of Cedar Hills Townhomes, improving the living conditions and sustainability of the development for 30 very low-income families.



GOAL 4

Provide and promote affordability information

The housing dashboard helps identify affordable options across the community, including rentals, townhomes and condos and senior living options. A third of the city's rental units are affordable.

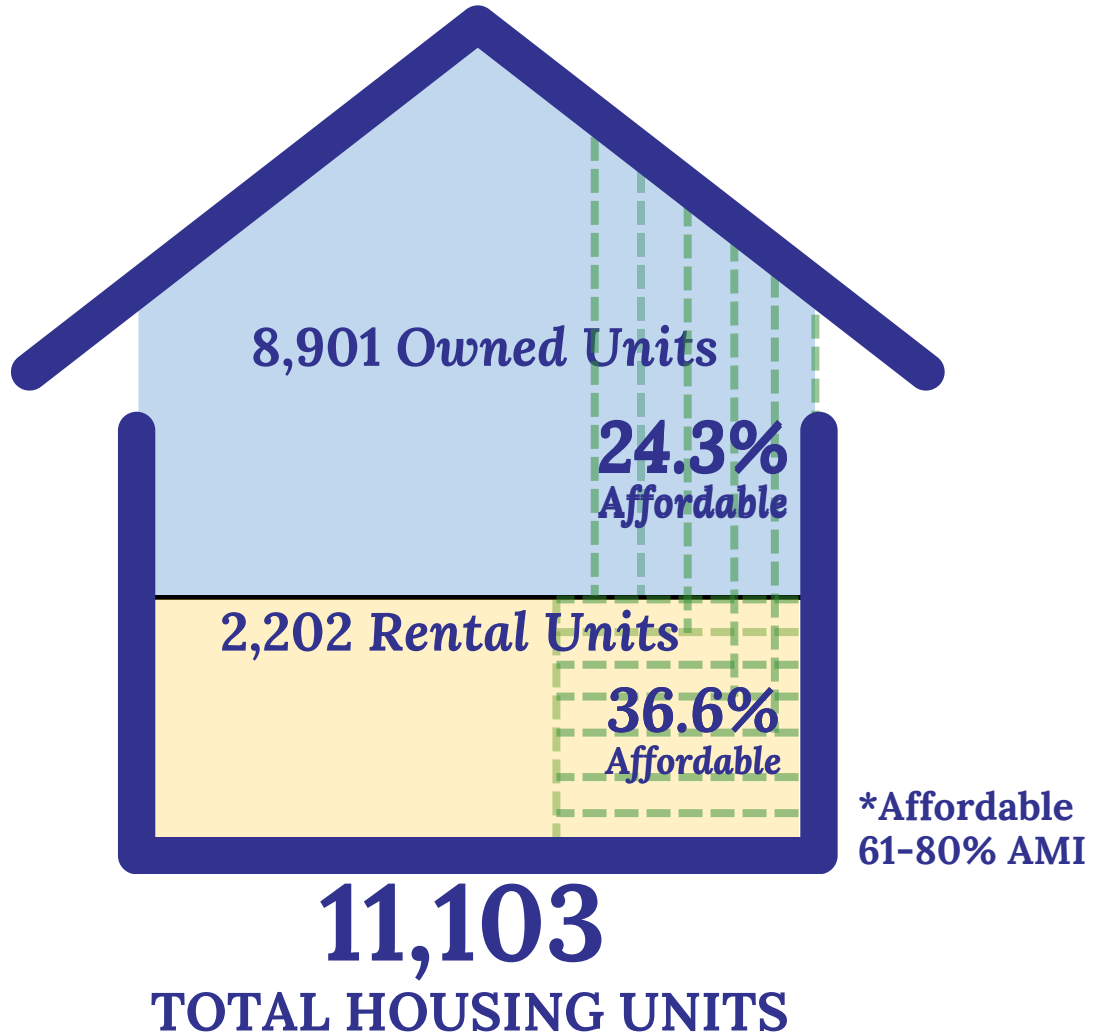


Julie Wischnack, FAICP
Community Development Director
jwischnack@minnetonkamn.gov
952-939-8282

PRIOR LAKE HOUSING



CURRENT CONDITIONS



PRIOR LAKE HOUSING



NEW CONSTRUCTION 2015-2024



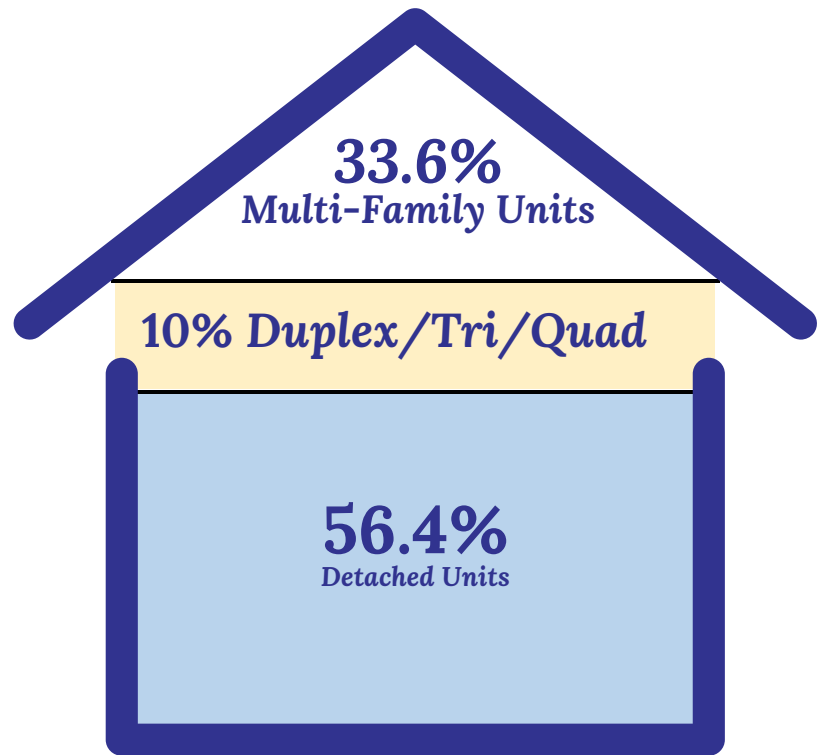
Grainwood Senior Living
168-unit subsidized affordable
apartment building for adults 55+



Pike Lake Marsh is a 68-unit subsidized
workforce housing apartment building



**Scott County Specialized Emergency
Family Housing** will provide 14-units for
temporary homeless family housing and
to be constructed in 2025.



1,894
**TOTAL HOUSING
UNITS**



**Towering Woods
Townhomes** is a
development of 12
attached townhome
units being
constructed by Twin
Cities Habitat for
Humanity.



Re: HF1987 Igo, Minnesota Starter Home Act

March 10, 2025

Chair Igo and members of the Housing and Homelessness Prevention Committee,

On behalf of the housing industry in Minnesota, Housing First Minnesota offers this letter in support of HF1987, authored by Representative Igo.

By way of background, Housing First Minnesota is a trade association of nearly one thousand members of the housing industry with the mission of homeownership opportunities for all.

As we've shared with the committee in recent hearings, our concerns about the future of homeownership in Minnesota continue to grow. Our housing market is chronically under-supplied, but the demand to own a house remains.

The homebuilding industry is working to meet the needs of Minnesotans, but we need your help. HF1987 legalizes more housing options statewide by allowing for greater density, smaller homes on smaller lots, reducing unnecessary parking restrictions, allowing for more by-right development, and ending exclusionary aesthetic mandates.

This language is one of the most important pieces of legislation that the committee will review this year.

The Minnesota Starter Home Act, along with the other pieces of the Yes to Home Agenda, will put homebuyers back in charge of their housing choices and has the potential to positively transform Minnesota's housing market for the next generation.

Thank you for saying Yes to Home!

Sincerely,

A handwritten signature in black ink that reads "Mark Foster". The signature is fluid and cursive.

Mark Foster,
Vice President, Legislative & Political Affairs
Housing First Minnesota





March 10, 2025

Dear Chair Igo and Members of the House Housing Finance and Policy Committee:

The League of Minnesota Cities, Coalition of Greater Minnesota Cities, Metro Cities, Minnesota Association of Small Cities, and Municipal Legislative Commission appreciate the opportunity to provide comments on HF 1987 - Igo, HF 2013 - Nash, HF 2140 - Kraft, and HF 2018 - Kozlowski, that are scheduled for hearings this week.

While our associations greatly appreciate the work by policymakers to address housing needs across the state, we continue to have significant concerns regarding these bills. The bills contain a sweeping preemption of longstanding city zoning and land use authorities and would broadly restrict cities in managing local community needs and circumstances. The bills represent a lack of understanding for how cities utilize local policies and ordinances to provide for local public health and safety, ensure compatibility of land uses, and provide basic public infrastructure and services. We are concerned that these proposed policies and requirements would unnecessarily and unwisely undermine the local work cities are currently doing to address housing, as well as other needs.

Cities recognize the deep, ongoing need for adequate and affordable housing and are addressing these needs through local planning, tools and resources, state program funding and local engagement so as to effectively respond to housing needs across the spectrum. Setting land use and zoning policy to manage and balance community needs and land uses is a core local function, just as adequate infrastructure capacity, the protection of natural resources and building integrity and preservation, are core local functions. Addressing housing affordability and availability must be locally driven to account for the wide variety of circumstances, fiscal and physical constraints, and service capacities that are local in nature, and inform local decision-making to ensure decisions are balanced and responsive to the local community.

The local implementation of many if not most provisions in these bills would be difficult to achieve and could have the opposite effect of what we understand the intent of these bills to be. Cities have been making changes to zoning and land use policies that make sense for their community as well as creating incentives to support needed housing development. We are concerned that these bills would usurp years of planning, work, and community input that is by nature highly complex, nuanced and local.

Below are concerns our associations have with many of the specific provisions in bills. We recognize that there will be amendments to bills, and we will respond as those are considered. We have attempted to avoid restating concerns for provisions in one bill that are similar or identical to provisions in other bills.

HF 1987 (Igo) - "Starter Homes" Bill

- Section 2 would give broad exemptions for comprehensive plan amendments that may have inadvertent consequences for the bill's premise. The language also appears to conflate long term comprehensive planning with local zoning. These changes would also appear to conflict with regional planning for sewer, transportation, parks and other regional infrastructure.
- Section 4 would require duplexes and ADUs in zoning districts that permit a residential use and allow for townhouses to be permitted in newly platted and vacant lots as a permitted use. This

precludes consideration for where higher density development may be most optimal in a community with sufficient infrastructure to support it.

- Section 4 sets strict standards related to setback limits, minimum lot sizes, and maximum lot coverage requirements. For example, the side setback requirement to be 7.5 feet on each side is heavily prescriptive and would be unable to accommodate a city's need for services to drainage ditches, water and sewer lines. Cities require access to these for maintenance and emergency purposes.
- Lot sizes that require a 125% multiplier on existing lot size to be applied is again preclusive of local decision making, may inadvertently encourage sprawl, and creates stormwater concerns that cities must address under state and federal law due to impervious surface coverage.
- Section 4, subdivision 2 lines 3.21-3.25. We appreciate language regarding state and federal environmental and historic concerns. The reference to Chapter 103B should be added, as those joint water plans often apply to city stormwater management and land use designations.
- 4.20-4.23: Broad references to "building egress", "light access requirements", and undefined "architectural design elements" will likely invite litigation and eliminate planning for pedestrian friendly designs and buildings that do not consequentially affect neighboring properties. This should be limited to façade materials and building components.
- 4.24-4.26: Parking requirements must be locally determined to manage safety and spillover effects
- Lines 4.27-5.9: HOAs: Common areas typically have common ownership requiring an HOA to ensure proper and equitable management of property for maintenance and safety. Cities need to be able to require an HOA to ensure that any property mismanagement, neglect or dilapidation do not become the responsibility of taxpayers.
- Section 4, Subdivision 4: Requiring cities to create an administrative approvals process regardless of size, resources, and staffing is not workable and should be permissive. We have concerns about transparency and limiting resident input on new developments.
- Section 4, Subdivision 5: Overall, this language is overly broad and unclear on the definitions of "performance conditions", "fees", or "dedications."
- Section 4, Subdivision 6: Requiring a 1-1-26 effective date for interim ordinances, while also disallowing cities from adopting interim ordinances is confusing and ignores the purpose of these ordinances in allowing time to study the effects of local policies.

HF 2013 (Nash) Broad Limitation on City Requirements for Construction Materials and Methods

- This bill as amended by the DE1 contains broad references to "building egress", "light access requirements", and undefined "architectural design elements" will likely invite litigation and eliminate planning for pedestrian friendly designs and buildings that do not consequentially affect neighboring properties. Eliminating light access requirements means that you could have windowless sides of houses. This bill should be limited to façade materials and building components.

HF 2018 (Kozlowski) Multifamily Housing in Commercial Districts

- Sections 1 & 2: Similar concerns as noted for HF 1987. In addition, the language prohibiting cities from considering traffic, noise or nuisance concerns for developments with less than 300 units virtually excludes all Greater Minnesota housing development from these considerations.
- Section 3: The bill requires that residential developments be permitted in any zoning district allowing commercial uses other than heavy industrial and precludes stakeholder engagement. This has concerning implications for a city's ability to diversify their tax base to lift the property tax burden from residential property, and may have impacts for how far residents have to travel for goods and services.
- We appreciate language allowing cities to establish local controls for developments that replace existing commercial or industrial structures, however language overall remains broadly prescriptive.
- Line 3.28: The bill sets strict standards related to floor area ratios. Under the bill, a floor area ratio of 2.5 or greater would seem to effectively gut most floor area ratio requirements. Allowing total building floor area of 2.5 times lot size is a substantial increase in building volume.
- Lines 3.29 – 4.8: The height limitation language is especially problematic for cities under 10,000 in the metropolitan area to accommodate. Additionally, what all other cities must allow seems overly complex and it may be challenging for some to readily figure out. We recommend language to address scalability and compatibility.

Section 3, Subdivision 4: We have concerns with language that stipulates a city's failure to deny a building permit or subdivision request within 60 days provided results in an automatic approval. These are particularly challenging for smaller cities and could lead to approvals for unsuitable projects. Cities need to ensure structural integrity and project compatibility, and this provision could lead to the perverse effect of permit denial if a city does not have sufficient time to ensure infrastructure adequacy, and this system could be manipulated by an unsavory applicant

- Section 3, Subdivision 6: Similar concerns as noted for HF 1987-Igo.
- Section 3, Subdivision 7: Similar concerns as noted for HF 1987-Igo.

HF 2140 (Kraft) – Mixed-Use Housing Zones

Sections 1 & 2: Similar concerns as noted for HF 1987-Igo.

Lines 2.16-2.18: While we appreciate language on scalability for first-, second-, and third-class cities, this language is problematic for cities under 10,000 population in the metropolitan area.

Section 3, Subdivision 2: We appreciate language allowing a city to enact an ordinance related to mixed-use housing zones, and the extension to June 30, 2027, but continue to have significant concerns with requiring municipalities to create mixed-use housing zones that authorize a residential or mixed-use development either:

- o containing **three** residential units on a lot as a permitted use in an area covering 80 percent of land within one-half mile of a municipal state aid street (MSAS) or:

- allowing **four** residential units on a lot in an area covering 80 percent of the land within the city that is within one-quarter mile of a MSAS street.

Arbitrarily tying density to MSAS streets contradicts local planning to serve current and future residents.

Section 3, Subdivision 3: This section requires a city to authorize the following housing types in residential mixed-use housing zones: single-family, townhouse, duplex, triplex, fourplex, ADUs, and mixed-use developments.

- This section also requires “zones” to allow for a density of at least 25 units per acre, strict lot coverage, setbacks, height, and minimum lot size requirements.
- Language eliminates reasonable standards for density, lot coverage, setbacks, and height.
- The elimination of the ability for a city to set minimum side setbacks is particularly concerning related to EMS vehicle access.
- Strict lot coverage limits will adversely affect storm water, lake, and river health.

Lines 5.9 – 5.12: Similar concerns as noted for HF 1987-Igo.

Lines 5.13 – 5.26: Similar concerns as noted for HF 1987-Igo.

Section 3, Subdivision 4: Similar concerns as noted for HF 1987-Igo.

Section 3, Subdivision 5: Similar concerns as noted for HF 1987-Igo.

Section 3, Subdivision 6: This section, which states that if a city fails to adopt new standards that meet the requirements of the bill by June 30, 2027, up to six residential units must be allowed without restriction on any lot within one-half mile of a municipal state-aid street or zoning district authorizing mixed-use developments, is inexplicably punitive and ignores local circumstances and constraints.

Section 3, Subdivision 7: Similar concerns as noted for HF 1987-Igo.

Thank you for consideration of our concerns. We appreciate the committee’s work on these issues and the ongoing engagement with our associations. Addressing housing requires policy that accommodates local needs and constraints, public funding to address housing needs not met by the private market and partnerships that recognize the connected but separate roles for the public, private and non-profit sectors in the provision of housing.

We look forward to continuing to work with the committee to identify ways to preserve local decision-making flexibility and incentives-based approaches that provide cities with support in their efforts to address housing needs.

Sincerely,

Daniel Lightfoot
League of Minnesota Cities

Ania McDonnell
Metro Cities

Elizabeth Wefel
Coalition of Greater Minnesota Cities

Tom Poul
Municipal Legislative Commission

Patricia Nauman
Metro Cities

Cap O’Rourke
Minnesota Association of Small Cities

Bradley Peterson
Coalition of Greater Minnesota Cities



1455 Pennsylvania Ave NW, Suite 400 • Washington, DC 20004
www.leadingbuildersofamerica.org

March 9, 2025

Dear Members of the Minnesota State Legislature,

On behalf of the Leading Builders of America (LBA), an industry association representing the nation's top homebuilders, including those in Minnesota, I urge your support for the swift passage of SF 2229 / HF 1987, the Minnesota Starter Home Act. This legislation is critical to addressing Minnesota's severe housing shortage and ensuring that future generations of Minnesotans can achieve the American dream of homeownership.

Minnesota remains one of the most challenging housing markets in the nation due to outdated land-use laws and excessive permitting barriers. The state faces a shortage of over **100,000 homes** and the lack of available inventory has driven existing home prices and rents to unsustainable levels for working families and first-time buyers. Without adequate housing, the gap between those who can build generational wealth and those who are locked out will continue to widen.

The Minnesota Starter Home Act will help close this divide and rebalance the market by:

- **Streamlining the approval process** to reduce costly, months-long delays that drive up home prices.
- **Increasing transparency** and reducing the need for privately negotiated variances on routine land-use approvals.
- **Removing regulatory cost barriers**, such as excessive parking requirements and high-cost building mandates, that prevent the construction of entry-level homes.

Where starter homes are legal, they are built. Yet, too many growing communities in Minnesota rely on discretionary approvals instead of clear, predictable land-use policies. Excessive zoning regulations are among the leading drivers of housing shortages nationwide and especially in Minnesota.

The numbers are clear: Without immediate action, Minnesota's affordability crisis will worsen, forcing more young families and essential workers out of the state. We cannot afford to wait.

We urge you to support SF 2229 / HF 1987 and help restore housing opportunities in Minnesota.

Thank you for your leadership on this critical issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Phil Crone".

Phil Crone
Vice President
Leading Builders of America
phil.crone@leadingbuildersofamerica.org

Legalize Starter Homes In Minnesota - HF1987/SF2229



Who we are: Neighbors for More Neighbors stands up for secure, abundant homes for all Minnesotans. We envision a future where we all find homes we love in neighborhoods we choose. Those neighborhoods may include great transit, a community where family and friends are neighbors, or complete neighborhoods with walkable errands and jobs. Every Minnesotan - Black, White, and Indigenous, Minnesota born or newcomer, small town and city-dweller - should have a place to call home in our communities.

Like the rest of the nation, Minnesota has a severe housing shortage.

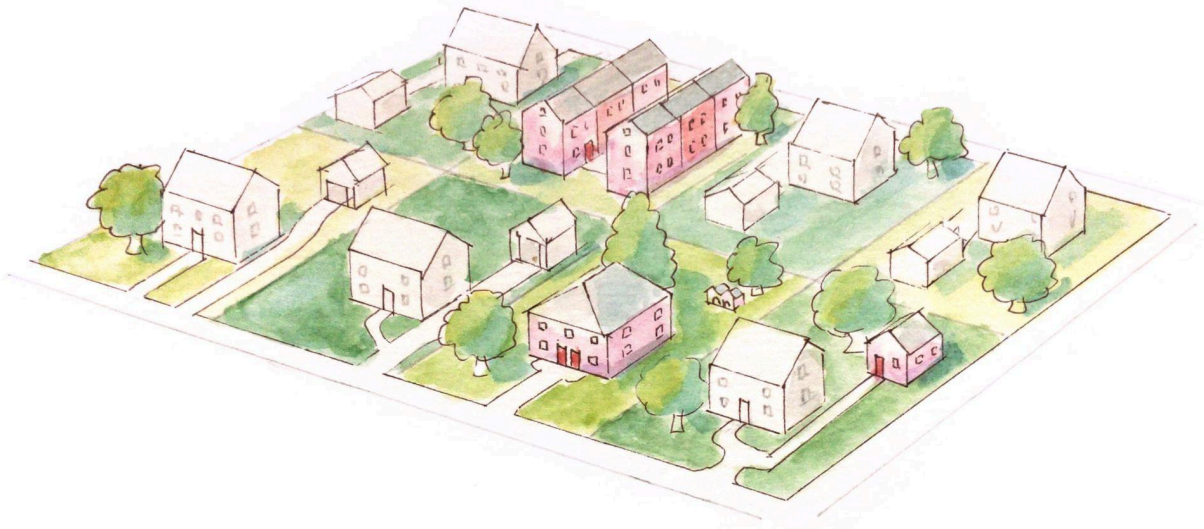
We need to legalize building new homes in neighborhoods that people of all incomes can afford. Today, Minnesota has a patchwork of local zoning laws that restrict and prohibit homes and drive up construction costs. These long-standing policies are blocking Minnesota from creating more homes of different sizes and prices and are making existing housing too expensive. With too few homes, everyone pays more for housing, and many are forced to move further away from jobs, communities, or families. Local zoning laws that restrict and prohibit homes are blocking Minnesota from creating more and needed homes, and are making existing homes too expensive.

Zoning History

Apartment bans and large lot requirements were first introduced as a seemingly race-neutral way of keeping lower-income families and non-white families out of predominantly white cities and suburbs. The introduction of these requirements into city codes closely followed Supreme Court and civil rights legislation that declared explicit racial discrimination in housing unconstitutional.

Part of the solution is legalizing Starter Homes by creating consistent rules that allow smaller homes on smaller lots, and give builders predictable rules.

HF1987 / SF2229 would create predictable regulations that allow smaller homes on smaller lots to be built across Minnesota in areas of new development. Many Minnesotans want to buy a home for stability and to stay in communities they grew up in, but today cannot find homes that they can afford. This legislation will help more Minnesotans to more equitably access the housing options that work best for them and their families. Builders and developers can work in different communities with a statewide standard, speeding home production across Minnesota.



Legalize Starter Homes In Minnesota - HF1987/SF2229

What is the problem?

In most Minnesota communities nearly all home types are banned. Except for the one-family-home on an oversized residential lot - the most expensive home type. In the Twin Cities alone, there are effectively bans on everything but single detached homes on nearly 90% of land parcels. Policies controlling the size of the home or outright bans on multiple homes per lot raise home prices. These “single family zoning” policies or “apartment bans” restrict the choices Minnesota families can make about the kind of home they live in.

- These rules increase home costs and force families to move out of their community when they have kids or as they age.
- Most cities don't allow smaller homes on smaller lots in single family neighborhoods, limiting the home choices for community members in all stages of life.
- Mandating a large land area for each home forces new homes into previously undeveloped farm and forest land as the population increases. This transforms rural, farm, and natural land into sprawling, isolated residential zones with high sewer, road, and other maintenance costs. Sprawl forces Minnesotans to spend more time traveling and less time doing the things they love.

What is the proposal? Set consistent baseline zoning rules.

- Define a minimum lot size standard to allow for smaller home types and ensure people aren't forced to buy more land than they need.
- Allow at least two homes on every residential property in Minnesota, and townhomes on all new or newly split lots.
- Allow at least one Accessory Dwelling Unit per lot.
- Ensure home construction is not subtly banned through overly restrictive rules and regulations (often called bulk controls) and other exclusionary requirements.

How Consistent Zoning solves the problem:

- Enables many home types at various prices that are more attainable for everyday Minnesotans.
- Ensures families can remodel their home to meet their needs when circumstances change. Allowing multi-generational living with spaces for grandparents to live with their family.
- Compact cities and towns help protect the environment. They stop sprawl, fight climate change, and preserve farmland and open spaces. Compact cities also help city finances. They reduce town expenditures on sewer, transportation, and amenities, both for construction and maintenance.
- By setting consistent baseline zoning we allow home builders to quickly and easily build more homes across Minnesota without having to learn new esoteric rules each time they build in a new city.

Where else has this been implemented?

Similar policies have passed in other states. [Montana](#) (SB 323); [Washington](#) (HB 1110); [Vermont](#) (ACT 250); and [Oregon](#) (HB 2001)



CITY ENGINEERS ASSOCIATION OF MINNESOTA

Engineering Our Cities' Futures

To: Chair Igo and Members of the House Housing Finance and Policy Committee

Re: H.F. 1987 Igo

Date: March 10, 2025

Chair Igo and Members of the Committee:

The City Engineers Association of Minnesota is an organization of civil engineers throughout Minnesota dedicated to providing the highest level of service for our respective cities. That includes maintaining and improving critical infrastructure. On behalf of the City Engineers Association of Minnesota, thank you for the opportunity to provide comments on the above referenced bill.

CEAM opposes the significant limits placed on local authority and control as it pertains to land use policies. We also have strong concerns about many of the details in the bill. Primarily, we have concerns about how cities will be able to enforce engineering and operational limits and requirements given the language in these bills.

Many of our concerns are related to the "one size fits all" language for these bills. While there are different allowances for proposed developments in cities of the first class versus non-first-class cities, there is no differentiation between suburban, exurban, rural, or other city types and locations. The needs and operational considerations for these different types of cities do vary and do matter.

Statewide zoning and density requirements set a bad precedent. We feel that incentivizing density in areas that make sense in each community is a better approach towards meeting bigger picture density goals than to create instant division and controversy towards these goals. The proposed bill fails to account for a variety of unique characteristics which require comprehensive planning and zoning be done on a local level.

The language is vague whether important limitations such as impervious surface maximums, storm water management systems, parking requirements, sanitary sewer capacity restrictions, water service limitations and setback requirements that are important for public infrastructure maintenance are allowed conditions and requirements to "protecting public health, safety, and general welfare." Given the work that cities across the state have done to provide resiliency for our sewer, water and stormwater systems, we worry that the intent of this bill could prevent us from limiting characteristics that could jeopardize these factors in high impact areas.

Thank you again for the opportunity to comment on H.F. 1987. We appreciate your consideration and remain open to working with the legislature to provide zoning density incentives while maintaining local control over such.

Sincerely,

Debra M. Heiser P.E.
President, City Engineers Association of Minnesota
Engineering Director, City of St. Louis Park

House Housing Finance and Policy Committee
Minnesota State Capitol
75 Rev Dr Martin Luther King Jr Boulevard.
St Paul, MN 55155



Dear Chair Igo and Members of the Committee,

March 11, 2025

The Minnesota Consortium of Community Developers (MCCD) is an association of nonprofit community development organizations and Community Development Financial Institutions (CDFIs) committed to expanding the wealth and resources of communities through housing opportunities and economic development initiatives. MCCD's mission to build strong and stable communities can only be achieved by addressing the harms and inequities that have shaped housing and economic development policies at every level of government. These policies have prevented Black, Indigenous and People of Color (BIPOC) and other communities from achieving housing stability, accessing capital, and building generational wealth.

MCCD is writing in support of House File 1987, the Minnesota Starter Home Act, to increase Minnesota's supply of affordable housing options.

The Minnesota Starter Home Act would make it easier to build smaller homes and duplexes in new developments and re-developments across our state. Owning a home allows families to build wealth and achieve financial stability and security. This bill will help ensure that when prospective homebuyers are in the market to buy their first home, there are affordable options available to them. By supporting this bill and the broader Yes to Homes agenda, we can better ensure that Minnesotans have access to housing that is both affordable and that fits their unique needs.

As you have heard many times in this committee, Minnesota is experiencing a severe housing shortage. We need to build more than 100,000 units of housing to meet demand, and we are nowhere near meeting this goal. This shortage is contributing to increasing costs for renters and homeowners and it is making it more difficult for individuals and families to achieve long-term housing stability. While there isn't one single solution to solve our state's housing crisis, there is a relatively simple way to solve our housing shortage: build more housing. We can do this by supporting bills like HF 1987, and by saying Yes to Homes.

Thank you for your time and consideration of our request to support new housing development. Please reach out to Kelly Law, Senior Policy and Field Building Advisor at MCCD, 612-865-3170 or klaw@mccdmn.org, should you need any further information now or throughout the legislative session.

Sincerely,

Elena Gaarder

Elena Gaarder
Chief Executive Officer, MCCD



Beth Wanless
Manager, Government Relations
& Public Affairs
Mobile: (614) 327-8308
bethw@zillowgroup.com

To: Minnesota House Housing Finance and Policy Committee

Date: Tuesday, March 11, 2025

Subject: Written Proponent Testimony for H.F. 1987 and H.F. 2013

Chair Igo and members of the Housing Finance and Policy Committee, thank you for the opportunity to provide written comments in support of H.F. 1987 and H.F. 2013. H.F. 1987, also known as the “Minnesota Starter Home Act” would create significant opportunities for new housing development and allow for modest housing density. H.F. 2013 would limit aesthetic requirements by local governments that add significant expense to the cost of building a home. These bills are significant steps toward addressing Minnesota’s housing challenges through modernizing the state’s housing policies by strengthening the housing market, lifting unnecessary roadblocks, and increasing housing options and affordability.

On behalf of Zillow, we would like to express our appreciation to Representatives Igo and Nash for introducing these important bills to address housing availability and affordability. Zillow is committed to reducing barriers to housing by advocating for policies that expand access and address the massive inventory shortage throughout Minnesota.

Unfortunately, Minnesota has experienced a massive shortfall in housing construction over the last decade-plus, since 2008. Escalating housing prices across the country (including in Minnesota) are closely tied to an ongoing inventory shortage, which is a function of both very high demand and insufficient supply to meet that demand.

Zillow's 2021 Home Price Expectations Survey polled housing experts and found that relaxing zoning rules to allow for more-efficient new home construction would be the most effective way to increase supply in a housing market facing historic inventory constraints.¹ A 2024 study, found that among the largest 50 metropolitan areas, the worst housing shortages can be found in markets with the most strict building regulations in the country². Reforming zoning rules to allow for even a modest amount of new density in overwhelmingly single-family dominant zoned communities could lead to millions of new housing units being built nationwide.

Moreover, there is broad public support for measures to create more housing inventory. A 2022 report by our research economists found that 75% of homeowners and renters in the Minneapolis metro area support “modest densification” options, including allowing accessory

¹ <https://www.zillow.com/research/zhpe-zoning-housing-supply-q22021-29600/>

² <https://www.zillow.com/research/affordability-housing-shortage-34153/>

dwelling units, duplexes, and triplexes³. Support was higher among renters (84%). Reforming archaic parking minimums also provide for more housing opportunities

Single-family zoned neighborhoods account for the lion's share of land in metropolitan America. Over the years, these neighborhoods have generally become insulated from denser development by a thickening tangle of regulations. Thankfully, modest and straightforward zoning updates can be achieved without drastically changing neighborhoods.

According to Zillow's research, out of 17 major metropolitan areas studied, the Minneapolis-St. Paul region has the fifth-highest proportion of housing units zoned for single-family use at 74% of the total housing units. Minneapolis-St. Paul also had the lowest number of housing units located in two to 49-unit structures at only 16% of total housing units.⁴

Even by making relatively minor changes to local zoning rules, such as allowing two housing units to be built on only one out of every ten lots zoned for single-family use, the region could add over 115,000 additional new housing units to this total - a 30% improvement over the status quo. Increasing density to allow four housing units to be constructed on the same number of single-family zoned lots could add over 345,000 additional new housing units by 2040 - a 91% improvement.

There is no "silver bullet" to resolving the housing shortage, but it is certain that passage of H.F. 1987 and H.F. 2013 will have a significant, positive impact on housing access and affordability. The legislation before you are straightforward ways to allow for more modest density that will result in real strides forward in creating housing inventory.

Thank you for the opportunity to provide comments on this crucial legislation, and please feel free to reach out to me with any questions.

³ <https://www.zillow.com/research/modest-densification-zhar-30934/>

⁴ <https://www.zillow.com/research/modest-densification-new-homes-25881/>

Lot Size:

1,306 sq ft (middle units)

Approximately 2,600 (end units)



Lot Size:

1,306 sq ft (middle units)



Lot Size:
4,727 sq ft



Lot Size:
6,098 sq ft





National Association of Social Workers

MINNESOTA CHAPTER

Representative Igo, Chair
Housing Finance and Policy
March 11, 2025

Chair Igo and Housing Finance and Policy Committee Members,

On behalf of the National Association of Social Workers, MN Chapter (NASW-MN), we are writing in HF1987, the Minnesota Starter Home Act.

NASW-MN is the largest membership organization of professional social workers in our state, representing about 2000 social workers. The primary mission of the social work profession is to enhance human well-being and help meet the basic needs of all people, with particular attention to the needs and empowerment of people who are vulnerable, oppressed, and living in poverty. We are called to examine and address forces that negatively impact a person's environment (NASW Code of Ethics).

As you can imagine, social workers are often in spaces with clients with insecure housing, and we know that securing housing is the first step in resolving other crises. For example, unstable housing prevents family reunification, contributes to poor academic outcomes, adds anxiety and stress to clients living with mental illness, and is a deterrent to those who want to leave violent households.

We believe that shelter is a basic need, and every human deserves the dignity of housing.

NASW-MN joined the Yes to Home! coalition because we believe that transforming current practices is necessary to address the housing crisis in Minnesota. The Minnesota Starter Home Act is one of several immediate policy actions we can take to make it easier to develop housing in every community. We need to build smaller homes and duplexes in new developments and re-developments across our state in order to serve the wide variety of housing needs across the state.

We appreciate your service and work on this important issue. Thank you for your consideration.

Sincerely,

Karen E. Goodenough, PhD, LGSW
Executive Director
NASW-MN

Jenny Arneson, MSW, LGSW
Legislative Consultant
NASW-MN



PEPA
Polymeric Exterior Products Association

March 10, 2025

VIA: Email
RE: Industry Support for HF 1987

To whom it may concern,

I am writing on behalf of the Polymeric Exterior Products Association (PEPA), formerly the Vinyl Siding Institute (VSI), to respectfully include our support for HF 1987.

HF 1987 removes one of the most common exclusionary zoning tactics that can cost more than \$20,000 per home by mandating building materials and aesthetics home buyers may not even want. It stops costly mandates for luxury material upgrades and other building code conflicts that drive costs. It restores reasonable homeowner choice on home design, allowing more starter home options. It does not impact historic districts or preservation powers. Most importantly PEPA supports this legislation because all categories of polymeric siding, including vinyl siding, meet the stringent requirements of building codes across Canada and the United States, including Minnesota.

PEPA is the trade association for manufacturers of vinyl and other polymeric exterior building materials. As an organization, it is our goal to further the development and growth of the vinyl and polymeric construction industry by helping to develop material, product, and performance standards in cooperation with standards-making organizations and code bodies.

PEPA respectfully asks that you pass HF 1987. Thank you for any consideration you may choose to extend to this request.

Respectfully,

Kate Offringa
President and CEO

3/10/25

Honorable Legislators,

Re: Starter Homes

SF 2229 (Senators: Port, Rasmusson, Boldon, Draheim)

HF 1987 (Reps: Igo, Howard, Mekeland, Kraft, Rehrauer, Coulter)

This letter is in support of Starter Homes, with other considerations to make housing more affordable:

- 1) Starter Homes in the 1960s/1970s included:
 - a) Small ramblers, some with basements to finish, others with no basement. Some with garages, some without. Rooms, bathrooms, dining area, kitchen, living room were small.
 - b) "Cabins", usually with no basement and were more like efficiencies and 1 small Br.
 - c) Small Efficiencies and 1 Br Apartments, later called "condos".
 - d) Townhouses with small bedrooms, kitchen, dining area, living room.
 - e) Mobile homes
 - f) RVs on lots and house boats where basics were small and compact.
 - g) "Leasehold" for 99 years instead of "fee simple".
 - h) Zoning allowed for more housing and housing options, with less land area requirements.
 - i) Cities built, owned and managed long-term affordable housing instead of money now going to private parties who profit from government funding the construction, rent, fix-ups, and ownership. They also profit from the appreciation.

These were a step up from smaller college dormitories, small college housing units, room rentals by the "YMCA", and rooms for rent in an older person's home.

The "tiny home" market has shown how designs could be better, despite the small and compact spaces. Even Amazon, Walmart and others were selling "tiny homes" one could build themselves.

- 2) Anyone getting into rentals, owning their own homes, or otherwise being housed – need to go through financial and home maintenance education and training – if they have not yet had the education and training. This is not usually taught in schools, so many have learned things by up and down experiences, getting into trouble, over their head in debt, etc. What is taught by "housing counselors" – is insufficient. There should be other methods of getting the education and training needed. Home Heroes Legacy legislation in process, is intended to offer other methods.
- 3) Expansion can happen after a person has worked years and built up enough funds to do housing expansions, even if expansion happens over time. Too many young people think they can buy a home like their parents moved up to, without taking the steps necessary to start small and work their way up. Some people feel entitled to be given housing without doing anything on their part to earn it.
- 4) The real question is how to house people who can't work because of disabilities, infirmities from aging, and other real reasons. Children and youth are not being considered in this mix, since there are other options for them. All others can work, including some taking on more than one job. With financial and maintenance education and training, they can earn enough and save enough to have and maintain a residence.

Other comments may be added later.

Respectfully submitted,

Jean Lee, Pres., Exec. Dir. (PC for JL)

Children's Hope Intl/ R & R Family Ctrs

c/o childrenshopeinternational@hotmail.com



PEPA
Polymeric Exterior Products Association

March 10, 2025

VIA: Email
RE: Industry Support for HF 2013

To whom it may concern,

I am writing on behalf of the Polymeric Exterior Products Association (PEPA), formerly the Vinyl Siding Institute (VSI), to respectfully include our support for HF 2013.

HF 2013 removes one of the most common exclusionary zoning tactics that can cost more than \$20,000 per home by mandating building materials and aesthetics home buyers may not even want. It stops costly mandates for luxury material upgrades and other building code conflicts that drive costs. It restores reasonable homeowner choice on home design, allowing more starter home options. It does not impact historic districts or preservation powers. Most importantly PEPA supports this legislation because all categories of polymeric siding, including vinyl siding, meet the stringent requirements of building codes across Canada and the United States, including Minnesota.

PEPA is the trade association for manufacturers of vinyl and other polymeric exterior building materials. As an organization, it is our goal to further the development and growth of the vinyl and polymeric construction industry by helping to develop material, product, and performance standards in cooperation with standards-making organizations and code bodies.

PEPA respectfully asks that you pass HF 2013. Thank you for any consideration you may choose to extend to this request.

Respectfully,

Kate Offringa
President and CEO