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:

  - 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,

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