



February 20, 2024

**Re: CGMC comments on H.F. 4009 (“Missing Middle Housing”)**

Dear Chair Howard, Vice Chair Agbaje, and Members of the House Housing Finance and Policy Committee:

On behalf of the Coalition of Greater Minnesota Cities (“CGMC”), an organization of more than 100 cities located throughout the state outside the 7-country metropolitan area, and the Greater Minnesota Partnership (“GMNP”), an organization focused on expanding economic prosperity in Greater Minnesota, thank you for the opportunity to express our opposition to H.F. 4009 as currently drafted. The CGMC has worked on the challenges faced by Greater Minnesota cities for more than 30 years, and we have worked diligently on housing issues for nearly a decade. The GMNP has worked for the past decade to get more housing of all types built in our region.

We appreciate the bill author’s desire to increase housing throughout Minnesota in a way that is affordable and will not worsen our climate challenges. When solving such a daunting problem, however, it is necessary to analyze the issue and design the solution around the challenges our communities face. Unfortunately, this bill does not in any way address the root causes of the housing crisis in Greater Minnesota. Instead, it strips away land use decision-making from our cities in a manner that will exacerbate environmental, public safety, and other problems.

Greater Minnesota is not facing a housing crisis because our cities are unwilling to allow “missing middle housing.” Our cities are facing this crisis because the cost to construct a unit of housing is more than what our economies can support in rent or mortgages. Almost all our cities would welcome any of the housing types mentioned in this legislation, and many are currently trying to work with developers to do so, but the housing market mismatch in Greater Minnesota makes it extremely difficult.

Moreover, the fact that our cities would welcome duplexes, triplexes, and other housing styles does not mean that every neighborhood can support these types of housing due to infrastructure constraints. Under this legislation, our cities would be required to allow the development of at least four residential dwelling units or more on tracts of land where the sewer, electricity, stormwater, and other infrastructure most often cannot support the increased load, which will exacerbate water quality issues and could lead to increased sewer back-ups and stress our energy systems. And if the utilities and public infrastructure can be increased, the impact of doing so could make property taxes and utility rates unaffordable for residents.

We would like to outline a few of our specific concerns with the bill:

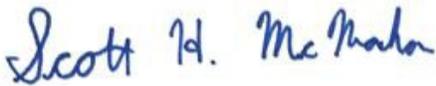
- The concept of “Major Transit Stop” is used as a guiding principle for the required density in this legislation. Yet, by definition, this concept applies only to the Metropolitan area (the definition references Metropolitan Area Transit at 473.4485). Cities in Greater Minnesota must designate at least one commercial district, which presumably will be the downtown for many. For many Greater Minnesota cities, the area covered by the first tier of requirements will be proportionally larger than in the metro. In fact, it may cover the entire city for many of our smaller communities, placing a more significant burden on Greater Minnesota than on metropolitan cities.
- Requiring that at least six types of middle housing be authorized on city lots will often be at odds with the requirement that middle housing be “compatible in scale, form, and character with single-family homes.” In Greater Minnesota, you may often see smaller lots and smaller homes closer to the downtown/commercial areas. Identifying six different types that are compatible with single-family homes and, more importantly, compatible with existing infrastructure, may be impossible.
- The required densities outlined in Subdivision 4 will create significant mismatches between existing infrastructure and new buildings. Sewer, drinking water, and electricity services for a single-family home will most often not be sufficient for multiple-unit buildings or complexes. For example, if multiple all-electric units are placed on a single lot, the distribution system will likely not be able to handle the additional load. If multiple owners are using a single sewer hook-up, there will be significant ramifications and clean-up involved if one causes a sewer back-up that will likely affect all the units.
- Although Subd. 1, (m) states that middle housing will be “compatible in scale, form, and character with single-family homes,” other sections of the bill make it impossible for cities to ensure this will happen. Such examples include Subd. 5, which bars cities from imposing standards unless they relate to public health, safety, and general welfare, and Subd. 8, which significantly shrinks the minimum lot size.
- Allowing Accessory Dwelling Units on any lot, regardless of size, without any restrictions may cause a host of problems, such as mismatched infrastructure or set-back issues. Moreover, the legislation does not appear to require that the ADUs be connected to utility infrastructure, which would also be problematic.
- Reducing set-back requirements by one foot for all-electric homes does not make sense. The type of energy a house relies on has nothing to do with the need for set-backs, which include the ability to provide city services and providing space for stormwater infrastructure.
- The restrictions on parking requirements do not make sense in cities without extensive transit systems. Under this legislation, cities without transit or limited transit would not be allowed to require parking for housing built near their downtown and only be allowed to require one spot per unit on the outskirts. Some of our cities are already experiencing the problems that arise when they allow developers to decide how much parking is necessary – streets lined with cars along both sides where trash is not picked up because trucks are blocked, snow removal may be delayed for a week or more, and ambulance and other emergency services are hampered.
- The legislation may exacerbate water quality issues by ignoring land on private property used for stormwater containment or shoreland protection.

- Homeowners who have invested resources in solar panels may find that they have spent thousands of dollars on a system that no longer works when a stacked flat or eight-plex is built next door.

With respect to addressing climate change through land use restrictions, this bill also does not address the main climate-related land use challenge cities face in Greater Minnesota – the construction of housing built outside city limits with few, if any, restrictions on lot size or other facets that this bill promotes. Layering restrictions onto cities will do nothing to address climate or infrastructure concerns when sprawl developments can be built across the street in a township.

We welcome the opportunity to work with you and the bill author to tackle housing and land use issues in Greater Minnesota, but we need to do so in a way that is focused on the realities of the problems we face. Thank you for allowing us to comment, and we hope that we can work with you, Representative Kraft, and others to address these issues.

Sincerely,



Scott McMahon  
Executive Director, Greater MN Partnership



Rick Schultz, Mayor of St. Joseph  
President, Coalition of Greater MN Cities