



Re: Support for Ending the Creation of Unnecessary HOAs (SF1750, Lucero)

February 24, 2026

Co-Chair Koegel, Co-Chair O’Driscoll, and the House Commerce Finance and Policy Committee,

On behalf of the homebuilding industry in Minnesota, Housing First Minnesota offers this letter in support of ending the creation of unnecessary homeowners associations (HOAs).

Housing First Minnesota is a trade association of nearly one thousand members of the housing industry with the mission of advancing homeownership opportunities for all. Our members are the builders and developers who serve as the declarants of homeowners associations and are responsible for establishing HOAs in new residential developments.

It has been discussed in committee and in the homeowners association working group that more than 80 percent of new home construction today is part of a homeowners association. As the declarants who create these associations, we strongly believe that number is far too high. We must bring that number down and right-size the amount of HOAs created in the future.

HOAs serve an important and appropriate role in certain housing types. Villa products designed for low-maintenance living, neighborhoods with shared amenities such as clubhouses and pools, and townhomes with shared walls and roofs all require the creation of HOAs. That should continue.

However, outside of these types of developments, many homebuyers are not asking to be part of an HOA, and our members would often prefer not to create them. Too frequently, the creation of common property, and therefore an HOA, is driven by local government requirements, sometimes with the expectation that the HOA will maintain infrastructure that would otherwise be public.

Homebuyers are directly impacted by this dynamic. Ongoing HOA dues increase monthly housing costs and reduce purchasing power, limiting the number of



Minnesotans who can achieve homeownership. At a time when our state faces both a housing shortage and an affordability crisis, we need more homes — not more unnecessary HOAs.

Current state law already requires the creation of HOAs when necessary. This proposal does not change that. HOAs will continue to be formed where appropriate. What this legislation addresses are the loopholes that allow local governments to mandate HOAs by requiring unnecessary common property.

By closing those loopholes, this bill will help reduce the number of HOAs created in new construction and support housing affordability across Minnesota.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Mark Foster". The signature is fluid and cursive, with the first name "Mark" and last name "Foster" clearly legible.

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

