

April 17, 2024

Representative Michael Howard  
Chair, House Housing Finance and Policy committee  
473 State Office Building  
St. Paul, MN, 55155

**Re: HF4194 A6 Amendment**

Dear Representative Howard,

The Department of Labor and Industry (DLI) understands the important and critical issue of affordable housing in Minnesota. However, we believe the language included in the A6 amendment to HF4194 that would require additional legislative review of rulemaking for residential building code changes that result in cost increases of \$3,000 or more will not address this issue and should not be adopted.

This language will impose several burdens upon DLI and other agencies, with little to no benefit to the public or the cause of affordable housing for the following reasons:

- 1. Primary cost drivers over the past fifteen years have not been driven by Department rulemaking.** DLI rulemaking changes to the state residential building code have had a minimal impact on increased home costs.
- 2. The Department is already required in Minnesota Statutes 326B.101 to adopt codes “which will in part tend to lower construction costs.”** In addition, “The construction of buildings should be permitted at the least possible cost consistent with recognized standards of health and safety.” These legal requirements are already met in three ways:
  - a. Stakeholder engagement through the Construction Codes Advisory Council
  - b. DLI legal review for compliance with the Administrative Procedures Act
  - c. Administrative law judge review and comment by the Office of Administrative Hearings
- 3. Establishing a \$3,000 threshold is subjective and the result could be contentious.** This language would require DLI to determine if a proposed rule, or any portion of a proposed rule, will on average, increase the cost of residential construction or remodeling by \$3,000 or more per unit. It can be expected this determination will be challenged in almost every instance, whether the estimate is over or under, resulting in significant increases in staffing and associated public hearing costs for the department.

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DLI shares the concern of ensuring housing is affordable to all Minnesotans and believes the current approach ensures that affordability along with other important considerations like safety and health are appropriately considered.

Thank you for consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Nicole Blissenbach".

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Nicole Blissenbach,  
Commissioner