

## **Local Government Division**

Chair: Sandra Masin

### **Meeting:**

Wednesday, February 23, 2022

8:30 AM to 10:00 AM

Remote Hearing via Zoom.

### **Agenda:**

Call to Order.

Roll Call.

Approval of the Minutes.

HF3256 (Elkins) Legalizing Affordable Housing Act; local land use and building permit provision modified.

- Danielle Leach, Zonda
- Luke Bell, Zillow
- Libby Starling, Federal Reserve Bank of Minneapolis
- Dave Arbit, Minneapolis Area Realtors
- Salim Furth, Mercatus Center
- Scott McClellan, Minnesota Department of Labor and Industry
- Amber Backhaus, Minnesota Auto Dealers Association
- Ethan Roberts, Jewish Community Relations Council
- David Werschay, Werschay Homes
- Paul Heuer, Pulte Homes
- Peter Coyle, Housing First Minnesota
- Paul Eger, Minnesota Realtors
- Lisa Barajas, Metropolitan Council
- Irene Kao, League of Minnesota Cities
- Charlie Vander Aarde, Metro Cities
- Brad Weirsum, Minnetonka Mayor
- Kelcey Klemm, Detroit Lakes City Administrator
- Bryan Bear, Hugo City Administrator
- Michael Thompson, Plymouth Public Works Director
- Beth Kadoun, Minnesota Chamber of Commerce

Adjournment.

# Legislative Commission on Housing Affordability

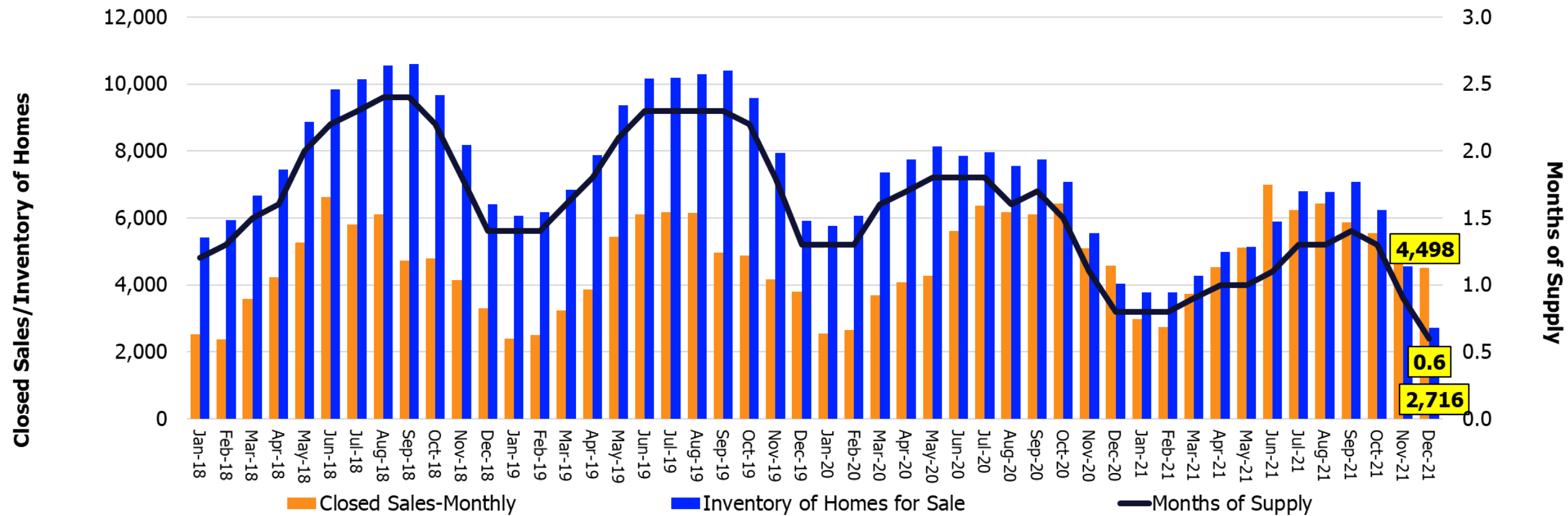
Twin Cities – Housing Market Update

Sharing market trends from a local perspective

02/23/2022

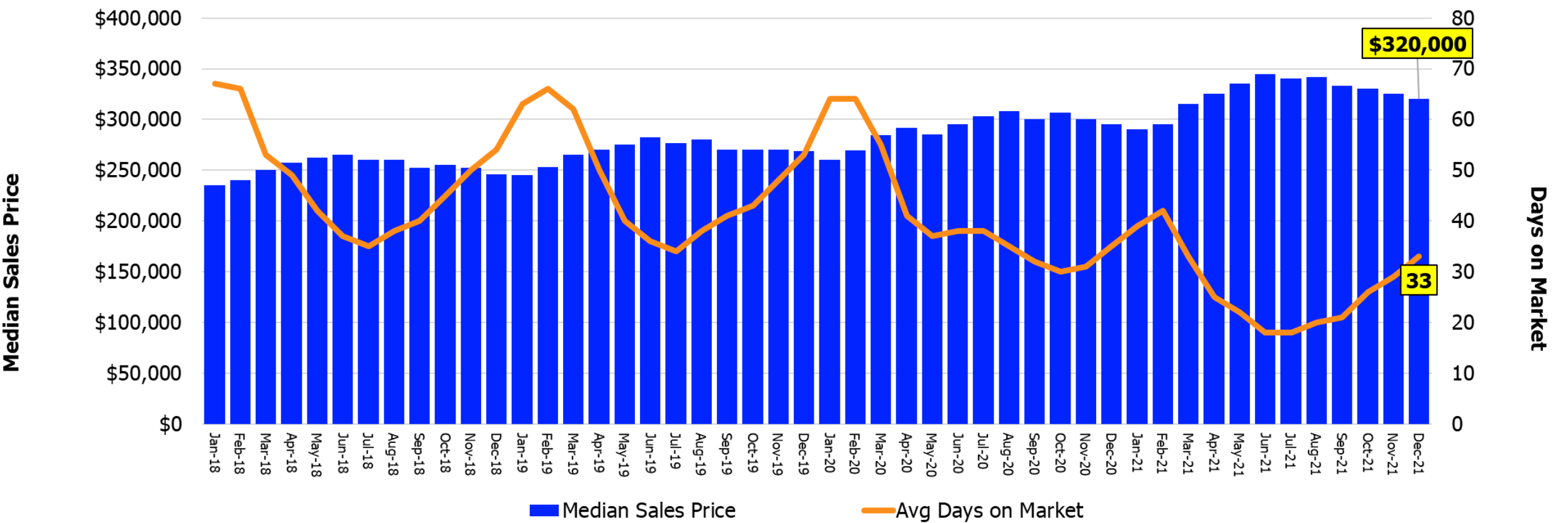
Danielle Leach  
VP Consulting  
[dleach@zondahome.com](mailto:dleach@zondahome.com)

# Resale inventory is extremely tight in the Twin Cities



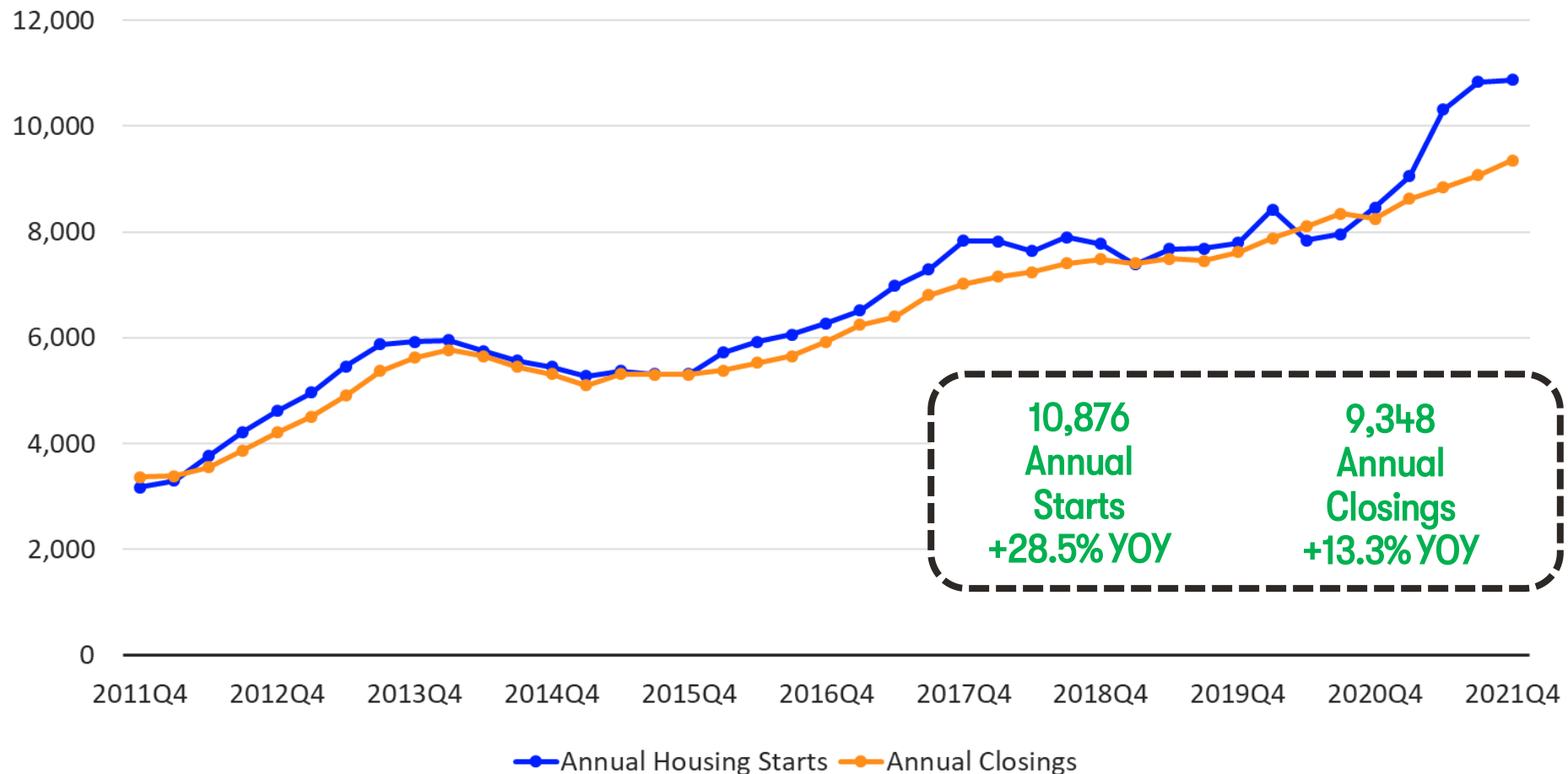
Source: MAAR - Northstar MLS - 16-County Region - Previously Owned Homes Only

Strong demand, coupled with limited inventory, is pushing up the median resale price (+8.5% YOY)

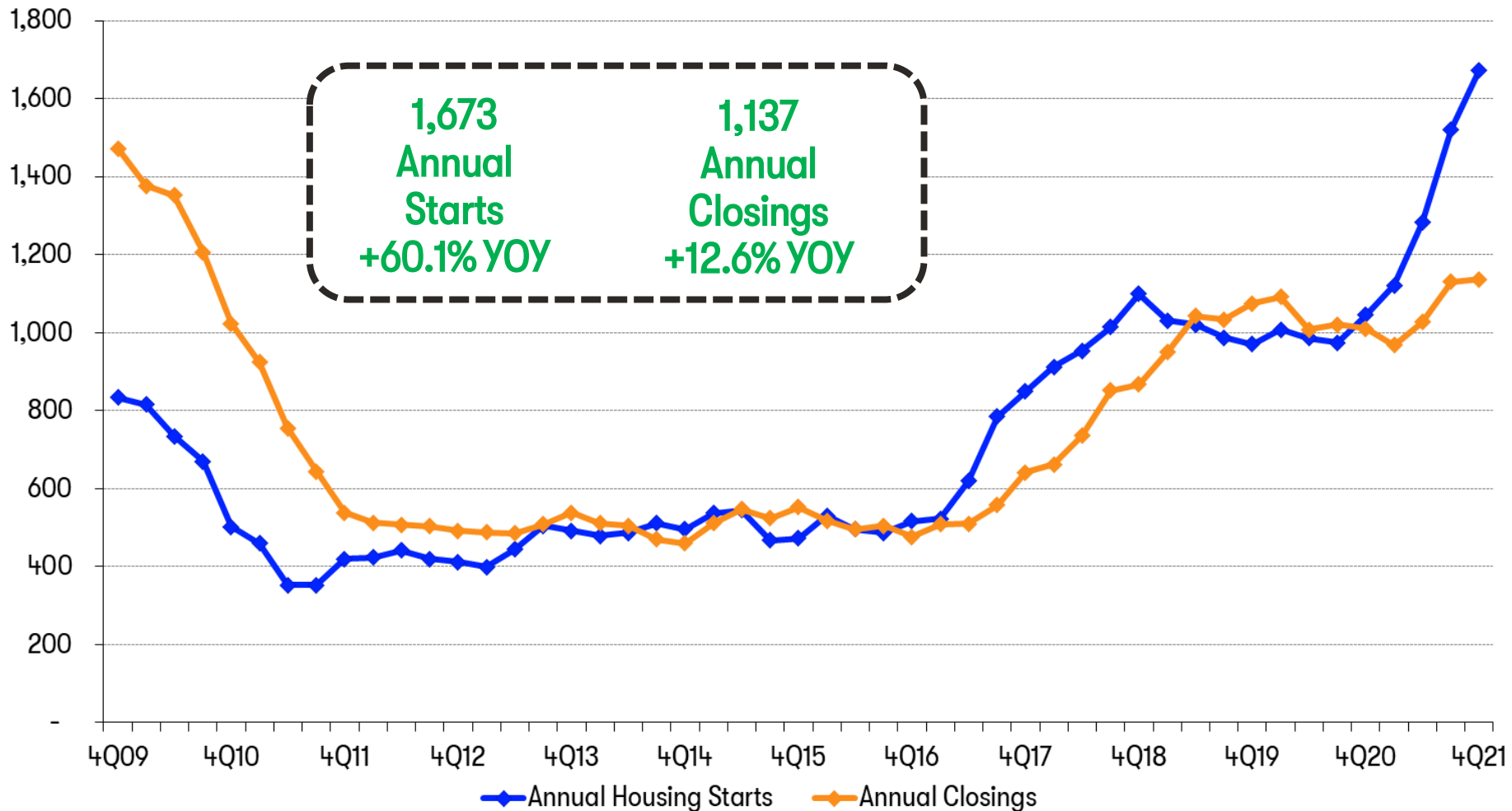


Source: MAAR - Northstar MLS - 16-County Region - Previously Owned Homes Only

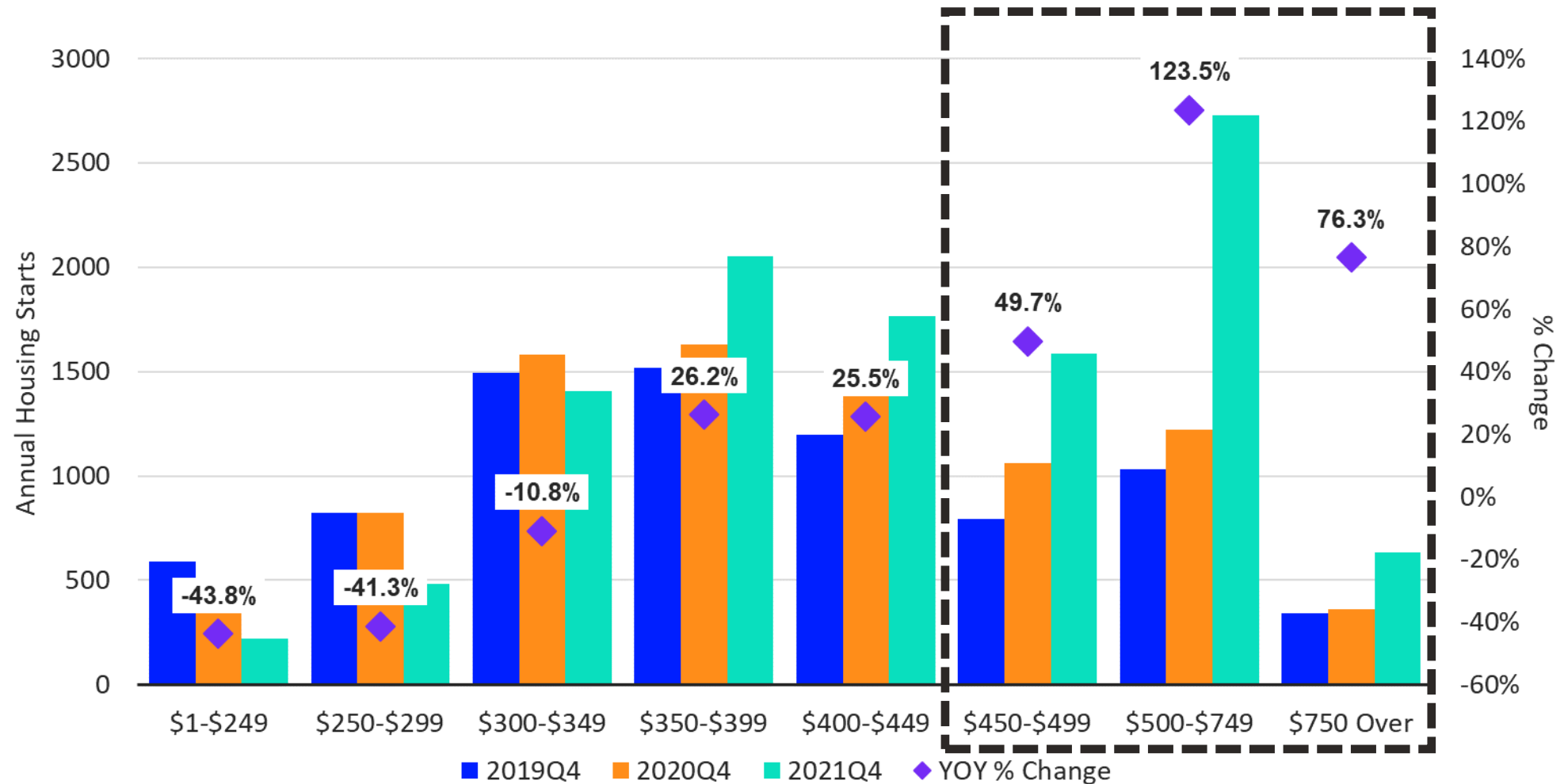
# Builders are reacting to strong housing demand – contract sales are outpacing starts which are outpacing closings



Huge growth in townhomes, as builders try to capture demand with attainably-priced product (still very high!)



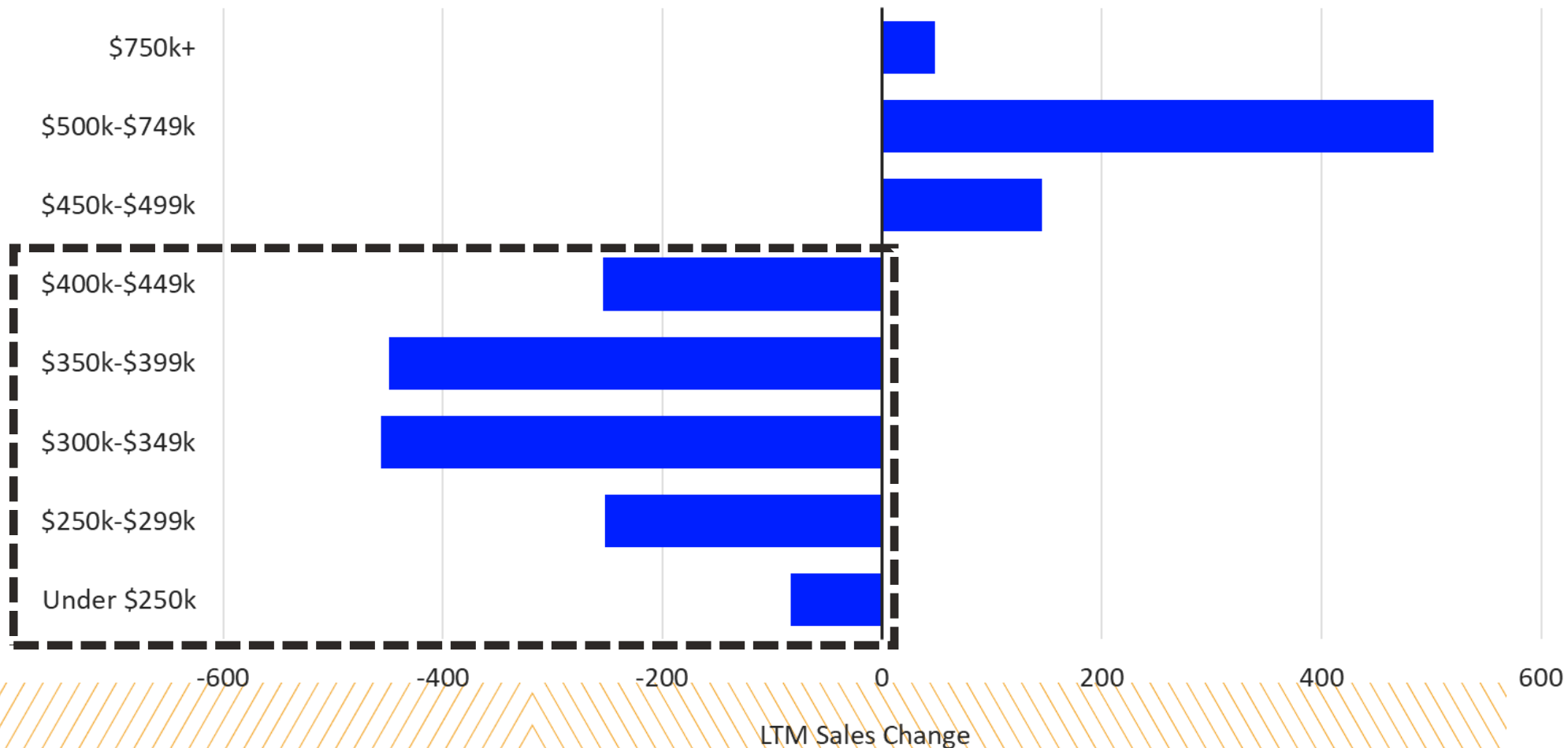
# Observed significant YOY growth in starts for product base-priced \$450K+



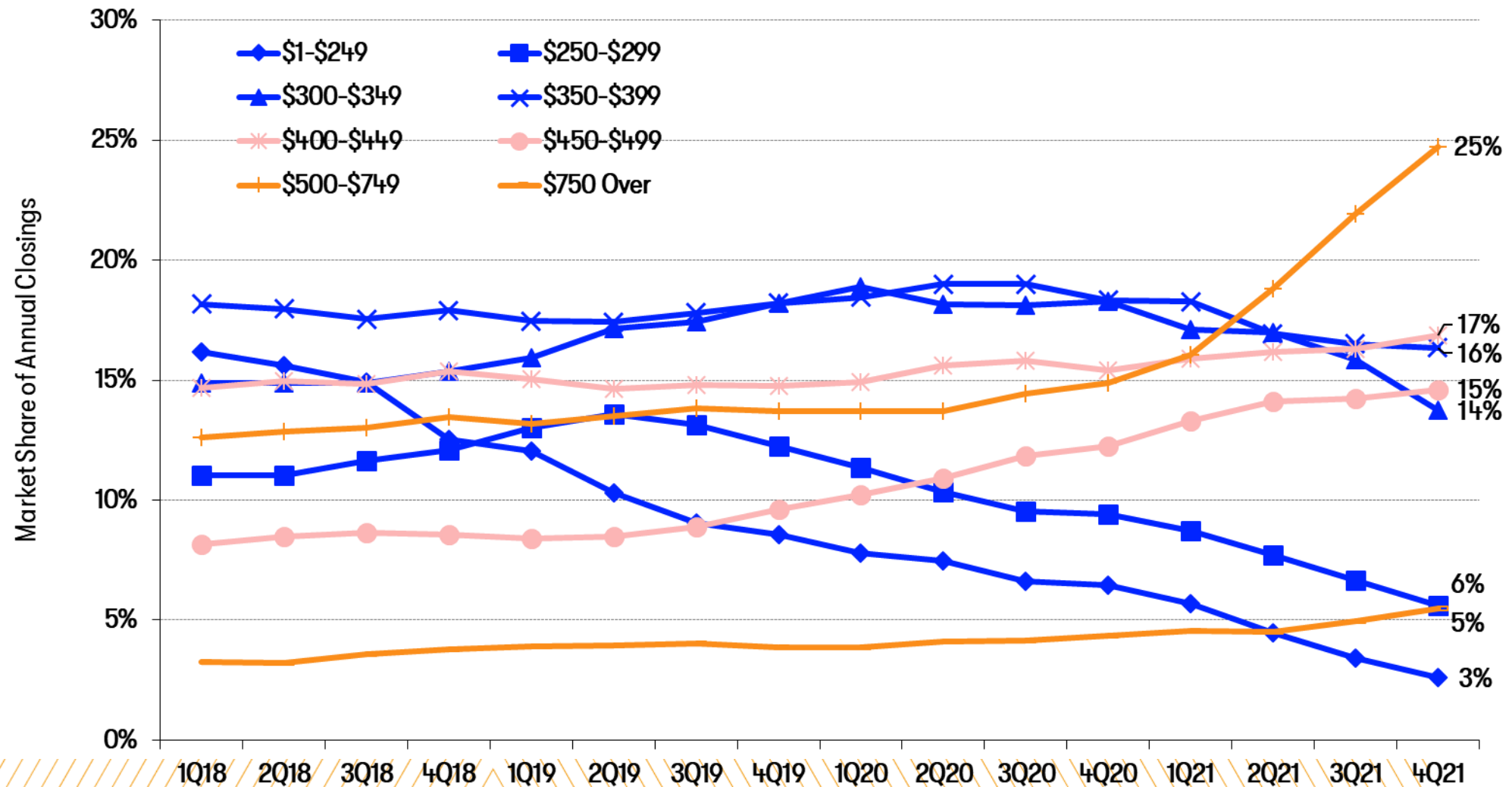


# There has been a big volume shift over the last twelve months to sales on product base-priced \$450K+

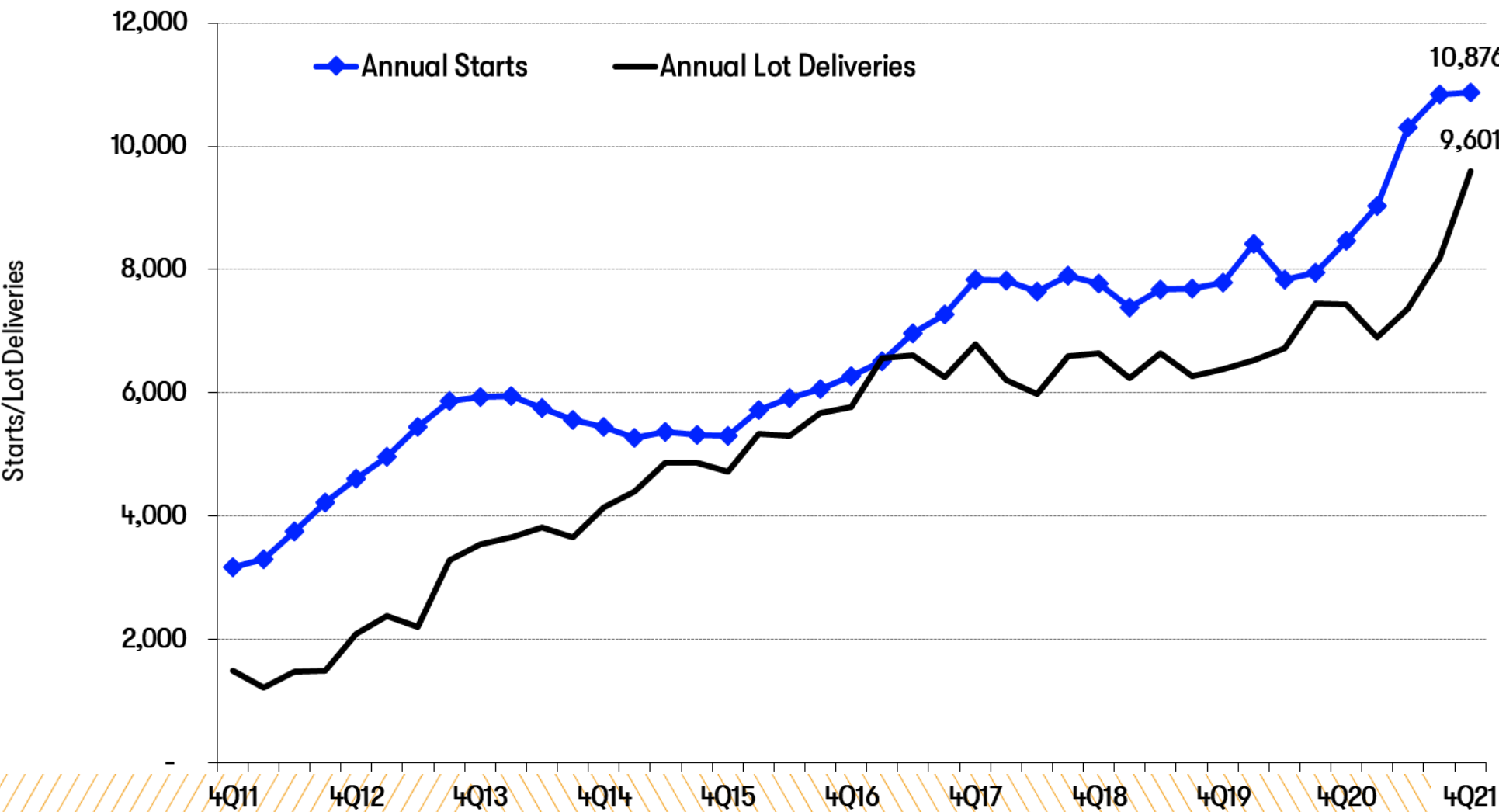
Twin Cities Market



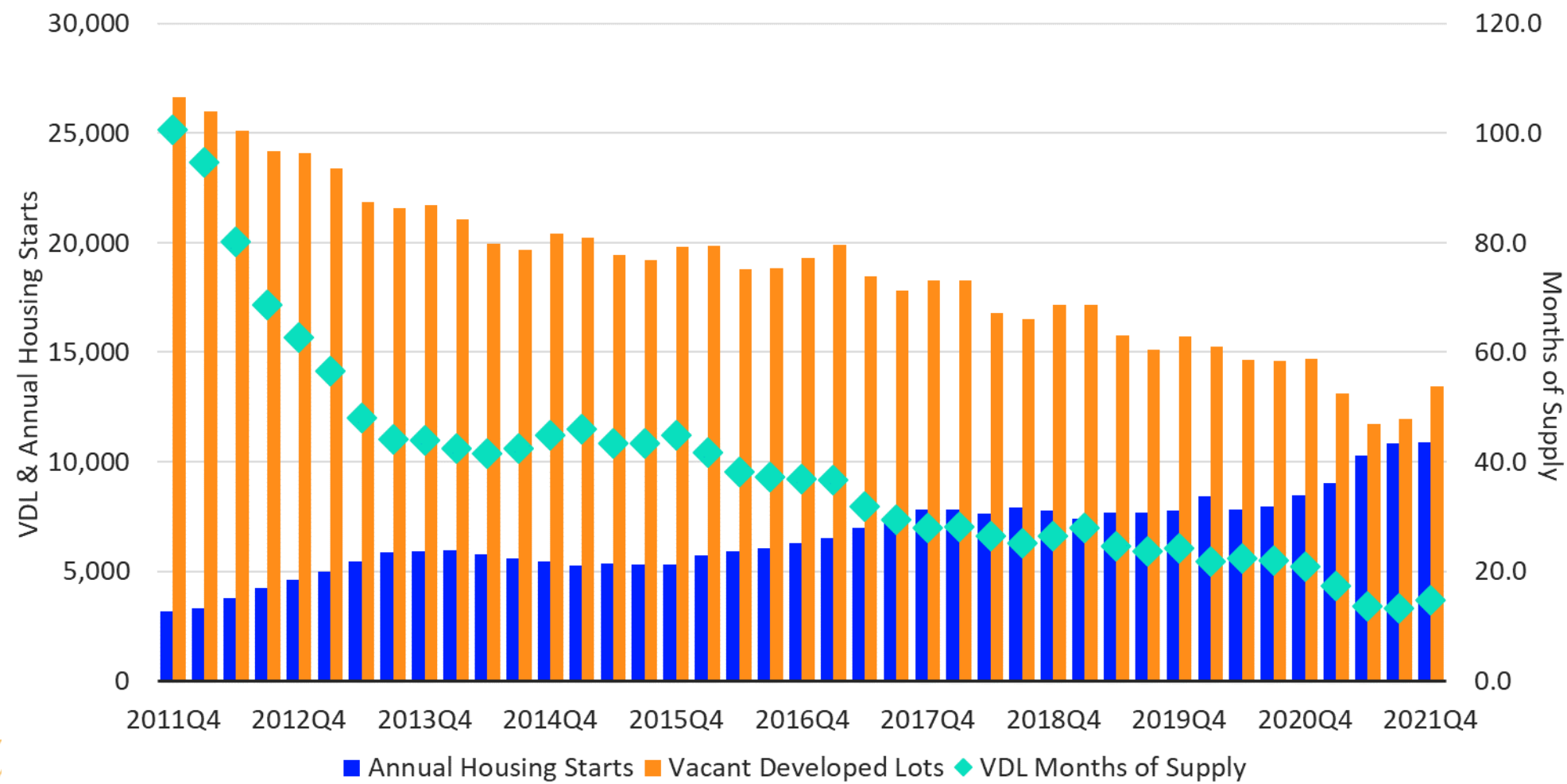
# There has been a drastic change over the past 4 years



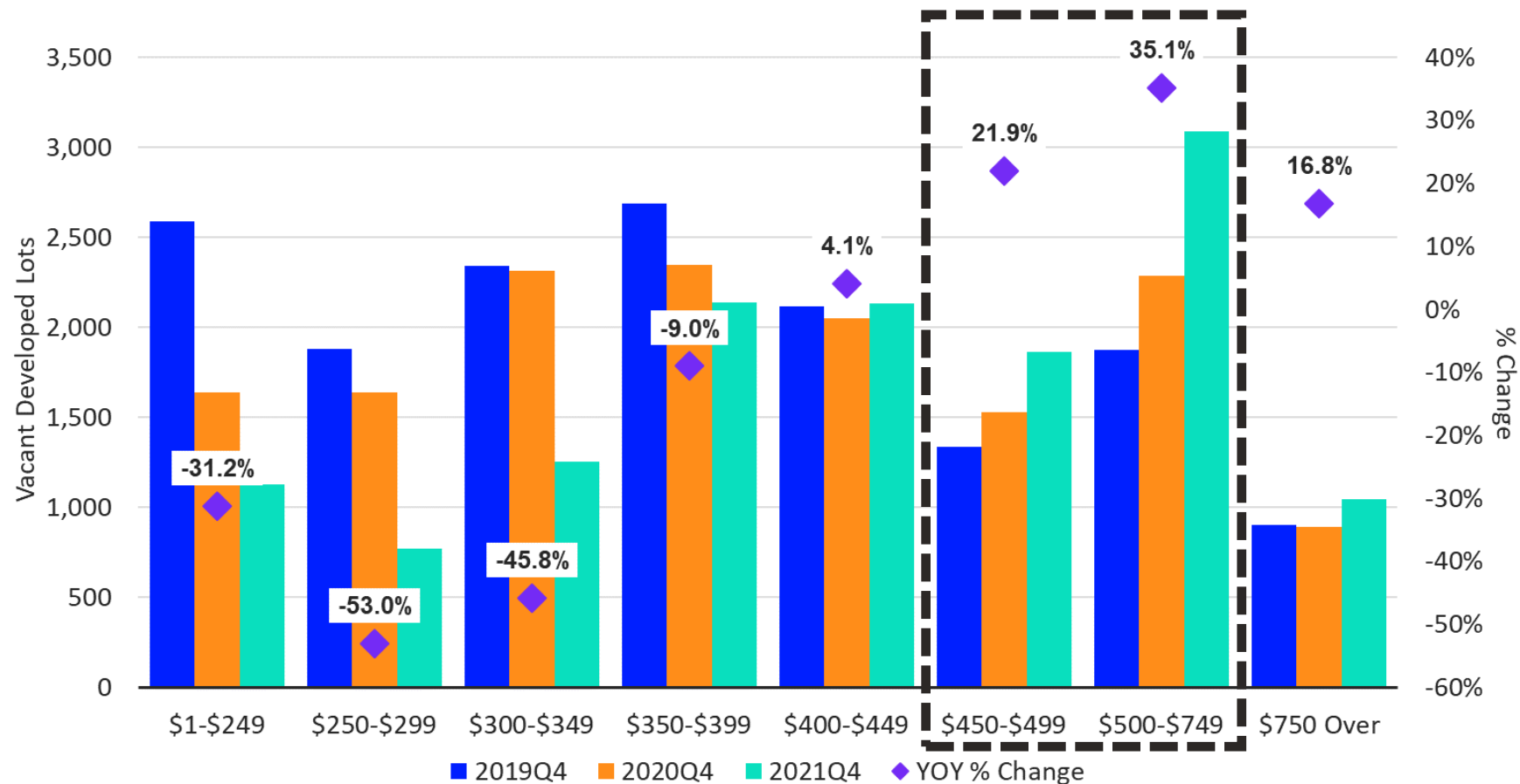
# Lot deliveries in 2021 largely kept pace with starts



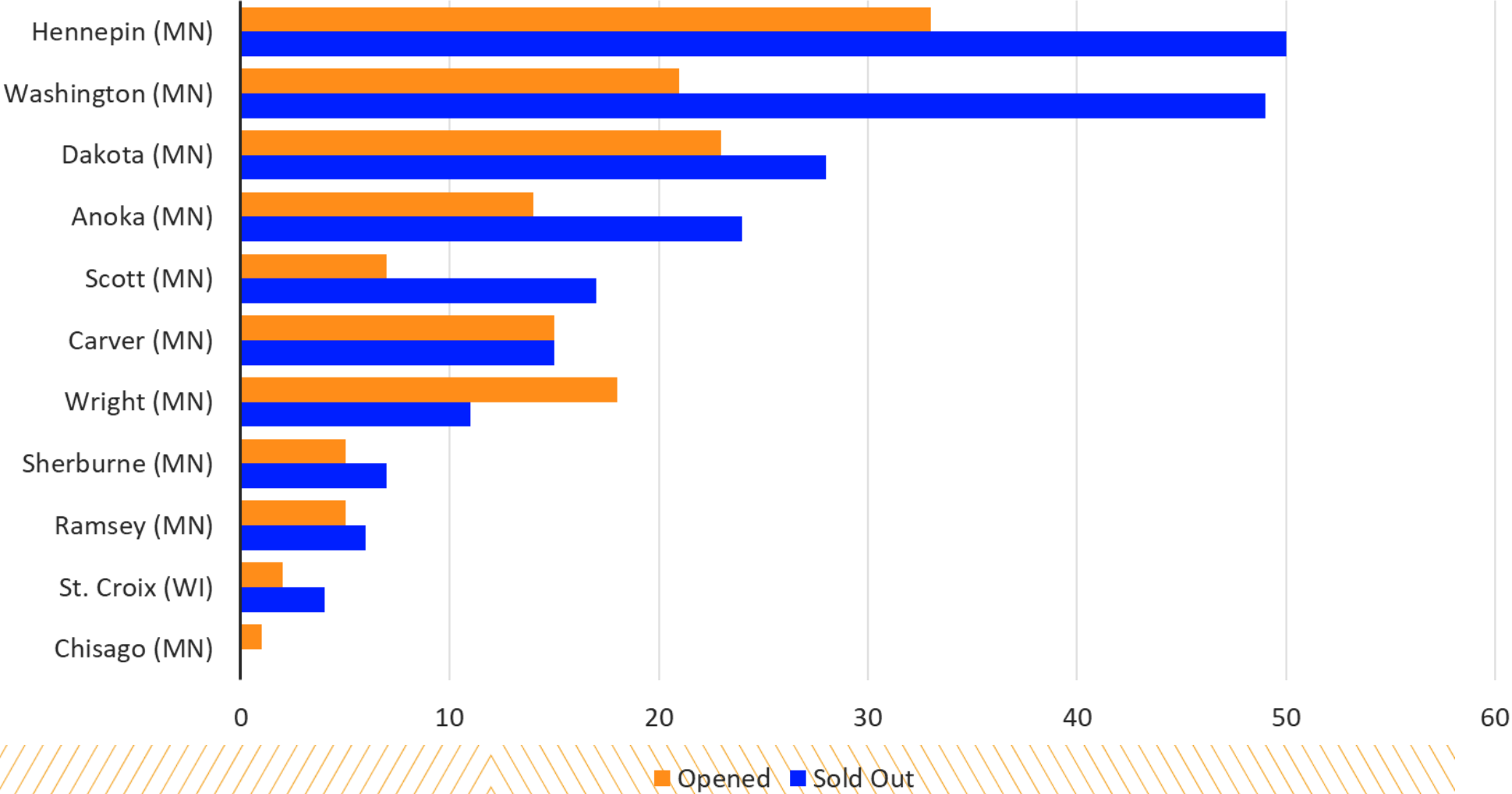
# Vacant developed lot inventory is running tight in the Twin Cities market at 14.8 MOS



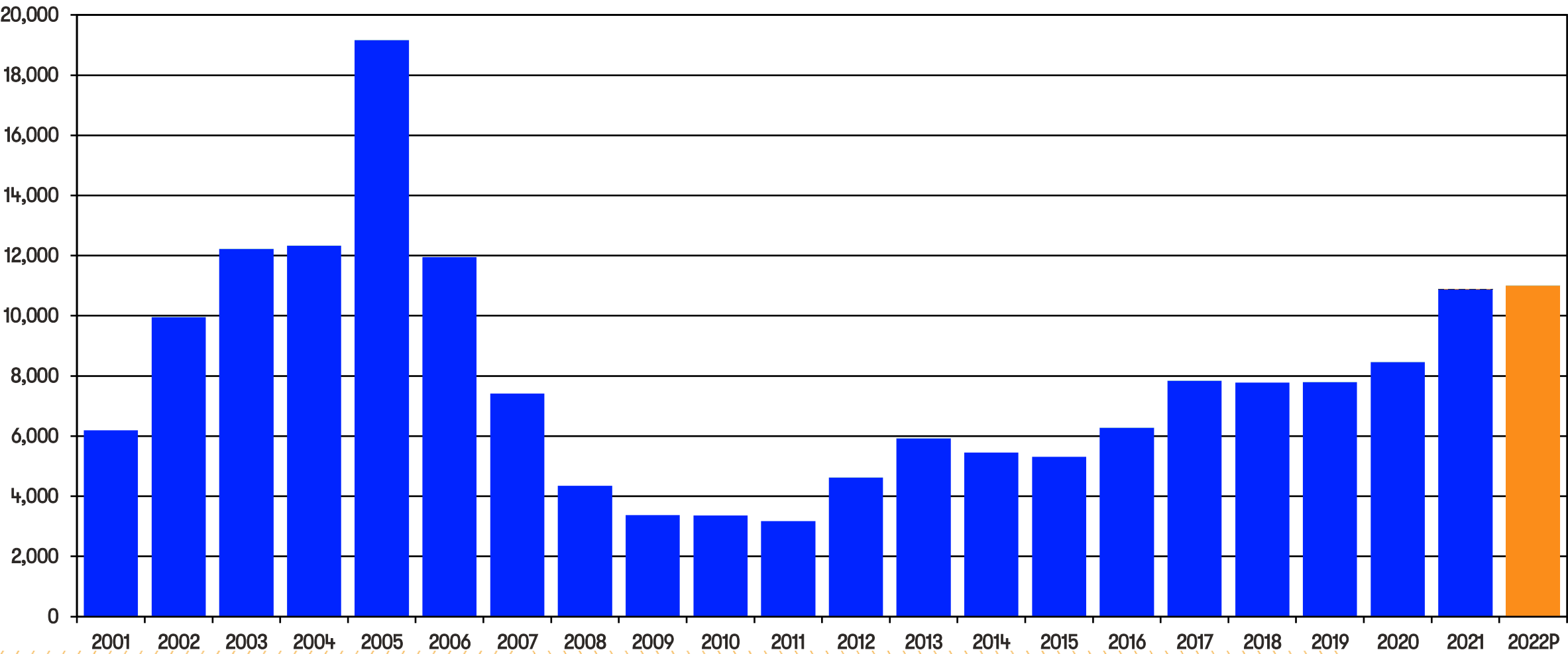
Based on estimated base-pricing for product to be built on the vacant developed lots available – growth continues in that \$450K+ range



# Over the last 12 months, project count has continued to decline



# We are projecting a 1% growth in starts in 2022



# Thank you



# CHALLENGES AND OPPORTUNITIES TO HOUSING AFFORDABILITY

February 23, 2022

**Libby Starling**

Director, Community Development and Engagement



FEDERAL RESERVE BANK  
OF MINNEAPOLIS



# CHALLENGES AND OPPORTUNITIES TO HOUSING AFFORDABILITY:

- Lack of new housing
- Lack of new affordable housing
- Low homeownership rates among households of color

*The views expressed here are the presenter's and not necessarily those of the Federal Reserve Bank of Minneapolis or the Federal Reserve System.*



FEDERAL RESERVE BANK OF MINNEAPOLIS



# LACK OF NEW HOUSING



# LACK OF NEW HOUSING

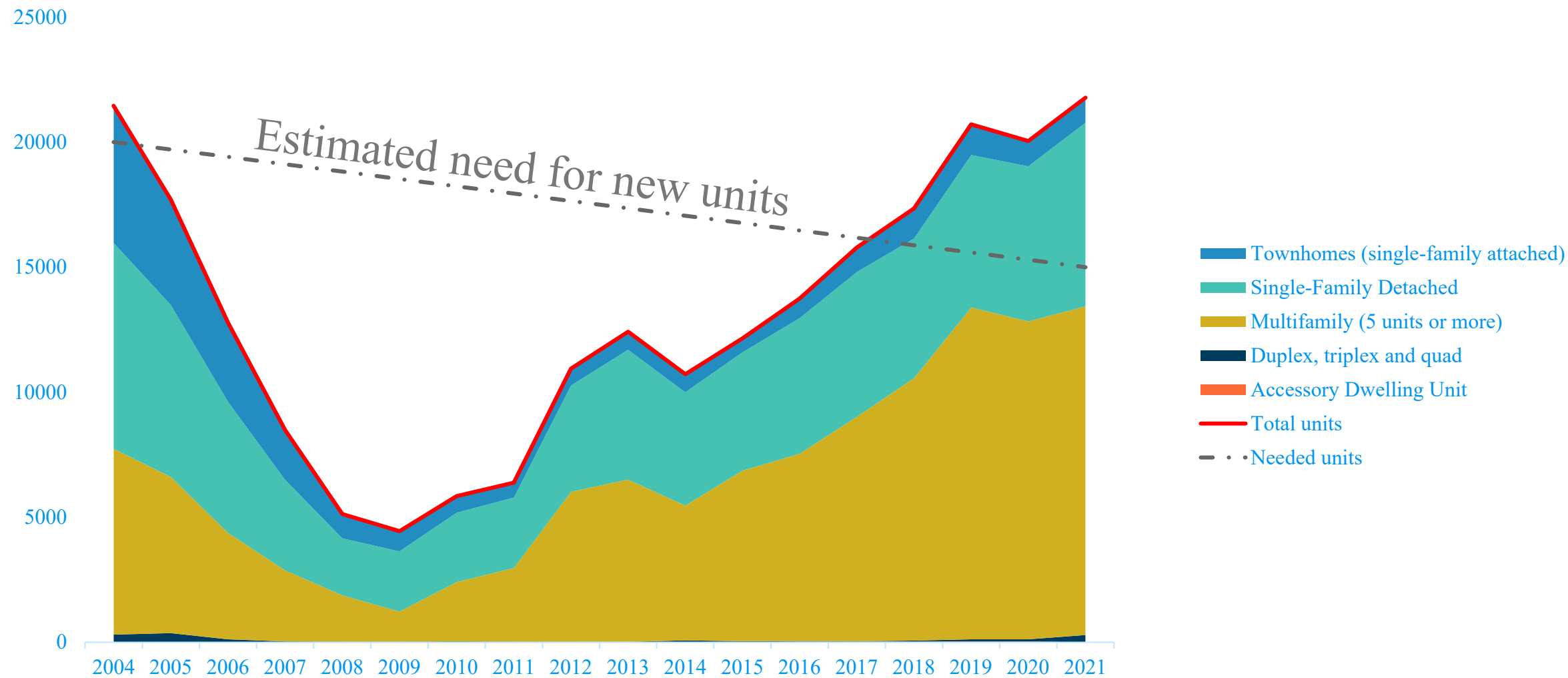
## DESPITE NEW HOUSING CONSTRUCTION, THE TWIN CITIES HAS THE LOWEST HOUSING VACANCY RATE

“The housing shortage in the Twin Cities is now the worst in the nation, topping even high-demand metros such as Los Angeles, Seattle, Denver and Austin, Texas. Last year a **mere 4.6% of all for-sale and rental housing in the metro was vacant**, according to a new analysis of U.S. census data of the nation's 56 largest metros by the Minnesota Population Center.”

-- Jim Buchta, *Star Tribune*, September 18, 2021

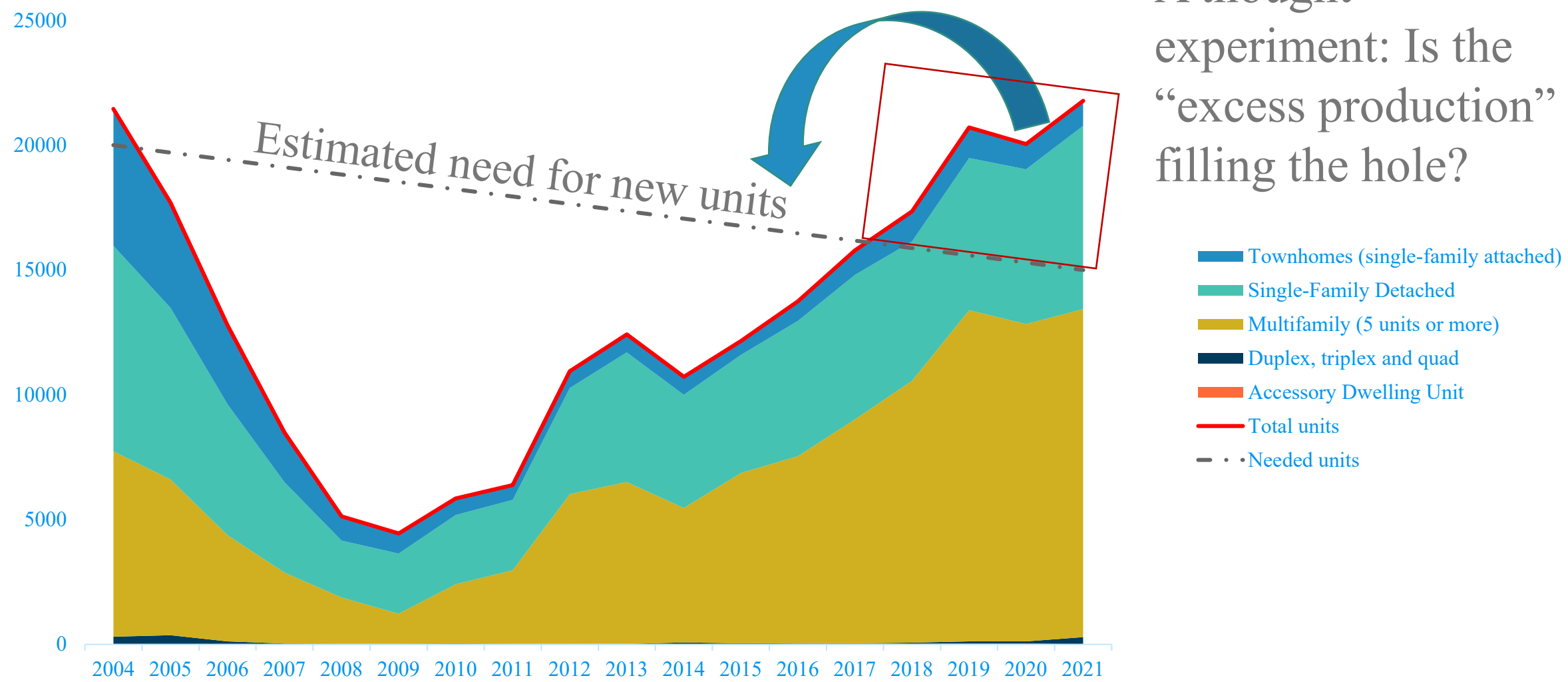


# NEED FOR NEW HOUSING IN THE TWIN CITIES



Source: 2004-2020 data from Metropolitan Council, Building Permits Survey; 2021 data from U.S. Census Bureau, Building Permits Survey

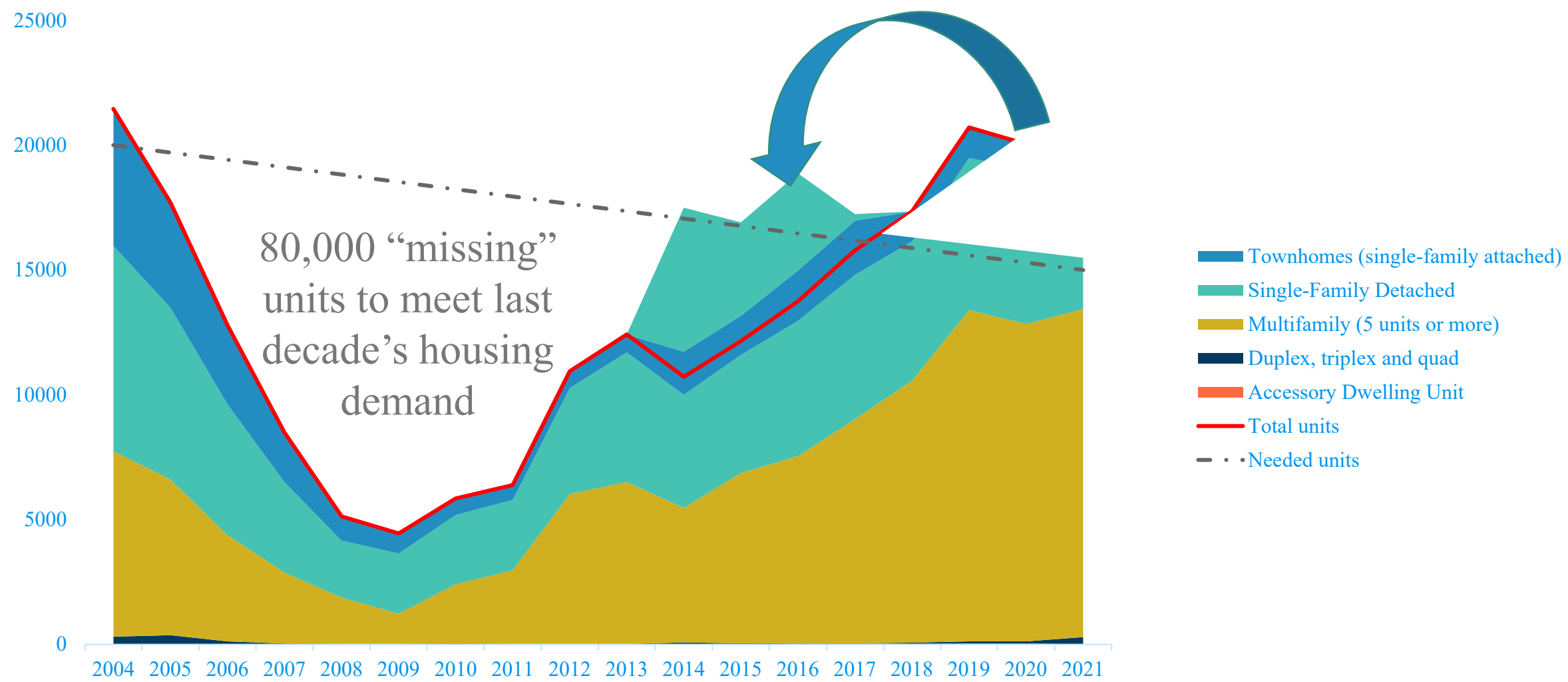
# NEED FOR NEW HOUSING IN THE TWIN CITIES



A thought experiment: Is the “excess production” filling the hole?

Source: 2004-2020 data from Metropolitan Council, Building Permits Survey; 2021 data from U.S. Census Bureau, Building Permits Survey

# NEED FOR NEW HOUSING IN THE TWIN CITIES



Source: 2004-2020 data from Metropolitan Council, Building Permits Survey; 2021 data from U.S. Census Bureau, Building Permits Survey





# LACK OF NEW AFFORDABLE HOUSING

Hapag Lloyd

HLXU 637960  
4561

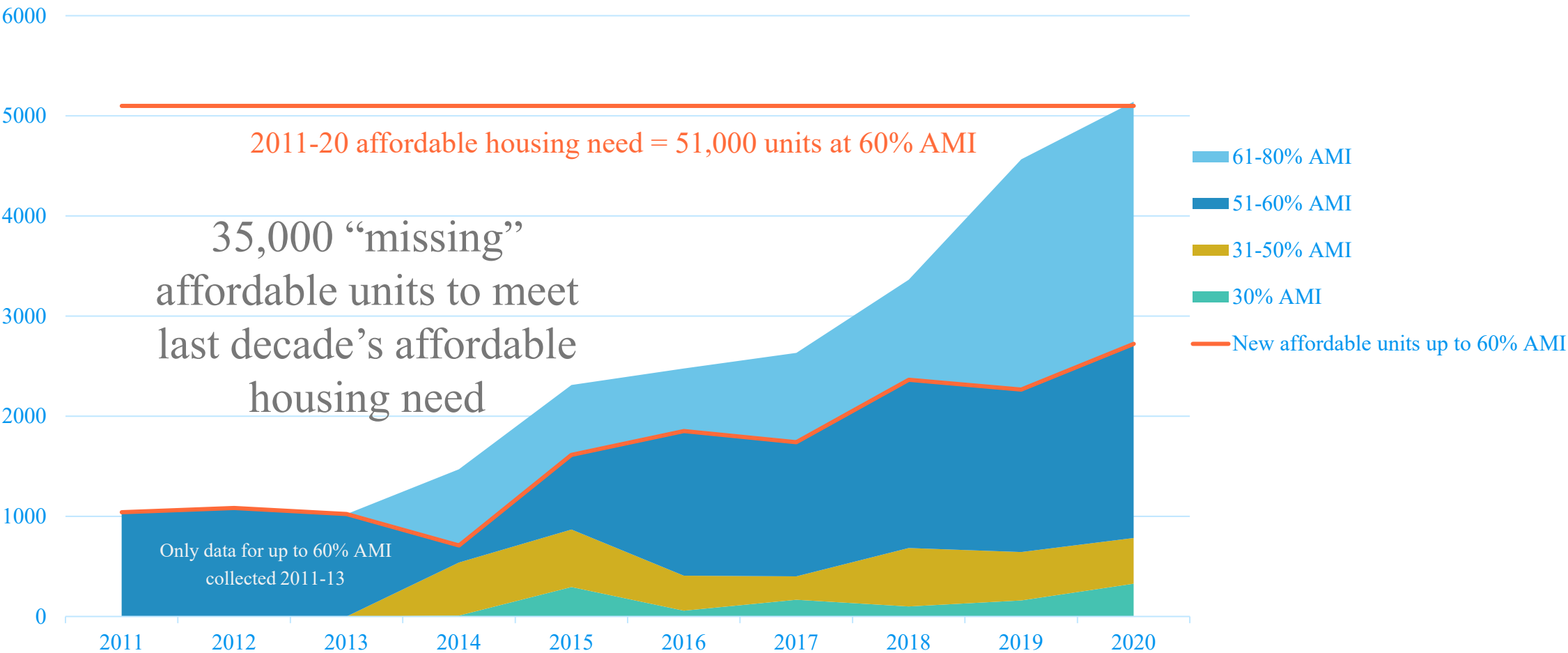
GL

MAX GROSS 32 500 kg  
71 650 lbs  
TARE 4 010 kg  
8 840 lbs




# NEW AFFORDABLE UNITS LAG FAR BEHIND NEED

New affordable units in the seven-county Twin Cities area



Source: Metropolitan Council, Housing Performance Scores Survey



# LOW HOMEOWNERSHIP RATES AMONG HOUSEHOLDS OF COLOR

Hapag Lloyd

GL

MAX GROSS

TARE

32 500 kg  
71 850 lbs

4 010 kg  
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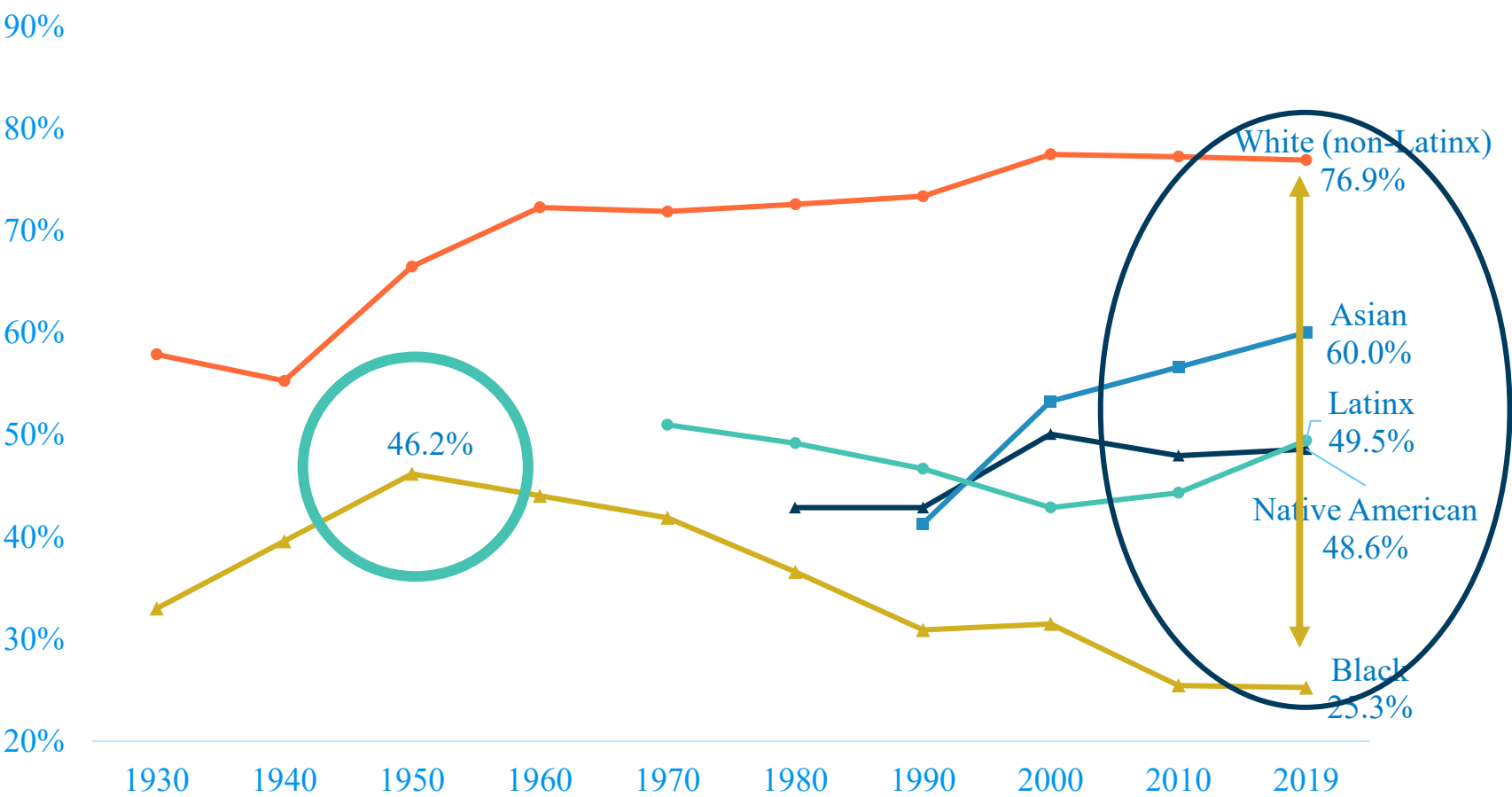
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# LOW HOMEOWNERSHIP AMONG HOUSEHOLDS OF COLOR



## PEAK BLACK HOMEOWNERSHIP IN MINNESOTA IN 1950



- One of the highest homeownership rates
- Among the highest homeownership rates for White households
- One of the largest gaps between White households and households of color



# CHALLENGES AND OPPORTUNITIES TO HOUSING AFFORDABILITY:

- Lack of new housing
  - Lack of new affordable housing
  - Low homeownership rates among households of color
- 
- 





# THANK YOU!

For more information: [libby.starling@mpls.frb.org](mailto:libby.starling@mpls.frb.org)

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# Rights, Responsibilities, and Preemption in Minnesota

Salim Furth

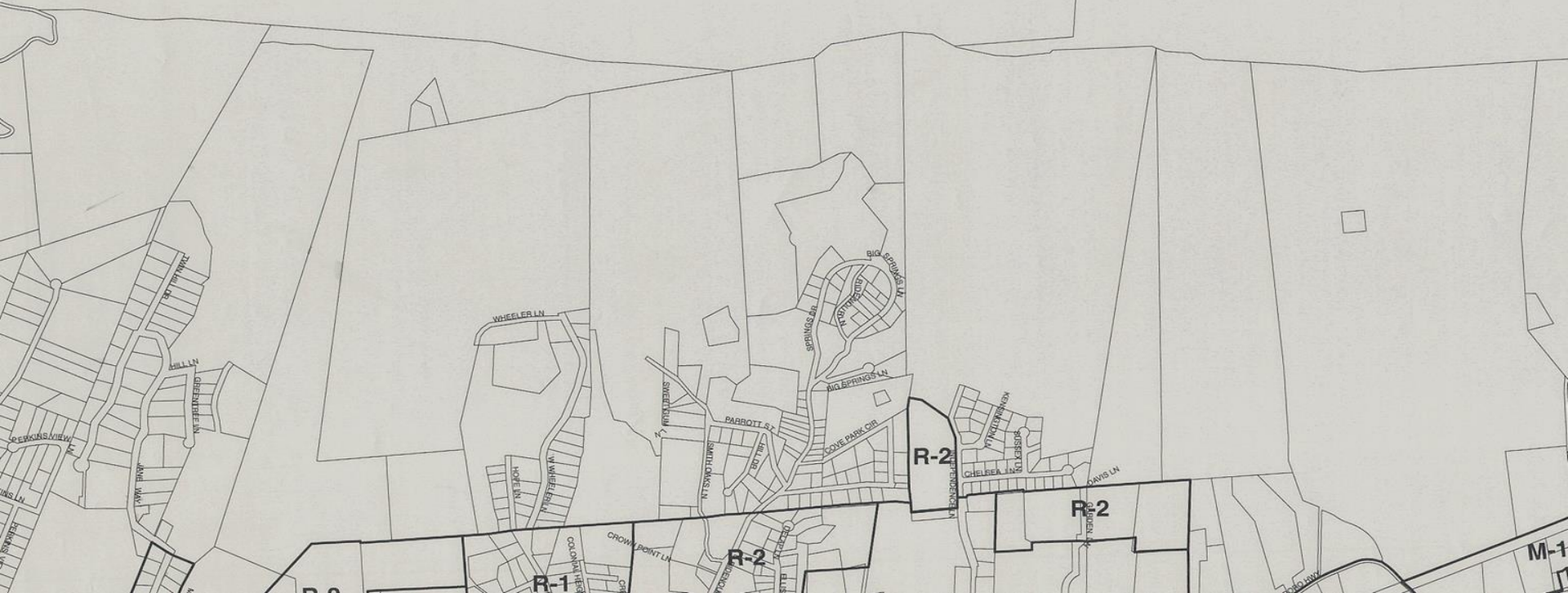
February 23, 2022





# Land of 10,000 PUDs

★ PUD = Planned Unit Development



# Land of 10,000 PUDs

TABLE 1. NUMBER AND SHARE OF 2010S HOUSES IN PUDS

City	Houses	Share of houses in PUDs (percentage)
Chaska	931	97
Maple Grove	1,864	95
Carver	396	93
Blaine	2,935	91
Victoria	983	90
Rosemount	766	86
Savage	1,183	86
Dayton	479	86
Eagan	560	74
Lino Lakes	595	74

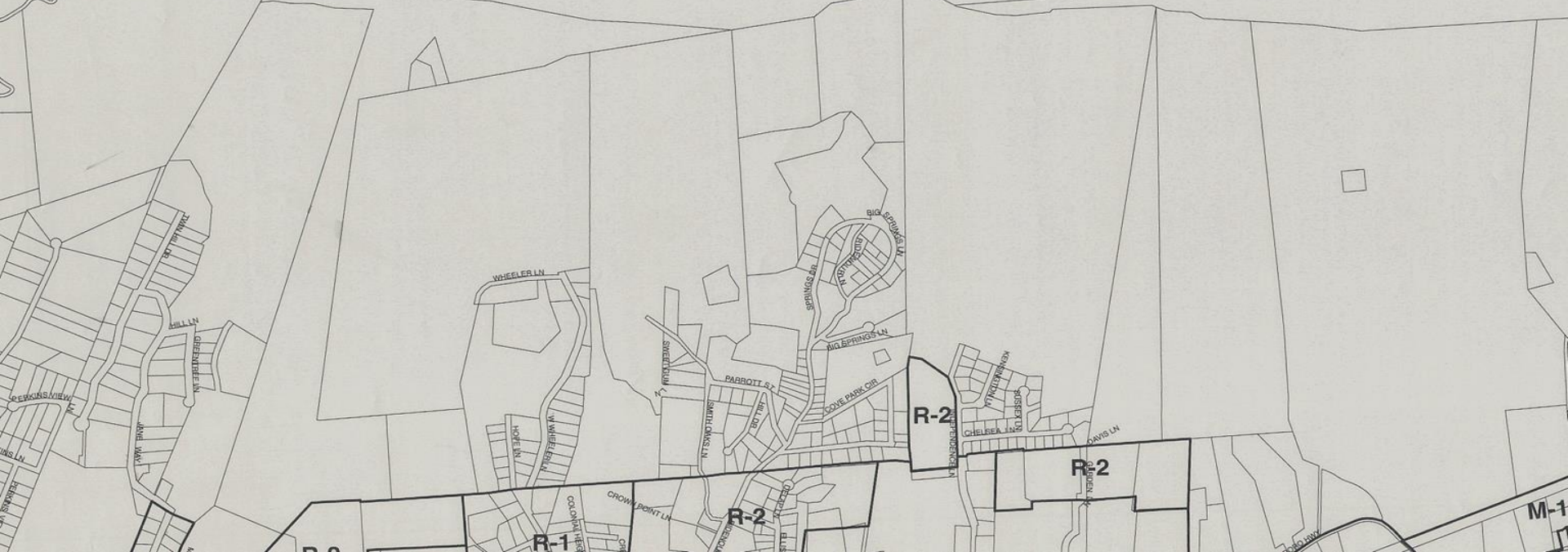
Note: This table includes only cities with at least 200 houses built in the 2010s. Data include houses built from 2010 to early 2019 on land zoned for residential use or for PUDs.

Source: Michael Corey and MaryJo Webster, tax appraisal records from metropolitan Minnesota counties and zoning maps from cities (data on file with author, n.d.).



# Minimum lot sizes

- ★ Each district has its own minimum
- ★ Larger lots are allowed, smaller lots are (in theory) forbidden



# Minimum lot sizes

TABLE 2. CITIES WHERE MINIMUM LOT SIZES ARE TOO TIGHT FOR THE MARKET

City	Share of lots that are tightly zoned (percentage)	Share of lots that are noncompliant (percentage)	Median minimum lot size	Cost of 1,000 sq ft
Edina	14	37	9,000 sq ft	\$29,346
Woodbury	25	42	10,000 sq ft	\$12,907
Eden Prairie	33	19	13,500 sq ft	\$12,070
Minneapolis	55	9	5,000 sq ft	\$10,181
Minnetrista	16	46	14,500 sq ft	\$10,063
Farmington	39	9	10,000 sq ft	\$9,246
St. Paul	59	5	5,000 sq ft	\$7,565
Dayton	17	54	15,000 sq ft	\$7,449
Forest Lake	20	47	15,000 sq ft	\$6,530
Rogers	33	34	15,000 sq ft	\$2,857

Note: Includes only houses built in 2010–2019 for which a minimum lot size can be identified and thus excludes most PUD zones. Tightly zoned lots are those with a lot size between 90 percent and 110 percent of the minimum. Noncompliant lots are those less than 90 percent as large as the published minimum. The fourth column lists the median minimum lot size that applies to recently built houses. The final column shows the median land value, as appraised for tax purposes, on these lots. Data include houses built from 2010 to early 2019 on land zoned for residential use or for PUDs.

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**Thank you**



# Legalizing Affordable Housing Act



**Minnesota  
House of  
Representatives**

Rep Steve Elkins | House District 49B  
Rep.Steve.Elkins@House.MN



# Flaming Hoops

OPINION EXCHANGE

## Twin Cities housing: The 'flaming hoops' separating builders and cities

How the past brought us to where we are, and how the present will fail to get us to where we need to be.

By STEVE ELKINS | FEBRUARY 14, 2020 — 5:45PM



ILLUSTRATION BY MARTIN GEE FOR THE STAR TRIBUNE

A consensus seems to exist that we're not building enough housing in the Twin Cities, especially the relatively affordable housing we need for a workforce that will keep our economy growing.

By the Metropolitan Council's estimates, the average of 9,500 housing units we've been building per year over the past decade is 30% less than the 14,000 units per year we need to keep up with demand. The affordable housing picture is worse; we're building just one-fifth of what's needed.

- Basic Premise:

Because Cities are not allowed to assess cost-based development impact fees to recover their infrastructure costs, directly, they use a variety of fees and zoning restrictions to slow development and recover their costs, indirectly.

*Cities will not increase property taxes on existing taxpayers to fund new housing development that existing residents don't even want.*

# Guiding Principals

- New Development should “Pay its own way” (But no more!)
  - Existing taxpayers should not have to pay the infrastructure costs for new residents
  - Cities should not use the development process as a “profit center”
- The Zoning process for new homes should be “By Right”
  - The building “entitlement process” must be streamlined to reduce risk and speed the “time to market”.
- The reformed process must result in a housing pipeline which provides enough new and relatively affordable workforce housing to provide shelter to every family in our growing population.



# Current Legal Framework

- Minnesota is a “Dillons Rule” State
  - Cities have the authorities granted to them by the State
- The zoning and planning authorities granted to Cities are described in two chapters of State law:
  - 462 (Statewide Zoning and Planning)
  - 473 (Metropolitan Land Planning Act)
- These chapters of State law were last reformed in 1995
  - Zoning was subordinated to the Comprehensive Plan
    - The Comp Plan is like the “Constitution” and the Zoning is like the “Laws”
    - There is no legal basis for the notion that the Comp Plan is for the future while the zoning is the now.
  - The Livable Communities program was established in the Metro area

# Article 1: Impact Fees

- Impact Fees are used in 29 other states to insure that new development “pays its own way”.
- A district of benefitting properties is established which is assessed to pay for specific infrastructure improvements that are needed to support new development on those properties.
  - The funds are segregated and must be used to fund specific improvements that are described in the City’s comprehensive Plan and Capital Improvement Program.
  - Unused funds must be refunded

# Article 2: Street Impact Fees

- Similar to Impact Fees but intended for use in redeveloping areas
- A district of benefitting properties is established which is assessed based upon traffic counts to pay for specific infrastructure improvements that are needed to upgrade existing streets.
  - The funds are segregated and must be used to fund specific improvements that are described in the City's comprehensive Plan and Capital Improvement Program.
  - Unused funds must be refunded

# Article 3: Zoning Reforms

- These changes reinstate the intent of the 1995 Reforms
- A definition of zoning conformity is provided.
  - Zoning uses and densities must be aligned with those in the comp plan
  - Specification of commercial uses may be more specific in the zoning
  - Zoning fills in the detailed performance standards designed to protect the public health, safety and welfare.
- Non-conformities between the Comp Plan and zoning must be resolved by conforming the Zoning to the Comp Plan upon receipt of a development application (and not vice-versa)
- Retroactive development moratoria would not be allowed.
- Only properties that have been both guided and zoned for multi-family housing count towards a Metro city's Livable Communities program affordable housing goals.

# Article 4: Zoning Limitations

- These provisions outlaw zoning practices used to prevent the development of relatively affordable housing
- Modular apartment construction must be allowed
- Duplexes and Accessory Dwelling Units (ADUs) must be allowed *as long as all existing zoning performance standards applicable to single family homes are observed (setbacks, impervious surface coverage,...)*
- *Planned Unit Development Agreements may not be unilaterally required by a city if a proposed development is consistent with the comprehensive plan and zoning. Mutually voluntary PUDs are still allowed.*
- Mandated use of exterior building materials from a list of expensive options may not be required.
- Minimum square footages may not be required for homes or garages.



# Article 5: Land Dedication Guidelines

- Park Dedication Fees are limited to the customary 10 percent of the value of the development and may be paid in cash, land or park facilities. Undevelopable wetlands don't count towards the 10 percent.
- Arterial Street right of way dedications may not exceed the amount of land required under MNDOT State Aid Design guidelines
- Local residential street right of way may not exceed the amount of land needed to build a 32' wide street plus associated sidewalks and utilities (typically this would be about 56' of total right of way.)
- Records must be kept to show how cash dedications are spent.

# Article 6: Metro Development Density

- In the Metro region **only**, and **only** for land that is becoming available for residential development **for the first time** ...
- Cities must allow housing developers to build homes on lots as small as 1/8 of an acre **if they see a market for such housing**.
  - Most of the region's existing starter home stock in the cities and inner ring suburbs was built on lots of this size.

# Article 7: Sewer Availability Connection Charges

- In the Metro region only, the charge to connect a new home to the regional sewer system would be based upon an assumed density of at least 4 units per acre (the average density assumed when planning regional sewer capacity).
- Rationale: The cost of extending a regional sewer line to a development is the same if there is one unit on an acre of land or four units on that same acre of land. Why should regional taxpayers be subsidizing low density development?

# Article 9: Building Permit Fees

- The Dept of Labor & Industry would establish a consistent methodology for estimating construction value based upon cost per square foot for purposes of assessing building permit fees for residential construction as recommended by its Construction Code Council's Technical Advisory Group.

# Article 10: Energy Cost Disclosure

- Home sellers must disclose the home's energy efficiency data to prospective buyers through the home listing.
  - The last 12 months of home energy usage (if available)
  - The HERS rating of the home (if available)
- Utilities must provide the usage data to the home seller or their agent upon request.

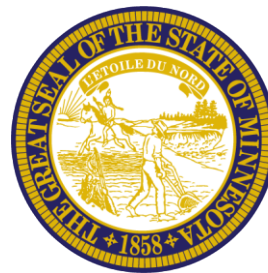


# Recap: What the draft bill does NOT require

- Things that the draft bill does not do:
  - It does not abolish the Planned Unit Development Process
    - It does require mutual agreement between the city and the developer to enter into the PUD process for a housing development that is code-compliant.
  - It does not require cities to only permit affordable housing to be built
    - It does limit cities from prohibiting the construction of affordable homes
    - The market should decide what gets built
  - It does not establish a new requirement that zoning is subordinate to the comp plan
    - This has been required since 1995
    - It does provide clarity around this existing requirement
  - The Duplex and ADU provision does not override existing zoning performance standards
    - Existing setback, height and impervious surface coverage standards must be met

# Next Steps: Staged and Orderly Development

- The temporal dimension of the planning and development process, to ensure “planned, orderly and staged development” is not adequately addressed in State Law.
- Without an identified funding source for the infrastructure needed to make land available for new housing development, city Capital Improvement Programs (CIPs) are often just project “wish lists” with no meaningful time frames attached to them.



**Minnesota House of Representatives**

# Thank You

Rep Steve Elkins | House District 49B

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Senior Manager, Government  
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To: Minnesota House Division on Local Government

Date: Wednesday, February 23, 2022

Subject: Written Testimony on HF 3256 - Legalizing Affordable Housing Act

Chair Masin, Vice Chair Elkins, and members of the Minnesota House Division on Local Government, thank you for the opportunity to provide written comments on HF 3256. HF 3256 is a major first step toward addressing Minnesota's housing challenge through modernizing the state's housing policies by strengthening the housing market, lifting unnecessary roadblocks, increasing housing affordability, and addressing racial inequities in housing.

On behalf of Zillow, we would like to express our appreciation to Representative Elkins for considering the important issues of housing affordability and racial equity by bringing this legislation forward. Zillow is committed to reducing barriers to housing by expanding access and addressing the critical shortage of inventory throughout the state of Minnesota.

As part of this commitment, our team of research economists examine housing market data and economic trends, and we share this research and data to help inform policymakers as they work to address the urgent housing issues facing our communities. 2021 was an unprecedented year for housing demand, coupled with a historic inventory shortage.<sup>1</sup>

According to the Zillow Home Value Index, home values in the Minneapolis-St. Paul metro area have appreciated by 43% in the last five years, and 12% in the last year alone.<sup>2</sup> This has made homeownership increasingly unattainable as potential homebuyers face a combination of price increases and a shrinking supply of homes, and we expect home values will continue to climb in 2022, increasing by 16.4% by the end of the year when compared to 2021.<sup>3</sup>

This housing affordability crisis also perpetuates extreme economic and racial inequities in Minnesota's largest communities. Specifically, in the Minneapolis-St. Paul region, the Black homeownership rate is currently just 26%, compared to the white homeownership rate of 76%. This is the lowest Black homeownership rate and the largest gap between Black and white homeownership rates in the entire nation out of all 59 metropolitan areas studied in Zillow's research.

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<sup>1</sup> <https://www.zillow.com/research/december-2021-market-report-30530/>

<sup>2</sup> <https://www.zillow.com/research/january-2022-market-report-30669/>

<sup>3</sup> <https://www.zillow.com/research/december-2021-market-report-30530/>

The creation of new, “missing middle” housing options offers opportunities to ease these challenges and unlock homeownership for more Minnesota residents. According to our research, reforming residential zoning rules - even modestly - to allow for more housing construction and density , would be the most effective way to increase housing supply.

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 the state of Minnesota) are closely tied to an ongoing inventory shortage, which is a function of both very high demand and not enough supply to meet that demand.

Over the last decade-plus, home builders simply are not building as many new housing units as they used to. If building permits had been issued at historic rates between 2008 and 2020, there would have been over 40,000 additional new housing units constructed in the Minneapolis-St. Paul region.<sup>4</sup>

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.<sup>5</sup> 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.

What’s more: there is broad public support for measures to create more housing inventory. A 2019 report issued by our research economists found that 57% of respondents in Minneapolis support constructing additional housing units in their communities.<sup>6</sup>

Single-family zoned neighborhoods account for the lion’s share of land in metropolitan America and, 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 that were zoned for single-family use at 74% of the total housing units in the region. 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.<sup>7</sup>

Neighborhoods that are made up of mostly single-family detached homes are whiter and more racially segregated.<sup>8</sup> In Minneapolis-St. Paul, while 76% of the population of the metropolitan area is white, the average neighborhood of single-family detached homes is almost 87% white.

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<sup>4</sup> <https://www.zillow.com/research/housing-permits-shortfall-2021-30373/>

<sup>5</sup> <https://www.zillow.com/research/zhpe-zoning-housing-supply-q22021-29600/>

<sup>6</sup> <https://www.zillow.com/research/missing-middle-housing-adu-26617/>

<sup>7</sup> <https://www.zillow.com/research/modest-densification-new-homes-25881/>

<sup>8</sup> <https://www.zillow.com/research/diverse-housing-racial-integration-27555/>



Under the status quo, Zillow estimates that the Minneapolis-St. Paul region is expected to add a little more than 380,000 housing units over the next two decades by 2040. The Metropolitan Council projects that the region's population will grow by roughly 563,000 between 2020 and 2040, so these housing units won't address the needs of future population growth, let alone begin to chip away at the current shortage of housing units for the region's current population.

Even by making relatively small 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.

In addition to adding more housing units, allowing for some measure of modest densification is also likely to expand the range of homes available to would-be residents. While the status quo is likely to produce mostly single-family homes and units in large apartment buildings, modest densification would enrich the mix by creating more so-called "missing middle" housing in two to four unit buildings, and therefore unlock life's next chapter to persons of color - who have for too long faced barriers to home ownership.

Homes in duplexes, triplexes and small to medium-sized multi-family buildings are often more affordable - and therefore likely more accessible - for groups that may likely be able to afford less, have less savings or do not have access to the intergenerational wealth that would allow them to more readily afford a detached single-family home.

Reforming zoning laws to allow for more multi-family housing would be a major step forward in addressing housing inequities. As a result, HF 3256 is a major first step toward addressing Minnesota's housing challenge through modernizing the state's housing policies by strengthening the housing market, lifting unnecessary roadblocks, increasing housing affordability, and addressing racial inequities in housing.

Thank you for the opportunity to provide comments on this very important legislation and please feel free to reach out to us with any questions.



February 23, 2022

**Re: City comments on HF 3256 (“Legalizing Affordable Housing Act”)**

Dear Members of the House Local Government Division:

The League of Minnesota Cities, Coalition of Greater Minnesota Cities, Metro Cities, and Municipal Legislative Commission generally oppose HF 3256, but appreciate the attention in the bill to street improvement districts and street impact fees. Cities are concerned with the bill’s broad preemption of city land use and zoning authorities, particularly as they are unlikely to address important housing issues across Minnesota. Additionally, as some provisions only impact Metro-area cities, our comments focus on provisions with statewide implications for cities.

Housing is a statewide issue, and the best way to ensure that housing issues in the Metro area and greater Minnesota are adequately addressed is to approach statewide solutions to housing in a comprehensive way that: (1) address the full housing spectrum, (2) support local innovation, (3) provide incentives instead of mandates, and (4) provide community-specific solutions throughout Minnesota.

HF 3256 unfortunately falls short of a comprehensive approach, and does not guarantee housing affordability or more affordable housing. Instead, it preempts city zoning and land use authority. As you may know, zoning is an important planning tool that benefits communities economically and socially, improves health and wellness, and helps conserve the environment ([Zoning: Why It’s Important](#)). This bill would limit this beneficial tool by:

- Requiring any housing proposal contemplated by a comprehensive plan in the future be accepted now, even if needed infrastructure isn’t available to support this new development (it would also prohibit the opportunity to study impacts of such residential development)
- Capping land dedication and park dedication fees
- Requiring land dedication for streets to be no larger than 32 feet while limiting the ability for cities to require adequate off-street parking
- Requiring all cities to allow duplexes and accessory dwelling units (ADUs) in single-family zoned areas
- And more

Thank you for consideration of our concerns. We look forward to continuing to work with Rep. Elkins and other legislators to address housing challenges in cities across the state.

Sincerely,

Irene Kao  
League of Minnesota Cities

Cap O’Rourke  
Minnesota Association of Small Cities

Elizabeth Wefel  
Coalition of Greater Minnesota Cities

Daniel Lightfoot  
League of Minnesota Cities

Tom Poul  
Municipal Legislative Commission

Patricia Nauman  
Metro Cities

Charlie Vander Aarde  
Metro Cities

## **RIGHTS, RESPONSIBILITIES, AND PREEMPTION IN MINNESOTA**

**SALIM FURTH**

*Senior Fellow, Urbanity Project, Mercatus Center at George Mason University*

Minnesota House of Representatives, Local Government Division

February 23, 2022

Chair Masin, Vice Chair Elkins, and members of the Local Government Division, thank you for inviting me to comment on residential zoning. I study land use regulation and housing markets as codirector of the Urbanity Project at the Mercatus Center at George Mason University. The Mercatus Center is a research center dedicated to applying market-oriented academic ideas to real-world problems.

Local governments have power over land use, and they bear the final responsibility in using these powers justly. But the exercise of local land use authority relies on institutions designed by the state. Thus, the state legislature has the responsibility of adjusting institutions that are working poorly for citizens, markets, or local governments.

The bill before you, HF 3256, touches several aspects of the state's role in setting the framework for the exercise of local power over land use. It would limit the use of some fiscal tools and newly allow the use of others, preempt some zoning controls, and adjust the planning process.

### **LAND OF 10,000 PLANNED UNIT DEVELOPMENTS (PUDS)**

Mounting evidence suggests that the institutions of development in suburban Minnesota are broken. An increasing number of suburbs are abandoning traditional zoning in favor of PUDs. PUDs are appropriate for unique or innovative projects, but they are an invitation to opaque policymaking and favoritism. In addition, the creation of a PUD agreement involves up-front administrative costs, making it uneconomical for small-scale builders.

PUDs used for routine subdivisions are a warning that something is not working as it should.

In the Twin Cities area, about half of recently built suburban single-family homes are in PUDs.<sup>1</sup> Table 1 shows the 10 most PUD-dependent cities.

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1. In some cities, including Minneapolis, developments built under PUD agreements retain a conventional underlying zoning, so the data do not allow one to distinguish PUDs.

TABLE 1. NUMBER AND SHARE OF 2010S HOUSES IN PUDS

City	Houses	Share of houses in PUDs (percentage)
Chaska	931	97
Maple Grove	1,864	95
Carver	396	93
Blaine	2,935	91
Victoria	983	90
Rosemount	766	86
Savage	1,183	86
Dayton	479	86
Eagan	560	74
Lino Lakes	595	74

Note: This table includes only cities with at least 200 houses built in the 2010s. Data include houses built from 2010 to early 2019 on land zoned for residential use or for PUDs.

Source: Michael Corey and MaryJo Webster, tax appraisal records from metropolitan Minnesota counties and zoning maps from cities (data on file with author, n.d.).

Here, the problem appears to be that local governments cannot, using the fiscal tools the state has allowed them, make new development pay for itself. Instead, localities impose uneconomical zoning to force builders into PUD negotiations.

In addition, Minnesota suburbs, like many local governments nationwide, use zoning to curate which types of people can move to town. This is an inappropriate use of government power and tramples on property rights and fair housing principles.

To address these interrelated problems, HF 3256 proposes to empower local governments fiscally in exchange for limits on their ability to force developers into using PUDs, either as an explicit requirement or by setting minimum lot sizes uneconomically high so that land value can be unlocked only via a PUD.

## MINIMUM LOT SIZES

The most universal form of residential land use regulation in the United States is minimum-lot-size requirements. In metropolitan Minnesota,<sup>2</sup> about 43 percent of houses built in the 2010s were on lots very close to, or significantly smaller than, the minimum lot size. In some cases, local governments routinely grant exceptions to their own minimum-lot-size requirements, resulting in noncompliant lots. In other cases, a large share of lots is very close to the minimum lot size. In either case, the data show that there is strong demand for lots smaller than the legislated minimums.<sup>3</sup>

2. The metropolitan area is defined in section 473.121 subdivision 2 and covers most of seven counties. Minn. Stat. § 473.121 (2021). My data cover the Metropolitan Urban Service Area.

3. The analysis used here follows a method developed in M. Nolan Gray and Salim Furth, "Do Minimum-Lot-Size Regulations Limit Housing Supply in Texas?" (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, May 2019).

Table 2 shows the 10 metropolitan cities with the highest share of newly built houses on lots that are either near or smaller than the minimum lot size. The list includes both Minneapolis and St. Paul, as well as eight suburbs. Minimum lot sizes vary within each jurisdiction, but all the suburbs have median minimum lot sizes between 9,000 and 15,000 square feet, or three to five homes per acre.

The additional cost of land can be substantial. Regulations that effectively add 1,000 square feet of land to the lot size increase the cost of a home by about \$10,000 in most jurisdictions, although the figure is as high as \$29,000 in Edina. In research undertaken in another context, I find that households rarely value extra yard space by as much as it costs.<sup>4</sup>

TABLE 2. CITIES WHERE MINIMUM LOT SIZES ARE TOO TIGHT FOR THE MARKET

City	Share of lots that are tightly zoned (percentage)	Share of lots that are noncompliant (percentage)	Median minimum lot size	Cost of 1,000 sq ft
Edina	14	37	9,000 sq ft	\$29,346
Woodbury	25	42	10,000 sq ft	\$12,907
Eden Prairie	33	19	13,500 sq ft	\$12,070
Minneapolis	55	9	5,000 sq ft	\$10,181
Minnetrista	16	46	14,500 sq ft	\$10,063
Farmington	39	9	10,000 sq ft	\$9,246
St. Paul	59	5	5,000 sq ft	\$7,565
Dayton	17	54	15,000 sq ft	\$7,449
Forest Lake	20	47	15,000 sq ft	\$6,530
Rogers	33	34	15,000 sq ft	\$2,857

Note: Includes only houses built in 2010–2019 for which a minimum lot size can be identified and thus excludes most PUD zones. Tightly zoned lots are those with a lot size between 90 percent and 110 percent of the minimum. Noncompliant lots are those less than 90 percent as large as the published minimum. The fourth column lists the median minimum lot size that applies to recently built houses. The final column shows the median land value, as appraised for tax purposes, on these lots. Data include houses built from 2010 to early 2019 on land zoned for residential use or for PUDs.

Source: Michael Corey and MaryJo Webster, tax appraisal records from metropolitan Minnesota counties and zoning maps from cities (data on file with author, n.d.).

Thus, smaller minimum lot sizes would likely result in a more diverse housing stock, better value for home buyers, and new homes that are attainable to a greater number of Minnesota households.

## CONCLUSION

Land use authority is not a purely local prerogative. It takes place within an institutional framework defined and regularly adjusted by the state. When warning signs emerge, such as the dominance of PUD regulation in growing metropolitan suburbs, the legislature should consider adjustments to those institutions to ensure that local land use authority can be used in ways that are fair, protect property rights, and serve the interests of Minnesotans.

4. Salim Furth, “Foundations and Microfoundations: Building Houses on Regulated Land” (Mercatus Working Paper, Mercatus Center at George Mason University, Arlington, VA, October 2021).



# Oppose the Authorization of MUNICIPAL STREET IMPROVEMENT DISTRICTS

House File 3256/Article 2

*Building Owners and Managers Association of St. Paul*

*Care Providers of Minnesota*

*Greater Minneapolis Building Owners & Managers Association*

*Hospitality Minnesota*

*Housing First*

*LeadingAge Minnesota*

*Jewish Community Relations Council – Minnesota and the Dakotas*

*Minnesota Association of Realtors*

*Minnesota Auto Dealers Association*

*Minnesota Bankers Association*

*Minnesota Beverage Association*

*Minnesota Business Partnership*

*Minnesota Catholic Conference*

*Minnesota Chamber of Commerce*

*Minnesota Council of Nonprofits*

*Minnesota Funeral Directors Association*

*Minnesota Grocers Association*

*Minnesota Hospital Association*

*Marine Retailers Association of the Americas*

*Minnesota Multi-Housing Association*

*Minnesota Petroleum Marketers Association*

*Minnesota Private College Council*

*Minnesota Retailers Association*

*Minnesota Service Station Association*

*Minnesota Shopping Center Association*

*Minnesota Alliance of YMCAs*

*Minnesota Trucking Association*

*NAIOP: Commercial Real Estate Development Association*

*National Federation of Independent Business*

*National Marine Manufacturers Association*

*Pioneer Equipment Dealers Association*

## What the Proposal Does:

The proposed Municipal Street Improvement District provision provides broad authority to cities to impose a yet-to-be determined tax on property owners.

It allows *city councils* to impose an additional property tax.

## Why We Oppose It:

This legislation creates an end-run around requirements imposed on cities under the special assessment laws designed to protect property tax payers.

Under the proposal, there is no need for the city to prove benefit to an affected property to justify imposing a new fee.

Cities are free to draw the taxing district in any shape, allowing them to impose the tax only on certain properties.

The mechanism for apportioning fees to parcels is based on a ambiguously-defined trip generation tool. The fees generated can be used to pay for improvements, such as sewers and trails, that have nothing to do with traffic counts.

*Another* taxing mechanism for cities is NOT NECESSARY. Cities already have numerous tools for financing transportation improvements, including:

- General Property Tax Revenue
- Special Assessments
- State Transportation Aid
- Special Service Districts
- Tax Increment Financing
- Property Tax Abatement
- Local Option Sales Tax

Fees levied in Municipal Street Improvement Districts do not sunset after a particular project has been paid for. Rather, once imposed, the fees can be collected from property owners for up to 20 years.

***Furthermore, in 2016, the MN Supreme Court found a similar plan in St. Paul to be a function of the city's taxing authority and therefore UNCONSTITUTIONAL when applied to tax-exempt properties.***

The Municipal Street Improvement District has been introduced and ***rejected 9 times in the last 11 biennia*** because legislators have BIPARTISANLY and CONSISTENTLY recognized that it is bad public policy that is wrong for Minnesota property owners!



# Increasing Housing Affordability and Homeownership Access

## HF 3256 (Elkins)

### Minnesota's Housing Challenges

Currently, Minnesota stands approximately 60,000 housing units short of the necessary amount to achieve balance in our housing market.

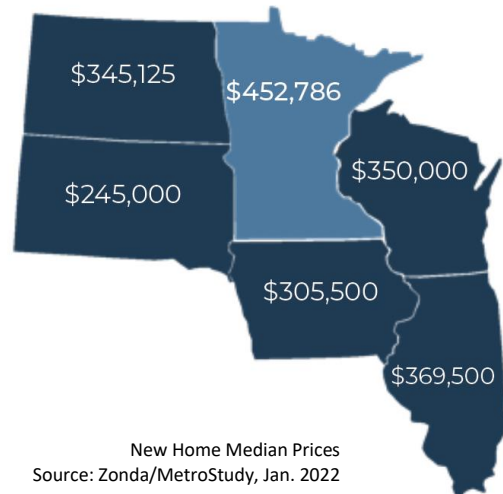
- **Worst** inventory of available for-sale homes in the nation for any major market.
- **Widest** homeownership gap in the nation for a major metropolitan area (Minneapolis-St. Paul).
- **Highest** regional new single-family detached home cost.

Without bold reforms to spur the building of tens of thousands of new homes, Minnesota cannot address these challenges head-on.

### Bill Description

HF 3256 is the first major step toward addressing Minnesota's housing challenges through modernizing the state's housing policies. This comprehensive approach addresses several key areas where Minnesota's housing policies are increasing costs and preventing the creation of needed starter homes.

HF 3256 lifts unnecessary roadblocks, strengthens our housing market, increases housing affordability and makes Minnesota more competitive in the region. However, Articles 1 and 2 would add to the state's housing problems by creating new housing and property taxes that increase the cost of housing. In addition, Article 10 would create a new "energy cost disclosure requirement." This should be a homebuyer option, not a mandate.



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## How HF 3256 Increases Housing Access and Affordability

- Legalizes new starter homes by modernizing Minnesota's land use practices.
  - Stops mandates for luxury material upgrades and other building code conflicts that drive costs.
  - Restores reasonable homeowner choice on home, garage, and lot size – allowing starter home options.
  - Reduces lot costs while ensuring that local governments can adequately fund infrastructure, parks and trails.
  - Ends “zoning by loophole” and aligns local controls to comprehensive plans.
- 

## Say Yes to Legalizing New Starter Homes

Increasing housing affordability and access to homeownership requires a sustained surge of new housing of all types, primarily those priced modestly and targeted toward first-time home buyers. HF 3256 takes a regional approach to housing and returns affordability and access into the housing market equation. As this bill moves forward we urge you to remove the provisions of the bill adding new housing and property taxes. Voting **YES** protects the dream of homeownership for future generations of Minnesotans.





# Association of Minnesota Counties

February 22, 2022

Representative Sandra Masin  
Chair, House Local Government Division  
543 Rev. Dr. Martin Luther King Jr. Blvd.  
St. Paul, MN 55155

**Re: HF3256 (Elkins) Local Land Use and Building Permit Provision Modified**

Dear Chair Masin and Committee Members:

The Association of Minnesota Counties (AMC), a membership-based organization representing all 87 Minnesota counties, appreciates the opportunity to offer comments on HF3256: Legalizing Affordable Housing Act; local land use and building permit provision modified.

AMC met with Representative Elkins last fall after he announced this proposal focusing on local government land use and permitting authorities. We appreciated his willingness to hear our concerns and HF3256 now includes some of the changes we discussed. We are still reviewing the bill updates and gathering feedback from our members, but there are a few items that we would like to raise for the committee's consideration now:

- Article 8, lines 19.31 – 21.6 would add building permits to the deadlines for agency action in M.S. 15.99: ***Review and decisions on building permits are not akin to the other actions in this section of statute.*** It would be difficult to complete all building permit work within these deadlines. This issue has been before the courts and building permits have been specifically excluded.
- Article 3, section 1, lines 7.10 – 7.21 addresses the relationship between county official controls and their comprehensive plan: ***Comprehensive plans are broad policy statements for future development and this language seems to suggest more specificity exists or that the plan should include more detail of how or when development might occur.*** In addition, official controls are already required to follow the comprehensive plan under case law.
- Article 1, lines 1.15 – 4.5 creates authority in M.S. Chapter 394 for counties to impose impact fees through the language in in the new Chapter 462E: ***Some counties may be interested in this authority, but we have questions about implementing this language and we are working on recommendations for improvement.***

Once again, we appreciate the opportunity to share our thoughts on the proposal and will share additional comments and recommendations with the author as work on this legislation continues. If you have any questions regarding AMC's position, please feel free to contact me at [bmartinson@mncounties.org](mailto:bmartinson@mncounties.org) or 651-246-4156.

Sincerely,



Brian Martinson, Policy Analyst  
Association of Minnesota Counties



February 18, 2022  
VIA: Hand Delivered  
RE: HF3256/SF3259

Dear Honorable Minnesota Senators and Representatives,

I am writing on behalf of the Vinyl Siding Institute (VSI) to express our support for HF3256/SF3259, the Legalize Affordable Housing Act. The vinyl industry is a significant contributor to the great state of Minnesota. VSI supports this bill because property owners, not city hall, should dictate home designs. Bans such as the ones currently in place needlessly add to Minnesota's housing issues.

VSI is the trade association for manufacturers of vinyl and other polymeric siding. As an organization, it is our goal to further the development and growth of the vinyl and polymeric siding industry by helping to develop material, product, and performance standards in cooperation with standards-making organizations and code bodies. We engage in product stewardship and various outreach activities. We also serve as an information resource to remodelers, builders, planners, designers, architects, elected officials, building code officials, distributors, homeowners, and other exterior cladding decision-makers on the facts about vinyl siding.

HF3256/SF3259 works to remedy the problem of local preemption of building materials and requirements approved by the Minnesota Building Code. Implementing unnecessary material requirements can significantly increase the cost of construction and limits the choice of homebuyers. Minnesota has the highest housing costs in the Midwest, and the Twin Cities has the widest housing equity gap in the state. Pre-pandemic Minnesota had the lowest available housing inventory in the nation. Local bans of code-compliant materials are hurting this great state by exacerbating its housing issues.

The VSI respectfully asks that you vote in favor of advancing HF3256/SF3259. Vinyl siding and other polymeric claddings are safe, durable, and allowed under the state building code. Thank you for any consideration you may choose to extend to this request.

Respectfully,

Kate Offringa  
President and CEO



February 22, 2022

Dear members of the House Local Government Committee,

On behalf of AIA Minnesota's 2,300 architects and design professionals, we would like to underscore our support for the provisions of HF 3256 related to homeowners' disclosures of energy efficiency ratings and utility information (Article 10). AIA Minnesota's architects are committed to reducing the impact of the built environment on our changing climate, and we understand the connection between energy efficient operations and affordability.

As a design community, our goal is to create truly affordable housing, which means that its operation is as efficient and affordable as possible; helping homeowners understand where the home they are purchasing falls on the efficiency continuum can help them plan for expenses and efficiency improvements, and improve understanding of the ways day-to-day home operations impact our climate.

We would like to offer our thanks to Representative Elkins for his hard work on HF 3256 prior to, and during, this legislative session. Addressing the affordable housing crisis throughout the state of Minnesota will require innovative solutions that address all the complex facets of the problem, and we appreciate the opportunities to share our expertise and opinions as this bill takes shape.

We recognize there is not currently consensus on the entirety of HF 3256, and respect stakeholder's concerns with provisions in the bill. It is imperative we continue to work together to identify solutions to the incredibly challenging problem of resilient affordable housing. We hope you will support this bill today so that work can continue. Minnesota's architects stand ready to offer our expertise and will continue to support efforts to provide resilient, healthy, high-quality, truly affordable housing to all Minnesotans.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Alicia Belton". The script is fluid and cursive, with the first name "Alicia" being more prominent than the last name "Belton".

Alicia Belton, FAIA, NOMA  
President, AIA Minnesota

A handwritten signature in black ink, appearing to read "Mary-Margaret Zindren". The script is cursive and somewhat stylized, with the first name "Mary-Margaret" being more prominent than the last name "Zindren".

Mary-Margaret Zindren  
Executive Vice President, AIA Minnesota



RISE Modular  
222 South 9th St., Suite 3700  
Minneapolis, MN 55402

612.913.4949

February 22, 2022

Minnesota Representative Sandra Masin  
Chair, MN House Local Government Division

Regarding: HF 3256 (Elkins) Written testimony for Committee Hearing on February 23

Representative Masin:

I am writing in support of the language in Article 4, Section 1 of House file 3256 to specifically include industrialized/modular residential buildings. This amendment simply specifies that zoning authorities cannot prohibit residential properties that happen to be of industrialized/modular construction as long as the properties comply with all other zoning ordinances.

It appears that when the current statute Authority for Zoning (MN Statute 2020 Section 462.357, subdivision 1) was drafted, it simply didn't include industrialized/modular structures, even though they have been an established style of construction since 2007. The proposed amendment would correct that omission.

I am the Founder & CEO of RISE Modular, a Minnesota company founded in 2019 and operating an approximately 150,000-square-foot manufacturing facility in Owatonna, MN, that produces volumetric modular units for use in multifamily residential and hospitality development projects. As of the end of 2021, we have provided modules for three projects in Minnesota with 260 rental apartments, and we will produce modules for nearly 500 rental apartments in 2022, including an affordable development with the Minneapolis Public Housing Agency.

Minnesota has a rich history of supporting manufacturers of modular residential homes, but until recent years, this has primarily been for single-family homes. RISE Modular is the first manufacturer of residential modules in Minnesota that is focused exclusively on larger scale commercial developments, with our completed projects ranging from 30 units to 192 units.

The Minnesota Department of Labor and Industry was way ahead of other states in setting a rigorous and efficient system for the oversight of manufacturers of industrialized/modular buildings, having adopted Chapter 1361 governing these manufacturers and projects using modular components back in 2007. Importantly, buildings that use industrialized/modular components must comply with the State Building Code for commercial or residential construction.



RISE Modular  
222 South 9th St., Suite 3700  
Minneapolis, MN 55402

612.913.4949

In recent years more and more developers are looking at the benefits of construction using industrialized/modular components for their multifamily residential properties. Modular construction allows major components of projects to be completed in indoor, climate-controlled facilities all year long. This approach allows projects to be completed 30-50% faster, while also providing higher quality and lower costs.

I ask that you include this simple amendment to clarify that localities cannot prohibit a project simply because it happens to incorporate industrialized/modular components.

Sincerely,

A handwritten signature in black ink, appearing to read "Christian Lawrence", with a long horizontal flourish extending to the right.

Christian Lawrence  
Founder & Chief Executive Officer  
RISE Modular



February 21, 2022

Dear Chair Masin and Members, House Local Government Committee:

Metro Cities appreciates the opportunity to comment on provisions in HF 3256-Elkins that are specific to metropolitan cities. Metro Cities represents the shared interests of metropolitan cities at the legislative and executive branches of government, as well as before the Metropolitan Council.

Metro Cities has concerns about provisions that would obstruct existing metro-specific processes that ensure the orderly growth of the region and required regional infrastructure to serve this growth.

Existing regional requirements set in state law give the Metropolitan Council important but limited authority to address regional infrastructure and systems, while allowing municipalities to remain largely self-determining with respect to local density and land uses. Regional and local coordination is required and practiced across the scope of regional policy setting.

While city officials and the Metropolitan Council at times disagree, generally they work successfully toward the shared interest of ensuring regional infrastructure such as wastewater and transit is adequately planned for and provided to the region's residents and businesses, who pay the costs of the infrastructure. Cities and the Metropolitan Council also coordinate on land use policies to address needs for new affordable housing construction. Metro Cities supports this coordination as well as local appeals in the setting of regional requirements.

Every ten years, cities in the metropolitan region are required to submit local comprehensive plan updates to the Metropolitan Council to ensure the compatibility of local plans with regional systems. HF 3256 would require that official local fiscal devices and controls be at once and entirely consistent with all identified uses in a local plan, effectually disallowing staging of developments and many existing land uses. This requirement is inconsistent with the objectives of long-term planning and ignores local fiscal capacities, constraints, existing land uses and community input that inform local plans and the timing of developments. As such, the bill would require cities and taxpayers in the metropolitan region to prematurely address and pay for infrastructure to serve growth that has not yet occurred and may not be expected to occur for years down the road.

HF 3256 restricts city eligibility for regional grant programs, by stipulating only parcels zoned for multifamily housing qualify for a metropolitan city's affordable housing goals under grant programs. Metro Cities supports flexible and accessible programs to cities across the region to help advance local needs for affordable housing.

HF 3256 would impose a statewide zoning policy and preempt local density setting, as well as regional density requirements for the planning and provision of regional infrastructure. This mandate would negate local community characteristics that inform density requirements for the region and would put significant and premature cost obligations on cities and taxpayers.

HF 3256 would require that certain communities be charged a higher level of SAC (sewer availability charge) based on their location in the region. SAC is structured as a local user fee calculated on current and projected use of the regional wastewater system. Metro Cities policies support a SAC program that is fair and transparent among all users and opposes using the regional SAC charge to subsidize state goals and objectives.

Thank you for the opportunity to provide comments on provisions in HF 3256-Elkins that are specifically consequential for cities in the seven-county metropolitan region.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Patricia Nauman'.

Patricia Nauman  
Executive Director

Dear Local Government Committee Members,

I am emailing regarding H.F. 3256, Article 4. In particular, Minnesota Housing Partnership (MHP) supports measures in Sec 2 of Article 4 to eliminate exclusionary zoning and allow for more density and diverse housing options. This position was also adopted onto the Homes for All Coalition's 2022 Support Agenda.

Zoning that allows for increased variety of housing options can enhance housing affordability, increase housing options, and accommodate greater diversity of needs. Addressing the scarcity of “missing middle” housing is key to expanding the supply of affordable homes. Flexible zoning can help desegregate communities and reduce housing disparities by helping to expand the supply of rental housing and increasing ownership opportunities. Minnesota needs to do more to reverse the legacy of discriminatory housing and investment policies that have created homeownership and wealth gaps and concentrated poverty and disinvestment.

A growing body of evidence has identified how exclusionary zoning places artificial constraints on supply, exacerbates residential racial segregation, and contributes to rising housing costs. Exclusionary zoning practices are rooted in a deeply racist history. Since the early twentieth century, municipalities have wielded local discretion in the land use process to enact a host of exclusionary zoning restrictions. Exclusionary zoning regulations, such as zoning ordinances mandating minimum lot sizes, and restricted multifamily development have often prevented working-class, minority households from moving into predominantly white communities. Research has found that restrictive land use regulations enacted earlier in the twentieth century help explain metropolitan segregation patterns today.

MHP also believes that flexible land use must be complemented with investments that increase the production and preservation of affordable housing and fully fund housing assistance programs. Without incentives, requirements, and resources to build housing that is affordable to low and even moderate-income households, flexible zoning can have unintended consequences.

MHP is a housing non-profit that strengthens development capacity and promotes public policy change to expand opportunity, especially for those with the greatest need. MHP provides public policy advocacy, capacity building for rural and Native communities throughout the United States and produces original research.

Thank you,

Libby

**Libby Murphy**

Director of Policy

**Minnesota Housing Partnership**

612.716.9703 (c)

[mhponline.org](https://mhponline.org)



1.1 ..... moves to amend H.F. No. 3256 as follows:

1.2 Page 21, delete lines 16 to 26 and insert:

1.3 "Section 1. **[513.62] ENERGY COST REPORTING REQUIREMENT.**

1.4 Upon the listing of residential real estate for sale, a utility company that provides  
1.5 electricity, natural gas, or water to the property must provide the seller with an energy usage  
1.6 report detailing the property's annual energy costs and usage. The commissioner of commerce  
1.7 shall prescribe the form of the energy usage report."

- 1.1 ..... moves to amend H.F. No. 3256 as follows:
- 1.2 Page 17, line 24, before "width" insert "pavement" and after "feet" insert a period
- 1.3 Page 17, line 25, delete the first "and" and insert "A dedication of land under this
- 1.4 paragraph may exceed 32 feet in total right-of-way width to the extent necessary to
- 1.5 accommodate"
- 1.6 Page 19, delete article 8
- 1.7 Renumber the sections in sequence and correct the internal references
- 1.8 Amend the title accordingly

- 1.1 ..... moves to amend H.F. No. 3256 as follows:
- 1.2 Page 1, delete article 1
- 1.3 Page 4, delete article 2
- 1.4 Page 22, delete article 12
- 1.5 Renumber the sections in sequence and correct the internal references
- 1.6 Amend the title accordingly

- 1.1 ..... moves to amend H.F. No. 3256 as follows:
- 1.2 Page 18, delete article 7
- 1.3 Renumber the sections in sequence and correct the internal references
- 1.4 Amend the title accordingly