

Testimony of The Pew Charitable Trusts
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Thank you, Chair Port, Ranking Member Lucero, and members of the Committee for the opportunity to provide testimony. I'm Gabe Kravitz from the Housing Policy Initiative at The Pew Charitable Trusts, a nonpartisan, nonprofit organization.

SF 3980 - Multifamily residential developments in cities requirements establishment

Pew has researched jurisdictions that have already implemented some of the provisions in SF 3980, including permitting multifamily housing development, simplifying permitting, and reducing parking requirements. The results have been increased housing production, reduced homelessness, and improved affordability.

There is now enough data from places adopting some of this bill's provisions to know rent growth has slowed, displacement has been reduced, and the environmental impact of sprawl has decreased. For example:

- More flexible zoning- especially allowing multifamily homes on commercial corridors- has helped keep rents nearly flat in Minneapolis since the start of 2017, even as rents rose 20 percent in Minnesota overall and 29 percent nationwide.
- Thanks to increased housing production, Minneapolis renters are paying an estimated \$1,700 less per year than if rents had increased at the same rate as in Minnesota overall. This has made it more likely that families of modest means can remain in their communities.
- When there is enough housing for residents in cities and towns, it also prevents sprawl and reduces miles driven.
- Allowing apartments and other lower-cost forms of housing has not just improved rental affordability, but also helped reduce homelessness. For example, when Minneapolis permitted 21,000 new housing units from 2017 to 2022, Hennepin County's homelessness dropped 12 percent during the same time but rose 14 percent in the rest of Minnesota.

In light of these successful outcomes, states including Montana, California, and Florida, have passed similar laws on a bipartisan basis making it easier to build multifamily homes that are more affordable to first-time homebuyers and middle-class families.

Minneapolis' Rent Growth Was Much Lower Than Minnesota's

Percentage change in housing stock, average rent, and homelessness, 2017-22

