



DEDICATED TO A STRONG GREATER MINNESOTA

May 1, 2025

Dear Chair Xiong and members of the Senate State and Local Government Committee,

I am reaching out on behalf of the Coalition of Greater Minnesota Cities—an organization of more than 115 cities located outside the Twin Cities metro area—to express our strong objections to the latest version of S.F. 2229 as contained in the A17 Amendment.

There is one thing on which the author of this bill, our organization, other city organizations, and housing advocates agree—Minnesota is facing a housing crisis, and we need to build more housing. We disagree, however, on the role that the state should play in resolving these issues. The biggest challenge that Greater Minnesota faces in addressing the housing crisis is that the market is upside down. It costs far more to build a unit of housing—whether a single-family home or multifamily complex—than it can be rented or sold for. The restrictions proposed in this amendment will do nothing to change that and instead will make it significantly more expensive for most cities to support new housing development. Our specific concerns are outlined below.

New Language Failed to Meet Committee Deadlines

The first and second deadlines for a bill to pass out of all policy committee deadlines was April 4, yet this bill is coming forward nearly a month past that deadline. For that reason alone, this effort should be rejected.

The A17 Amendment Removes Community Voices from the Housing Discussion and Creates Litigation Risk for Cities

Cities will now be required to establish an administrative process for housing development that requires them to comply with the requirements of Minn. Stat. 15.99. Such a requirement places an extraordinary burden on cities, particularly for those with smaller staff or for any city facing a complex project. This challenge is compounded by the requirement that reasons for the denial must be spelled out at the time it happens and the requirement that failure to do so within the statutorily required time is deemed an approval of the request. A city could face a complex project where it may need to determine the adequacy of infrastructure, compliance with code, and a variety of other items—yet if it does not have the staff or resources to do it, a non-compliant project could move forward. This change could result in substandard housing being built.

Even on smaller projects, this new procedure is problematic because it removes community voices from the process. Rather than a hearing before a city council or commission where citizens can weigh in, decisions will be made by city staff. Allowing two community meetings is meaningless because the city will have no power to respond to the concerns of citizens.

The A17 Amendment Places the Financial Burden of Development on Cities

Under current law, cities may assess developers for the cost associated with new development so that it does not fall on current residents and increase their property taxes. This amendment states that a municipality may not require a developer to “consent to exactions, dedications, or fees, except that a municipality may charge a

standard application fee for the request.” We do not know how to read this other than prohibiting cities from charging sewer access and water fees, requesting park dedication or right-of-way dedication, or assigning other fees and dedications typically associated with new development. The need for those fees does not go away. Instead, current residents will be forced to underwrite those costs through property taxes. In other words, low- or fixed-income homeowners could face increased property taxes to pay for the infrastructure for a new luxury development.

Restrictions on Proposed Design Standards are Problematic

Although we appreciate that properties in statutory housing districts are exempt from these restrictions, the new design standard language is too restrictive. We could see new housing with few or no windows in residential areas, McMansions that dwarf the surrounding neighbors, or Soviet-style apartment houses. City residents should have some say in how their community looks and feels.

Cities Should Determine Their Parking Needs

Many of our cities have been reassessing their parking requirements and lowering them based on what makes sense for their communities. Although some have moved to a one-space per housing unit standard, more may be needed in some situations, such as near universities, substantial event spaces, or near housing developments where multiple adults live in a single unit. Transit is not as widely available in Greater Minnesota, and our cities are better able to determine what is necessary.

These represent a few of our concerns with this legislation. We want to work with the author and other legislators to solve our housing crisis. However, to do so, we need to work together on addressing the challenges we face. This bill does not do that. We urge the Committee to stop this legislation and work with—not against—cities on our housing issues.

Thank you for your time and concern.

A handwritten signature in black ink, appearing to read "Bradley Peterson".

Bradley Peterson, Executive Director
Coalition of Greater Minnesota Cities