



Re: SF 2229 (Port) as Amended

April 29, 2025

Chair Xiong and members of the State & Local Government Committee,

On behalf of the homebuilding industry in Minnesota, Housing First Minnesota offers this letter in support of SF 2229 (Port) as amended.

By way of background, Housing First Minnesota is a trade association of nearly one thousand members of the housing industry with the mission of homeownership opportunities for all.

As we've shared with the legislature throughout the session, our concerns about the future of homeownership in Minnesota continue to grow. Our housing market is chronically under-supplied and our affordability woes are among the worst in the nation, but the demand to own a house remains.

The homebuilding industry is working to meet the needs of Minnesotans, but we need your help.

SF 2229 as amended would allow for greater affordability and more homebuyer choice.

Ending Aesthetic Mandates

It is well past time for the legislature to bring an end to exclusionary aesthetic mandates. These mandates take many forms, including stone or brick façade requirements, high-end architectural design elements, oversized design elements, front porches, bans on vinyl siding, and more. On a typical new home these mandates can exceed \$20,000 per home, pricing out approximately 50,000 Minnesota households from homeownership.

These aesthetic mandates have nothing to do with the safety, durability or energy efficiency of homes. Those items are covered by the state's building and energy codes which are currently under discussion at the Department of Labor & Industry. Today in Minnesota we proudly build the safest, durable and energy-efficient homes in the country. This language changes none of that.

Right-Sizing the Creation of Unnecessary HOAs

It has been mentioned in other committees and in the homeowners association working group that more than 80% of new home construction is part of a homeowners association today. As the builders and developers that initially create these homeowners associations, we **strongly**



believe that number is far too high and this language will help to bring that number down and right-size the amount of HOAs that are created in the future.

Today, HOAs are created for a variety of reasons from villa products where certain buyers are craving less maintenance, to neighborhoods with community clubhouses and pools, and townhomes that have shared walls and roofs. Obviously, all these home products require the creation of HOAs and that should continue.

But outside of these types of products many homebuyers are not asking to be a part of HOAs and the development community would prefer not to create them. Rather, the creation of common property is often demanded by local government officials, sometimes with the pretext of using the HOA to maintain what should be public infrastructure.

Homebuyers are hurt in this process because it impacts their purchasing power. The ongoing HOA dues add to the costs of a monthly housing payment, in turn reducing the number of buyers that have a chance at homeownership. We have a home shortage in Minnesota and a housing affordability crisis. We need more homes, not more HOAs.

Today, state law, [515B.2-101 CREATION OF COMMON INTEREST COMMUNITIES](#), requires HOAs to be created when necessary. This language will not change that. HOAs will still be created when they should be. What will change under this provision, is the loopholes in which local governments can mandate HOAs by requiring unnecessary common property.

Homebuyer Choice for Parking

Unfortunately, today's homebuyers and renters run into a varying degree of parking mandates imposed by local governments. Often, these mandates are based on outdated equations that have little to no data to support the creation of excessive parking. Requiring three car garages as the base level on single-family new home construction has significant cost impacts and right-sizing the amount of parking a local government can require puts homebuyers back in charge.

Thank you for your consideration and we strongly urge your support of SF 2229 (Port) as amended.

Sincerely,



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

