



MLC Cities

Apple Valley
Bloomington
Burnsville
Chanhassen
Eagan
Eden Prairie
Edina
Golden Valley
Inver Grove Heights
Lakeville
Maple Grove
Minnetonka
Plymouth
Prior Lake
Rosemount
Shakopee
Shoreview
Woodbury

April 29, 2025

Dear Chair Xiong and Members of the Senate State & Local Government Committee:

On behalf of the Municipal Legislative Commission (MLC), a group of 18 suburban cities representing nearly one million residents, I am writing to express our strong opposition to the proposed delete-all amendment to SF 2229. While we support the Legislature's broader goal of increasing housing availability and affordability, this amendment significantly undermines local authority, sidelines resident input, and imposes sweeping mandates that will disrupt thoughtful development and infrastructure planning in our cities.

Our specific concerns include:

Section 4 – Parking Restrictions: This provision would prohibit cities from requiring more than one parking space per residential unit, regardless of local transit access, walkability, or community development context. This blanket restriction, which overlooks the fact that many Minnesota households own two vehicles, will lead to chronic underparking—forcing more cars onto streets not designed for dense on-street parking. The result will be increased safety risks, operational challenges, and added strain on essential city services like snow removal and emergency response. Cities must retain the flexibility to set parking standards that reflect their unique infrastructure and community needs.

Section 5 – Homeowners Associations (HOAs): This language prohibits cities from conditioning development approvals on services or features that would require a homeowner's association. This opens the door for developers to shift maintenance responsibilities for private infrastructure—like fencing, stormwater facilities, and landscaping—onto the city and its taxpayers. Cities could be forced to accept responsibility for maintaining features that have historically been managed privately, creating long-term fiscal and operational liabilities. This provision is likely to create standoffs between cities and developers over infrastructure responsibility.

Section 6 – Elimination of Design and Aesthetic Standards: This section would prohibit cities from applying reasonable design standards to *all* residential development—including large multifamily projects. It would block requirements for architectural elements, pedestrian orientation, building elevations that help ensure compatibility with surrounding neighborhoods and support important goals like stormwater management and pedestrian access.



These standards are essential tools for cities to guide development that fits the scale and character of the community. They also help establish a consistent baseline of quality across all housing types, preventing affordable and market-rate housing from looking noticeably different based solely on the income of the people who live there. By allowing exemptions only when a city can prove a direct threat to public health or safety—an unclear and litigation-prone standard—this provision undermines cities’ ability to plan thoughtfully, fairly, and effectively.

Section 7 – Administrative Review Process: This provision would impose a one-size-fits-all administrative approval process for all residential development, eliminating public hearings and replacing them with, at most, two non-binding community meetings. This removes meaningful opportunities for resident input and weakens local accountability. Even more concerning, the language appears to prohibit cities from requiring exactions, dedications, or fees—potentially eliminating authority to collect park dedication fees, greenspace contributions, water and sewer connection charges, and other development-related fees. These tools are essential for cities to fund critical infrastructure and ensure that new developments pay their fair share toward public amenities. Stripping this authority would shift the burden to existing taxpayers.

The MLC has actively engaged in housing policy discussions during the interim and throughout the 2025 session. We support meaningful reforms to promote additional housing development, including proposals to expand the use of TIF for affordable housing, allow for accessory dwelling units, modify the use of aesthetic design standards, and achieve higher density development through incentive-based approaches. However, this amendment removes important local tools, weakens public input, and shifts cost burdens onto existing residents.

We respectfully urge the committee to vote against the delete-all amendment to SF 2229. We remain committed to collaborating on solutions that enhance housing availability and affordability while preserving local decision-making and community engagement.

Thank you for your consideration.

Sincerely,

James Hovland
Chair, MLC
Mayor, City of Edina

Affordable Housing Resources



Apple Valley collaborates closely with agencies such as the [Dakota County CDA](#) to offer affordable housing opportunities and resources to both [renters and first-time homebuyers](#).

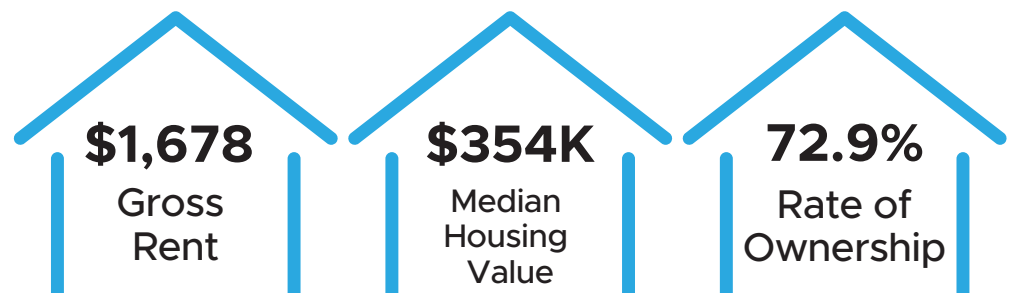


Homeownership Support

- First-time homebuyer loans
- Homebuyer education
- Downpayment assistance
- Rental housing registration

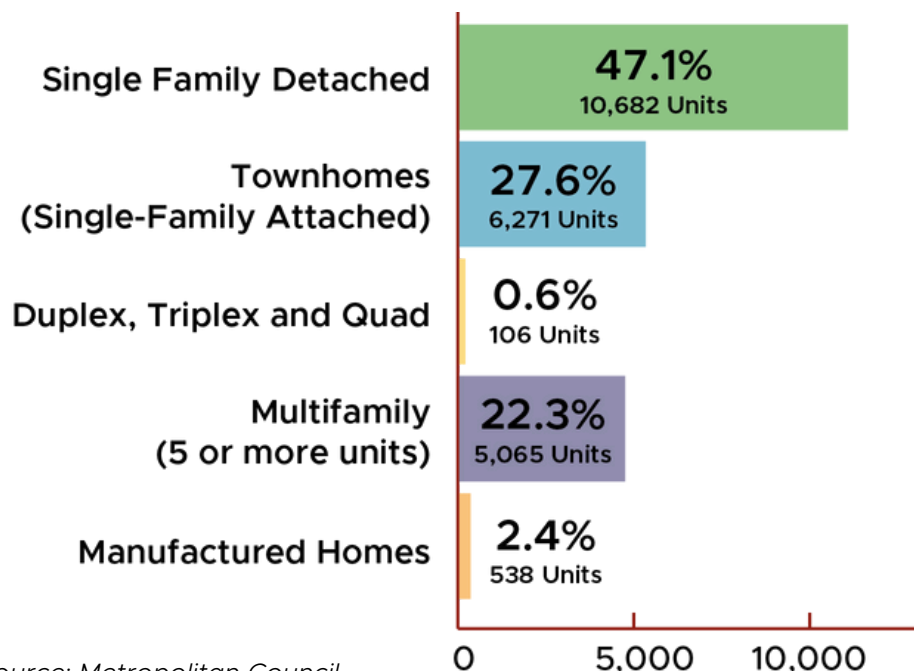
Renting Support

- Rental housing vouchers
- Workforce housing
- Senior housing
- Rental housing registration



Housing and Development Snapshot

Housing Units By Type



Source: Metropolitan Council



Apple Valley offers a variety of housing options, including affordable choices. Between 2015 and 2023, [1,417 multi-family housing units](#) were built.

We are committed to promoting [affordable housing](#) through redevelopment and infill projects, particularly along transit corridors, ensuring convenient and sustainable living for all residents.

Affordable Housing in Apple Valley



In Apple Valley, approximately 20% of all housing serves those who make up to 60% of the Area Median Income (AMI).

Affordable Housing Units Based on AMI

% AREA MEDIAN INCOME (AMI)	OWNED UNITS	RENTAL UNITS
Affordable at or below 30% of AMI	185	271
Affordable at 31-50% of AMI	877	545
Affordable at 51-60% of AMI	1,226	1,301

The above chart shows housing in Apple Valley at or below 60% of the AMI.
Source: Metropolitan Council



Our Goals for Affordable Housing

Expand Affordable Housing:

Partner with local and regional organizations to ensure equitable access to affordable housing for all.

Diverse Housing Options:

Provide a variety of housing choices to accommodate all demographics and community needs.

Sustainable Development:

Promote quality housing that respects the environment, enhances resident health, safety, and security.

Energy Efficiency:

Encourage the reduction of greenhouse gas emissions, adoption of renewable resources, and increased energy independence for homeowners and renters.

Property Maintenance and Investment:

Support maintenance, remodeling, and investment in all housing types to maintain vibrant communities.

Source: City of Apple Valley 2040 Comprehensive Plan

We strive to provide diverse, affordable housing for all demographics through partnerships and supportive policies, promote sustainable and energy-efficient developments, and ensure all residences are well-maintained, safe.



AFFORDABLE HOUSING IN EAGAN

2021

Lexington Flats



50 units, 50%-60% AMI, one- to three-bedroom units, LIHTC

- Supported increased density and building coverage
- Allowed reduced building and parking setbacks
- City supported low-income tax credit financing
- Low-income housing tax credit financing (LIHTC)



EAGAN

WHERE EVERYONE THRIVES

2022

Aster House



204 units, 30% 50-70% AMI, one- to three-bedroom units, LIHTC-TIF

- Allowed increased density
- Allowed for reduced building setbacks, reduced enclosed parking, and recreation areas
- \$750,000 HOPE loan from local levy source
- City supported use of tax increment financing (TIF) and LIHTC

How does the
City of Eagan
encourage
affordable housing
developments?

2024

Nicols Pointe



24 units, 30% AMI, one-bedroom units, seniors & veterans preference

- Supported reduced parking, storage, and recreation area
- 100% funded by the Dakota County American Rescue Plan (ARP) State and Local Fiscal Recovery Funds

2024

The Haven at Eagandale



120 units, 60-80% AMI, one- to two-bedroom units, conversion of former extended stay hotel

- Waived enclosed parking stalls (120 required)
- Supported reduced parking and reduced trash enclosure setbacks

2025

Veteran's Village

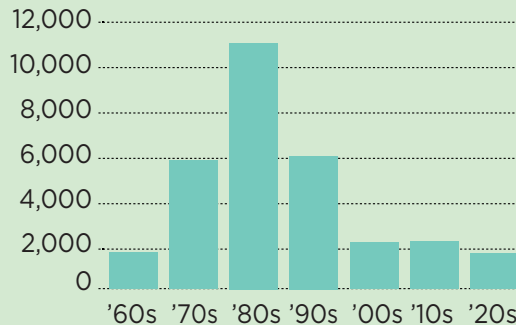


22 units, one- and three-bedroom units, veterans housing

- Increased density
- Reduced building setbacks, enclosed parking, storage space, and recreation area

HOUSING STOCK IN EAGAN

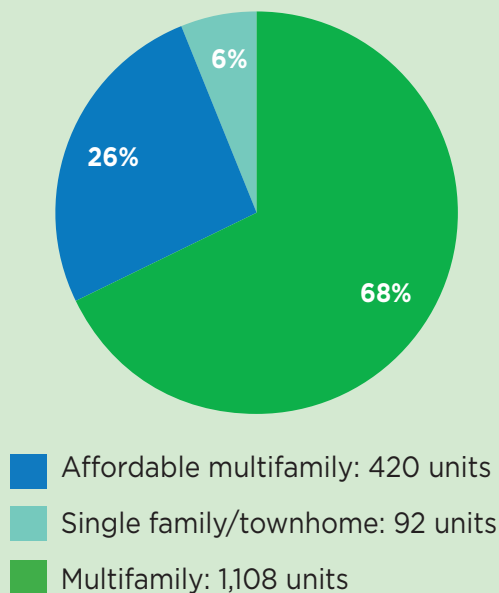
Eagan housing units by year



Affordability

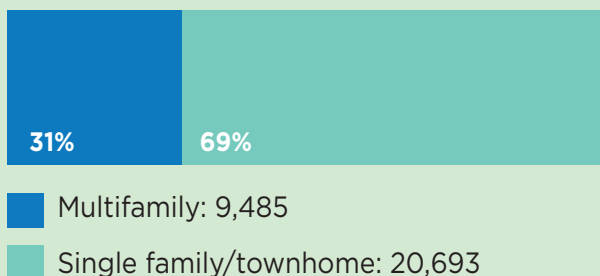
- 45% of all licensed rentals are estimated affordable at 60% or below area median income
- 19% of all ownership housing is valued under \$290K
- 26% of new housing qualified as affordable

New housing units 2020-2024

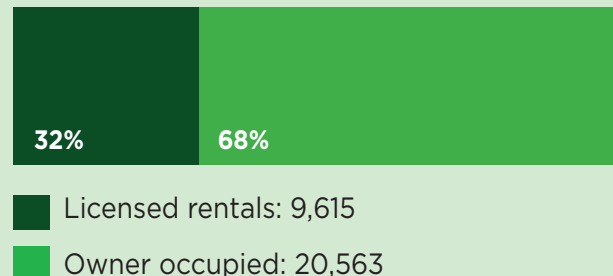


- Eagan is a fully developed and mature city
- Eagan's housing stock largely constructed in '70s-'90s
- Over 30,100 housing units in the city
- 31% of all units are multifamily
- 1,620 new housing units constructed within the past five years.
- 94% of new housing built within the past five years is multifamily

Total housing units by type



Housing tenure (all units)



EAGAN
WHERE EVERYONE THRIVES

EDEN PRAIRIE AFFORDABLE HOUSING FACTS



CITY COUNCIL ACTION

- Adoption of Inclusionary Housing Policy – affordable units provided in perpetuity
- Establishment of Affordable Housing Trust Fund
- Adoption of 2025 LAHA (Local Affordable Housing Aid) spending plan
- Adoption of Naturally Occurring Affordable Housing (NOAH) inventory and action plan
- Adoption of Tenant Protection Ordinance
- Support for Low Income Housing Tax Credit (LIHTC) projects



HOUSING OWNERSHIP/RENTAL

Total residential units	26,369
Rental units	6,434
Owned units	19,934

NEW HOUSING SINCE 2017

Total residential units	2,179
Affordable units	396
Senior units	631

Recent multifamily developments include 25% affordable units



Mixed-Income Approach to Affordability

Affordable units are dispersed throughout the development and are required to include finishes and amenities consistent with market-rate units.

CDBG and TIF Support

- Housing Rehab Loans
- First-Time Homebuyer Loans
- Senior Home Repair Program
- West Hennepin Affordable Housing Land Trust

ADDITIONAL EFFORTS

First-Generation First-Time Homebuyer Program
New in 2025

Property Managers Collaborative

City-led effort to keep pulse of local rental information and market, and to educate property managers on emerging community and housing issues, best management practices and public safety requirements.

New Resident Welcome Guide

Distributed to multifamily housing tenants to increase connection and sense of community.



Allocating Funding

- Community Development Block Grant (CDBG) allocations go toward programs that support and improve naturally occurring affordable housing and income-qualified households.
- All Local Affordable Housing Aid (LAHA) allocations go toward the Dakota County CDA Home Improvement Loan and Radon Mitigation programs to support affordable and income-qualified households in the city.

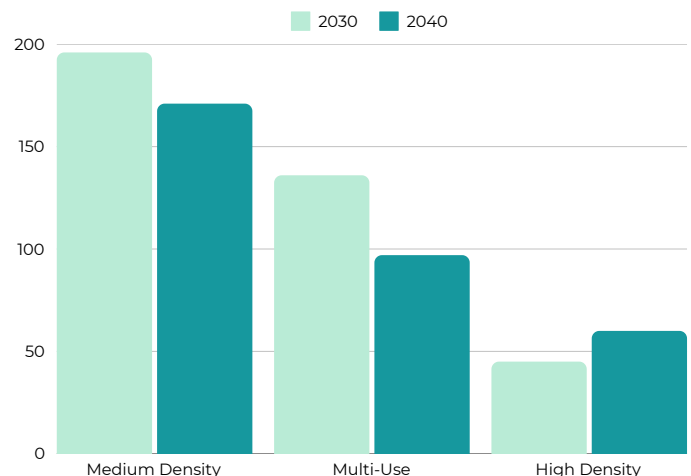


**Nearly 1,000 acres available
for residential development!**

Planning Wisely

- Since 2023, Rosemount has added **1,644 units** of life-cycle housing options featuring varying lot sizes, unit mixes, and geographic diversity.
- Of that mix, **324 units** of workforce housing now serve a range of income levels. The city will add another **192 units** of affordable housing in 2025.

Residential Developable Acres by MUSA Category



Minnetonka Housing Demographics



Minnetonka HOUSING

Minnetonka was one of the first communities to participate in the Livable Communities Act when the Minnesota legislature created it 30 years ago. In that time, the city has continued to lead the way in developing and achieving comprehensive plan housing goals.

GOAL 1

Encourage diversity of affordable housing types, sizes and prices

Rental housing support

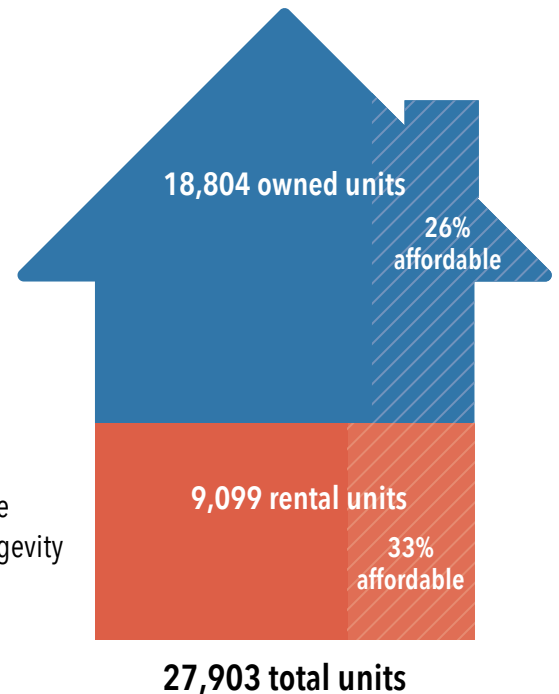
- Affordable Housing Trust Fund
- TIF funding
- State and federally financed projects
- Housing policy
- Rental assistance

GOAL 2

Create partnerships and programs to ensure affordable housing longevity

Housing ownership support

- HRA Home Loans
- Pathways to Homeownership
- CDBG Loans
- Homes Within Reach program
- Indexing (limit resale price)
- City-owned properties



Minnetonka prioritizes housing production affordability.

2011-20 Minnetonka Livable Communities Act Affordable Housing Goals

	GOAL	RESULTS
New affordable units (rental and ownership)	246-378	679 (276% achieved)
New lifecycle unit	375-800	1,655 (441% achieved)

2021-30 Minnetonka Livable Communities Act Affordable Housing Goals

	GOAL	RESULTS
New affordable units (rental & ownership)	558-1064	752 (135% achieved to date)
New lifecycle units	2400	1,336 (55% achieved to date)



In the past five years, 2,809 multi-unit households have been added in the city; 28 percent are affordable.

GOAL 3

Strengthen neighborhoods through improving and preserving existing housing stock

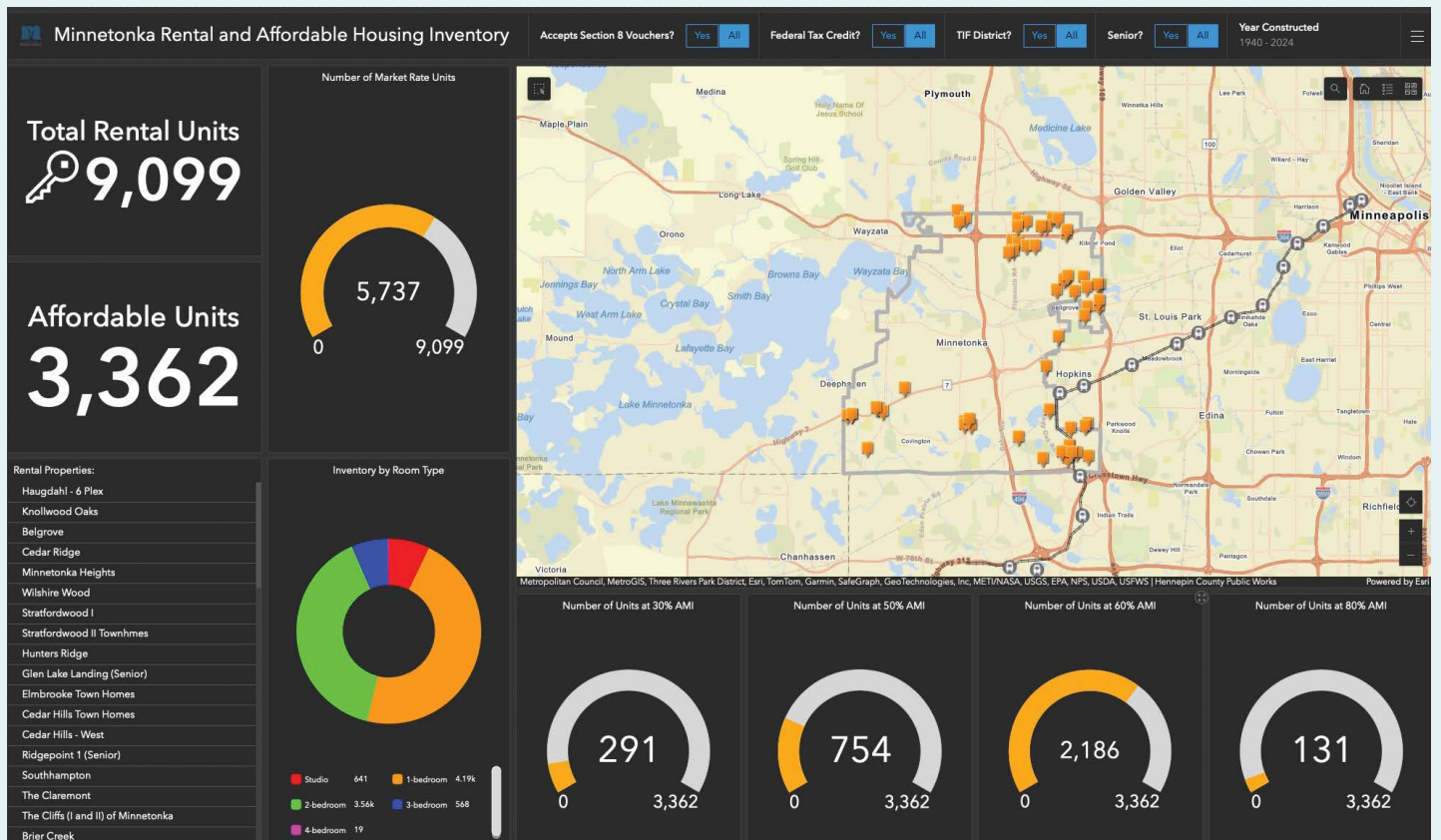
Minnetonka's housing trust fund helped support the rehabilitation of Cedar Hills Townhomes, improving the living conditions and sustainability of the development for 30 very low-income families.



GOAL 4

Provide and promote affordability information

The housing dashboard helps identify affordable options across the community, including rentals, townhomes and condos and senior living options. A third of the city's rental units are affordable.



Julie Wischnack, FAICP
Community Development Director
jwischnack@minnetonkamn.gov
952-939-8282



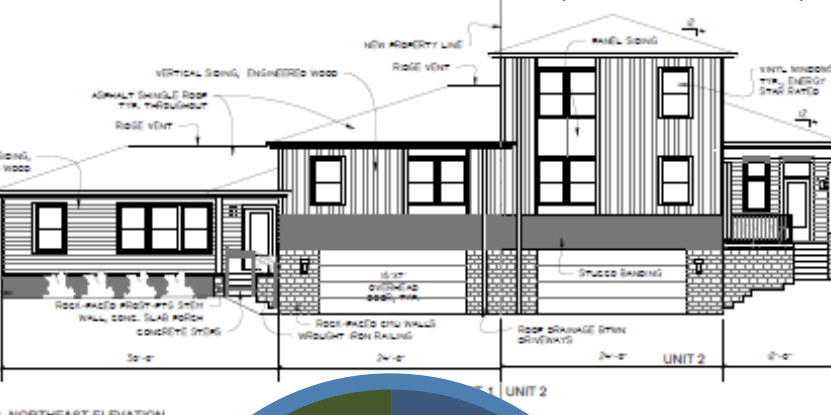
HIGH COST TO CREATE OWNER-OCCUPIED AFFORDABLE HOUSING IN SUBURBAN MINNESOTA

In 2024, Minnetonka approved two proposals for affordable homeowner projects. This document illustrates the cost drivers for the two projects:

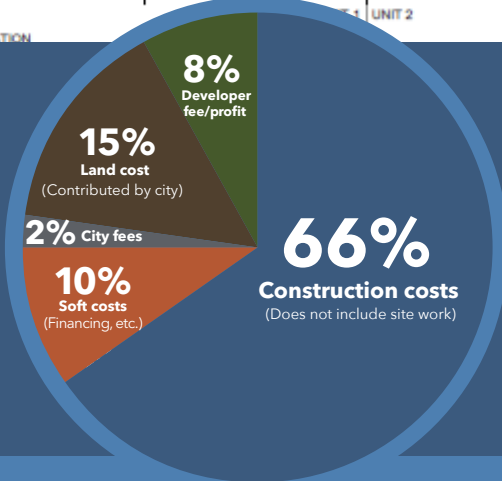
- Habitat for Humanity – a non-profit
- Amani Construction – a for-profit

Both projects cannot be sold affordably without significant public subsidy.

AMANI CONSTRUCTION (FOR-PROFIT)



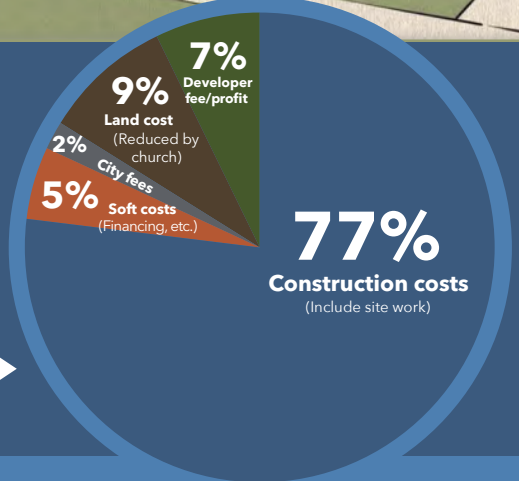
HABITAT FOR HUMANITY (NON-PROFIT)



Units must sell at or below
\$290,300

City
prepped
site

Land cost
is reduced
by sale
from church



2 units

PUBLIC SUBSIDY SUMMARY (total costs of project)

10 units

City subsidy (includes land cost)	\$612,746
Other subsidy	\$488,634
Total subsidy (per unit)	\$550,690

City subsidy (includes land cost)	\$750,000
Other subsidy	\$5,983,110
Total subsidy (per unit)	\$673,311

BIGGEST COST DRIVERS

- High construction costs (materials and labor)
- Land costs
- Affordability subsidy
- Both projects have an average sq/ft cost of \$380

SOLUTIONS

- Modular housing - prefab
- Rehabilitation of existing housing stock



Affordable Homeownership

PATHWAYS TO HOMEOWNERSHIP – \$300,000

In 2023, Minnetonka launched the Pathways to Homeownership program, which provides up to \$75,000 to eligible first-generation homebuyers earning up to 120 percent AMI.

The loan terms provide a 0-percent interest rate with 5 percent of the loan amount forgiven annually. The borrower repays any remaining assistance if the property is sold before the 20-year term. The program supports a higher level of financial aid to offset the high cost of homeownership in Minnetonka, reducing the housing cost burden for these households. One household was served by the program in 2023.

Affordable Rehabilitation

CEDAR HILLS TOWNHOMES REHABILITATION – \$1 MILLION

In 2023, DevCO acquired the Cedar Hills Townhomes. Constructed in 1983, the property includes five townhome buildings with 30 family-sized units (a mix of two-, three- and four-bedroom units) serving very low-income households.



Julie Wischnack, AICP
Community Development Director
Email: jwischnack@minnetonkamn.gov
Phone: 952-939-8282



The new owners invested \$2 million into the project and requested an additional \$1 million to assist with improvements to improve living conditions within the individual units. These include replacing windows and trim, appliances, furnaces, water heaters, air conditioners and adding LED light fixtures. These improvements will reduce energy and water consumption for the overall building, saving residents money but also addressing sustainability. The funding available through the affordable housing trust fund made these improvements possible.

MINNETONKA LEGISLATIVE REPORT

Affordable Housing Trust Fund

IN 2021, THE CITIES OF MINNETONKA, RICHFIELD AND ST. LOUIS PARK received special legislation per MN State Statute 462C.16 to transfer accumulated pooled tax increment for housing purposes to the city’s affordable housing trust fund. These efforts provided the City of Minnetonka more flexibility to support and fund various types of affordable housing projects.

Minnetonka transferred approximately \$4.1 million under this legislation. Here’s a look at how the city utilized the funding to support affordable housing projects.



Rent Assistance

MINNETONKA RENTAL HOUSING ASSISTANCE PROGRAM – \$350,000

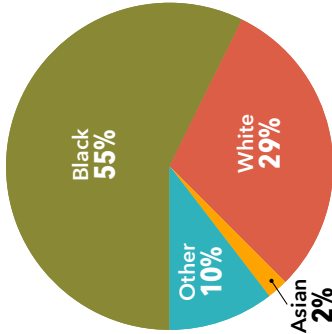
The Minnetonka Rental Housing Assistance Program provides housing assistance payments to help prevent eviction and homelessness, as well as maintain housing stability for eligible renters and homeowners. Renters earning up to 120 percent average median income (AMI) and experiencing financial hardship may receive a one-time payment of up to \$1,500 to assist with rent and utility expenses.

- Since 2021, the funding supported 211 Minnetonka households with an average assistance of \$1,330 per household.
- 67 percent of recipients were female heads of household.
- ICA administers the program on behalf of the city.



“Housing stabilization is one of the main factors that help families in transition with solutions that provide a sense of stability. Rental assistance allows families to leverage their resources [to] provide other basic needs for the families well-being. ICA helps families move out of crisis mode to provide more time and energy to invest in achieving sustainability.”

–Dan Narr, ICA executive director



Who does the program serve?



Redevelopment Projects

EXPANDING AFFORDABLE RENTAL OPTIONS – \$1.23 MILLION

The establishment of the affordable housing trust fund allowed the city to expand the range of affordable rents and unit types in new multifamily housing, over a term of 30 years. Previously, the city utilized tax increment financing to obtain affordable units based on state law and was confined to 20 percent of the units at 50 percent AMI or 40 percent of the units at 60 percent AMI.

The special legislation allowed a mix of affordable units and incomes to expand rental options:



Minnetonka Station – \$553,000

Located directly south of the Green Line Extension’s Opus Station, Minnetonka Station provides 275 housing units, with 28 units affordable at 50 percent AMI.



Alcott – \$280,000

Located within a quarter mile of the Opus Station, Alcott provides 350 housing units, with 18 affordable at 50 percent AMI, 17 at 60 percent AMI and 18 at 80 percent AMI.



Amira Minnetonka – \$400,000

Located near Carlson Towers, Amira Minnetonka, a 55+ community, provides 186 housing units, with 10 units affordable at 50 percent AMI and nine at 60 percent AMI.

Homelessness

EMERGENCY HOMELESSNESS RESPONSE ASSISTANCE PROGRAM – \$300,000

The City of Minnetonka through a multi-departmental response partnered with His House Foundation to establish a two-year pilot program to help homeless Minnetonka households.

The Emergency Homelessness Response Assistance Program provides temporary relief for households experiencing a housing emergency and experiencing homelessness by offering funding for casework, short-term housing and first-month rent deposits.

His House Foundation provides local unsheltered or unhoused persons with intensive case management, temporary housing in extended-stay hotels and assistance with long-term housing opportunities.



“We always want to make sure we coordinate these resources as close as possible to their support network, including schools and employment,” said Martha Brannon, His House Foundation founder and director.

Started in September 2022, His House Foundation has assisted 47 people in Minnetonka experiencing an emergency homeless situation. These households came from varying situations, household sizes and backgrounds. Each household received necessary resources to get into the best housing situation and connect with other services to help them escape crisis. His House Foundation has not faced any reoccurring crisis for the families served through the Minnetonka emergency homelessness program.

“ His House Foundation assisted one gentleman, who had been living in an abandoned building. He was almost 60 years old but very confused and unsure how long he’d been living in the building. He was unable to understand how to get back into the housing market, so we used the Emergency Homelessness Response Assistance program to move him into a hotel, provide him extensive case management and assist in getting his early dementia diagnosed. All of these services helped him get the housing and support he needed.

–Martha Brannon,
His House Foundation

