



March 12, 2024

Dear Chair Port and members of the Senate Housing and Homeless Prevention Committee,

Many of today's local government policies and everyday practices, permitted by state policies, restrict growth. We believe that it is time to end regulatory deference and state enforcement of these outdated, mostly discriminatory tools. Zoning and land-use policies, including parking mandates, make building more expensive, challenging, and time-consuming. Those who suffer the consequences of these exclusionary and restrictive growth policies are our most vulnerable neighbors, our lowest-income neighbors, and even workers in the most in-demand jobs. Minnesota faces an increasing housing shortage, and the trajectory of other states shows just how detrimental it can be to local communities and the state's economy when housing construction cannot keep pace with demand.

Building parking, especially structured parking, is expensive. A single unit of above or below ground structured park can add up to \$50,000 per parking space. Eliminating parking minimums could significantly reduce development costs. When affordable housing developers are required to spend \$10,000-\$50,000 per parking space and are required to provide 1-2 parking spaces per unit, taxpayers subsidize unnecessary cost drivers that do not demonstrably improve residents or neighbors' quality of life and clearly make it harder to address the housing crisis.

Developers conduct exhaustive market analysis to determine which amenities to include. Developers study the community and the habits of their future residents. Developers will build the amount of parking they know will be needed to attract residents. In locations where most households rely on cars for daily transportation, developers know that people may be unwilling to rent apartments in buildings that do not offer dedicated parking. Developers also study household formations and anticipate how many residents will occupy a building. What developers know can conflict with a local jurisdiction's parking mandate, which often assume every unit will be occupied by a two-car household. This fact is made clear by multiple studies that demonstrate most multifamily housing is underutilized.

The Minnesota People Over Parking Act allows developers to be more creative and responsive to resident needs. Eliminating parking minimums will not result in the total elimination of actual parking spaces. Developers will continue to build on-site parking where residents demand it. In communities and projects that need more affordable housing, parking minimums are outdated and directly conflict with the objective of addressing Minnesota's housing crisis.

A statewide solution is required so developers have uniform rules to follow. Additionally, the state cannot continue to allow local communities to implement policies that drive developers, especially developers of affordable housing, into cities that have already reduced parking minimums – this hinders any ability to further fair housing by artificially constraining the supply of affordable housing in resource rich communities.

Sincerely,

Libby Murphy
Director of Policy