



March 13th, 2025

Chair Port and Members of the Housing and Homelessness Prevention Committee,

On behalf of Americans for Prosperity-Minnesota and our thousands of activists and supporters across the state, I want to thank you and your colleagues for taking action to address our state's housing affordability crisis. A stable, affordable home is a fundamental part of achieving economic success and opportunity. I am pleased to offer our support for Senate Files 1268 and 2231, which take critical steps to remove regulatory barriers and allow the free market to meet housing demands.

Minnesota faces a severe housing shortage, with over 100,000 homes needed to meet demand. Restrictive zoning laws, excessive land-use regulations, and costly mandates artificially constrain the housing supply, driving up prices and limiting economic mobility. Some may propose further government intervention to solve this crisis, but the reality is that government intervention caused these problems in the first place. The best path forward is to reduce unnecessary restrictions and let property owners, developers, and consumers shape the market.

SF 2231 achieves this by requiring cities over 10,000 residents — including those in the Twin Cities metro — to allow missing-middle housing along major roads. By permitting fourplexes within a quarter-mile and triplexes within a half-mile of these roads, this bill fosters a more competitive housing market, increases supply, and helps lower costs. Additionally, by prohibiting parking minimums, side setback requirements, unit size mandates, and mandatory HOAs in these areas, it removes arbitrary regulations that make housing more expensive and limit consumer choice.

Minimum parking requirements alone add thousands of dollars to the cost of housing, forcing developers to build parking spaces that may not be needed. These costs are then passed on to renters and homeowners, making housing even less affordable. Creating a parking space in a parking lot costs roughly \$5,000 per space and building a garage costs between \$10-30,000 per space. In Minnesota, requiring a third garage spot on a single-family home lot can increase¹ costs by an additional \$40,000. These requirements increase costs for builders and developers, in turn raising house prices for homebuyers.

Parking requirements also reduce land availability for housing or commercial buildings. On average², two parking spaces take up 700 square feet, the same amount of land as a two-story 1,400 square foot home. Reducing parking requirements will increase land availability to build more housing units in Minnesota. And reducing parking requirements in commercial areas will reduce costs for businesses as well. Businesses will no longer need to worry about leasing or buying space with lots of parking spots, which can be prohibitively expensive. Instead, new and small businesses can open in cheaper and smaller spaces with fewer parking spots. Numerous cities nationwide have seen³ booms in new and innovative small businesses following reductions in parking requirements.

¹ https://www.housingaffordabilityinstitute.org/wp-content/uploads/2023/08/AffordabilityRoadblocks_ParkingMandates.pdf

² <https://www.vtpi.org/park-hou.pdf>

³ <https://www.planning.org/planning/2022/spring/a-business-case-for-dropping-parking-minimums/>



Allowing the market—not rigid government mandates—to determine parking needs will result in more efficient land use, lower housing costs, and lower costs for small businesses.

AFP-MN is thrilled to see lawmakers recognizing that the free market cannot be legislated. By lifting burdensome regulations, these bills empower individuals to make their own choices, respect property rights, and enable the free market to function properly. We urge you to continue use this lens when crafting legislation, and we caution restraint when considering alternative mandates that will negate the impact of these initiatives.

We appreciate your leadership on this issue we look forward to helping work toward more affordable housing so that more Minnesotans have a place they can proudly call home.

Sincerely,

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