



March 12, 2025

Re: SF 2231 & SF 1268

Members of the Senate Housing and Homelessness Prevention Committee:

Housing First Minnesota is proud to submit its written testimony in support of SF 2231 and SF 1268. Our support of these bills and the Yes to Homes agenda are rooted in our mission of homeownership opportunities for all and the belief that every Minnesotan deserves a safe, durable, and affordable place to call home.

In 2018, the State Task Force on Housing called for immediate action on addressing a then-shortage of 50,000 homes and apartments. In addition to the growing deficit, this group called for regulatory reform to lift roadblocks to affordability and access. Since then, too few policy reforms have been enacted to address the state's growing housing shortage, which has since doubled.

This wait-and-see approach has grown so large that the current system cannot cope with the challenges Minnesota faces:

- Minnesota still has the region's highest median new single-family home cost.
- Since 2021, new housing production in Minnesota is down more than 43%.
- The median-income Minnesotan can no longer afford the median-priced home in the state.
- New home prices have grown more than 7.5 times faster than household incomes since 2005.
- In the Twin Cities, less than 2% of new homes cost less than \$300,000, compared to 14% in Chicago and 21% in Milwaukee.

The longer Minnesotans wait for action, the worse the problem becomes. This bill helps to alleviate the home shortage by allowing for light touch density in in-demand communities.

New projects permitted under SF 2231 must conform to existing infrastructure requirements - nothing changes. New residents have and will continue to pay for their fair share of necessary infrastructure improvements under Minnesota law.

Both bills touch on the issue of parking. At roughly \$40,000 for a third stall (added lot width and construction costs) or the national average of \$225 per month for renters, parking adds a significant cost to housing when municipal requirements are greater than the market demands. These decisions are best left to property owners.

Housing First Minnesota asks this committee to say Yes to Homes and support these bills.

Sincerely,

Nick Erickson
Sr. Director of Housing Policy
Housing First Minnesota