



March 13, 2025

RE: Increased Housing Options Act

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

There is no denying that Minnesota has a housing shortage that will not be corrected through existing practices and subsidies. We don't have anywhere near enough subsidies to build our way out of the shortage. And today's practices unnecessarily slow the pace to catch up with demand. Status quo land-use policies and procedures 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. The shortage of homes affordable to low- and moderate- families drives up the cost of rental and owner-occupied housing for everyone.

Minnesota communities instituted a range of restrictive zoning practices for decades, such as single-family only districts, large minimum lot sizes, and limits on housing types. While these regulations have a range of goals, the impact of those practices has been to drive up the cost of housing and create economically exclusive neighborhoods. A century ago, smaller homes on smaller lots, row houses, and duplexes were standard construction. This type of housing is still highly desirable entry-level housing to rent and to own.

Multiple states have demonstrated that this approach can work. Older neighborhoods throughout Minnesota also demonstrate how smaller multi-family buildings of two to six units can blend seamlessly into lower-density neighborhoods. S.F. 2231 would allow communities to pursue this housing type.

Administrative design review in tandem with consistent rules will provide more certainty in the development process and reduce time and cost drivers. The changes in the bill do not require cities to change their underlying zoning code. Cities will be able to identify and implement further steps to enable more missing housing appropriate for their community. The proposal constitutes a "floor" for regulating neighborhood-scale housing.

Minnesota needs more homes of all types. From young families to elders, Minnesotans desire more housing options at more affordable price points. 2025 is the first year Minnesota Housing Partnership (MHP) reported that registered nurses cannot afford the median priced single-family home. Addressing the scale of today's problem requires the state to require a new baseline minimum.

Sincerely,

Libby Murphy
Director of Policy