INTRODUCTION

Metro Cities represents the shared interests of cities in the metropolitan region at the executive, legislative and metropolitan branches of government.

Housing proposals have and continue to receive significant legislative debate, some of which impose considerable restrictions on local zoning, regulations, and development/infrastructure fees.

Legislation that would set a one-size state zoning policy and restrict cities’ ability to set and manage local infrastructure fees for new housing is under consideration. Such proposals are chiefly supported by the building industry that would presumably stand to gain in terms of savings and profits.

Metro Cities supports local zoning authority and opposes legislation that would impede cities in this function as well as in cities’ ability to manage public infrastructure needs and costs.

City officials must guide local land uses in a manner that balances existing and future uses and compatibility as well as physical and fiscal constraints and local input by residents. Local officials are in the best position to make these decisions.

Metro Cities’ policies recognize private and public roles in housing, the need for sufficient resources, and the preservation of local decision-making that allows cities to address a range of local housing needs.

GOVERNMENT ROLES IN HOUSING

Housing is predominantly built by the private and nonprofit sectors. 95 percent of the housing in the state is privately owned. Cities and other levels of government support housing needs via specific and limited but important roles and responsibilities.

Cities: Cities ensure the structural integrity of housing through land use planning, zoning, subdivision regulations, building inspections, code enforcement, and rental licensing. Cities consider aging populations, workforce housing, affordability, racial disparities, and the preservation of existing housing. Cities provide long-term public infrastructure to serve new developments. Many cities offer financial incentives to advance housing and apply for resources through state programs.

State: The state finances and administers programs to support affordable, lifecycle, supportive, senior, workforce, and family housing. State funding is a critical component in meeting housing needs and current funding is insufficient.

State funding is a critical and significant component in meeting housing needs. Current funding is insufficient, with many programs chronically oversubscribed.

Federal: Federal investments maintain and increase affordable and life cycle housing as well as help first time homebuyers, and aid affordability through rental assistance programs.

Metropolitan Council: The Metropolitan Council determines regional needs for new affordable housing production and in collaboration with local governments sets requirements to ensure land is guided to meet this need and to meet overall forecasted growth. Density requirements vary based on local characteristics and regional infrastructure needs.
Incomes are Not Keeping Pace with Housing Costs

Between 2000 and 2019, the median renter income in Minnesota increased by just 1 percent, while median gross rent for the state increased by 14 percent. Homeowner income went up six percent, while home values increased 24 percent.

Affordable Homes for Sale

Affordable homeownership opportunities are available for first-time and lower-income Minnesotans. Over 50 percent of existing homes sold since 2008 have sold for less than $300,000. For new construction, builders are often choosing to build smaller, more expensive houses.

Regional Density Requirements

Regional minimum densities are intended to guide orderly growth while maintaining local land use flexibility. All metropolitan cities guided land at or above minimum required densities in 2018 comprehensive plan updates.

### Single Family and Multifamily Housing

Since 2008, production of single-family housing has doubled, and higher density multifamily construction outpaces single family construction almost two-to-one.

### Tools and Resources Cities Use to Advance Housing Include:
- Reduce Lot Size Requirements
- Allow planned unit developments to add density or to lower development costs
- Down Payment Assistance
- HRA, CDA, EDA contributions
- Local Fee Waivers
- Land Subsidies, Assembly and Donations
- Property Tax Reductions, including Abatement and Low-Income Rental Classification
- Local Housing Trust Funds
- Tax Increment Financing (TIF)
- Reduced Parking Minimums
- Density Bonuses and Higher Density Zoning
- Adjusted Setbacks
- Expedited Plan Reviews
- Elimination of Minimum Building Size Requirements
- Mixed Income Housing Policies
- Rental Licensing and Inspections
- Tenant Protection Ordinances
METRO CITIES’ POLICY POSITIONS ON HOUSING

Metro Cities Policies Support:
• Local zoning authority.
• Increased funding for state housing programs.
• Affordable housing tax credit.
• Programs that help alleviate foreclosures, increase homeownership, and increase homeownership for BIPOC populations.
• Preserving tools that enhance local innovation.
• Clarification of state laws on infrastructure fees.
• Strategic partnerships and financial assistance from the state and federal governments to help address housing needs.
• Increased Section 8 funding and federal funding to assist HRAs in facilitating tax exempt bonds for housing.

Key State Programs Supported by Metro Cities:
• State Housing Infrastructure and GO Bonds
• State Challenge Program
• State Match for Local Housing Trust Funds
• Pre- and post-purchase education, counseling, and training; mortgages and downpayment/closing-cost assistance loans; home improvement loans
• Rental assistance, supportive housing, homelessness prevention resources
• Fix up Funds for Rental Homes

Metro Cities Opposes:
• Preempting local zoning decision-making authority on zoning, planning and land use.
• Prohibitions and restrictions on planned unit development (PUD) agreements.
• Restrictions on local housing development and financing tools.
• Policies that shift costs for infrastructure for new housing to existing taxpayers.
• Preempting local voter-approved rent control authority.