

## 2025 MLC Housing Solutions

As we confront our state's housing challenges, the Municipal Legislative Commission is committed to fostering a collaborative, productive dialogue with legislators and key stakeholders. We believe that by working together, we can design innovative and effective solutions that address the diverse housing needs across our communities. Our goal is to empower cities with the tools and flexibility to tackle their unique housing needs. In this spirit of cooperation and proactive problem-solving, we present the following potential strategies aimed at boosting overall housing production and promoting the development of affordable housing options.

### **Potential Solutions: Expanding Housing Production**

- Reform condominium insurance and warranty requirements to facilitate construction of this housing product in Minnesota.
- Allow cities to use local affordable housing aid for zoning code updates with policies that expand housing options.
- Allow city councils the authority to implement comprehensive plan changes for redevelopment on a simple majority vote, rather than by a “super majority” to advance new housing projects that might otherwise be blocked.
- Authorize a strategic expansion of Metropolitan Urban Service Area (MUSA) boundaries to address land supply and cost issues, with density requirements to manage infrastructure and environmental impacts.

### **Potential Solutions: Promoting Affordable Housing**

- Extend the special legislative authority that currently allows select cities to redirect surplus Tax Increment Financing (TIF) funds to local Affordable Housing Trust Funds, making this option available to all cities.
- Allow cities to extend TIF districts for affordable housing purposes, including Housing Improvement Areas (HIAs).
- Establish a metro area housing infrastructure grant program to provide funding for up to 50% of capital costs for critical public infrastructure to support new density.
- Increase funding for existing Naturally Occurring Affordable Housing (NOAH) preservation programs.
- Promote policies enabling HIAs in cities with multi-unit housing properties.
- Increase state investment in critical housing programs to promote new affordable housing development.

