

2025 MLC Legislative Policies

We believe sound policy advances and maintains strong communities. The Municipal Legislative Commission (MLC) supports initiatives that foster the development and prosperity of our cities, businesses, region, and state. Below are MLC's positions on key policy issues that will guide our advocacy efforts throughout the year.

Expanding Housing Production and Promoting Affordable Housing

Meeting the housing needs of our communities is a top priority for MLC cities; however, factors like underproduction during the Great Recession, rising construction and insurance costs, scarcity of developable land, real estate market dynamics, and high mortgage rates have all contributed to a significant housing gap. Limited infrastructure capacity and oversubscribed state funding for higher-density housing are also impacting our progress.

Despite these challenges, MLC cities are on track to meet the Metropolitan Council's 2030 regional comprehensive planning housing targets, with 172,781 permits issued over the past decade—56% for multi-family units and 37% meeting affordability criteria (51-80% AMI). In addition, over 1,500 acres in MLC cities have been designated for multi-family housing, enabling thousands of new medium- and high-density units by 2030. While historic investments during the 2023-24 biennium boosted capacity, we acknowledge that more needs to be done to further expand inventory across the housing spectrum.

We need collaborative and innovative strategies to meet present and future housing challenges. It's crucial to recognize that communities are at different stages of development; some are fully developed while others are still growing. This diversity necessitates tailored approaches to greenfield development, infill development, and redevelopment opportunities. Legislative proposals aimed at expanding housing production must carefully consider the impacts on these various development types.

The Metropolitan Council's regional comprehensive planning process offers an effective framework for setting metro-area density and housing production goals, allowing for coordinated efforts across the region while empowering local officials to make land use and zoning decisions. This approach ensures solutions are tailored to each community's unique characteristics, needs, and challenges.

MLC supports the following goals and strategies to expand housing options, prioritize local control of land use and zoning decisions, and enhance affordable housing options.

GOAL 1: Expand housing production to meet critical needs

MLC recognizes the need to address the shortage of affordable housing and homeownership opportunities that lie between medium/high-density apartment rentals and owner-occupied single-family homes. However, we oppose one-size-fits-all approaches that fail to recognize the unique needs and challenges of each community. Instead, we should reward cities for meeting their housing goals and provide incentives to continue this important work.

Expanding Housing Production and Promoting Affordable Housing (cont.)

MLC supports the following policy changes to expand housing production across the spectrum while preserving local control of planning and zoning decisions:

- 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

GOAL 2: Promote affordable housing opportunities

MLC cities are working to preserve existing affordable housing in our communities while also stimulating the production of new affordable units and addressing barriers to homeownership. We support the following policy and funding priorities to preserve and expand access to 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

Investing in Infrastructure, Transportation & Economic Development

MLC cities are actively pursuing economic development efforts to attract businesses, create jobs, and boost local economies. According to 2020 census data, MLC cities employ over 530,000 people, surpassing the 455,689 employees in Minneapolis/St. Paul. This job growth has led to increased congestion and demand on transit and roads. Consequently, our association supports increased, regionally balanced investments in transportation and infrastructure to maintain and grow our robust transportation network.

Many MLC cities continue to be among the fastest-growing in Minnesota, leading to increased infrastructure costs (i.e. water, sewer, parks, storm water, and roads). To ensure orderly growth, it is essential to collect development fees so infrastructure can meet new demand without shifting costs to existing residents. Cities currently have the authority to impose fees for infrastructure like water, sewer, storm water, and parks. Extending these fees to include public infrastructure, such as road improvements necessitated by new development, is a logical step.

GOAL 1: Provide increased, regionally-balanced investments in transportation and infrastructure to maintain and grow a robust transportation network

- Fund the Corridors of Commerce program at the 2022-23 project cycle level of \$403 million
- Fund at least \$10 million for metro cities in the Transportation Economic Development program

GOAL 2: Support economic growth through targeted state investments that add new workers, retain high-quality jobs, and attract business development

- Maintain state investments in the Minnesota Investment Fund
- Maintain state investments in the Job Creation Fund

GOAL 3: Protect state-local partnerships needed to support essential local infrastructure projects with a regional/state benefit

- Pass a robust, regionally balanced bonding bill that includes significant investment in suburban communities
- Oppose requiring local governments to create dedicated replacement funds for capital projects that receive state funding

GOAL 4: Ensure that local infrastructure can meet the demands imposed by new development without shifting costs to existing residents by authorizing local units of government to collect street infrastructure fees

Strengthening the State-Local Fiscal Partnership

MLC supports local control over taxes and fiscal policy. Our cities believe strongly in the promotion of policies that bring greater stability and predictability in the fiscal relationship between the state and local units of government. We support the following goals and strategies to strengthen the state-local fiscal relationship.

GOAL 1: Provide a clearer, more predictable, and equitable pathway for evaluating and approving future local sales tax requests by supporting a legislative bypass for projects meeting specific criteria, in line with the 2024 recommendations of the Local Taxes Advisory Task Force

- Oppose tax equalization measures in local sales tax legislation to ensure equitable treatment for all Minnesota cities, both current and future, that impose local sales taxes
- Oppose limitations on similar facilities within a certain distance of the proposed project and requiring support from surrounding cities
- Include metro parks and trails as pre-approved projects for the use of local sales tax dollars
- Include an inflationary escalator based on the Consumer Price Index (CPI) to give cities the funds necessary to cover actual project costs, ensuring that critical infrastructure and community development initiatives are completed as planned

GOAL 2: Provide greater stability and predictability in the fiscal relationship between the state and local units of government

- Support more frequent review of the Local Government Aid (LGA) program in recognition of the growing financial needs of cities in the state, including those who currently do not receive LGA
- Provide direct property tax relief through the Property Tax Refund and Renters Credit programs
- Simplify the process for a sales tax exemption on construction materials for cities, counties, school districts, and other local governments
- Preserve the integrity of the Fiscal Disparities Program by ensuring revenue is not diverted from the pool for one-off legislative priorities

Supporting Safer Communities

MLC cities are dedicated to ensuring public safety in our communities. At the same time, we are increasingly concerned about the local budgetary implications of specific policies and one-size-fits-all approaches that limit local officials' ability to tackle complex challenges. Issues such as PTSD and addressing duty disability claims persist as significant challenges. Emergency medical services also pose a significant worry, as ensuring timely and high-quality ambulance and emergency services continues to be a mounting challenge for some cities. Consequently, MLC believes local control over these services would produce the most favorable outcomes for our communities.

GOAL 1: Empower local elected officials to effectively manage public safety issues in our communities by providing additional one-time funding for police and fire aid programs

GOAL 2: Provide local control of EMS

- Allow local units of government to designate which licensed ambulance services provider or providers may serve their communities and to determine the appropriate level of service
- Provide local units of government with tools and authority to ensure transparency regarding performance standards and quality assurance metrics

MLC Board of Directors

Apple Valley

Clint Hooppaw, Mayor
Tom Lawell, City Administrator

Bloomington

Tim Busse, Mayor
Kathy Hedin, Interim City Manager
Elizabeth Tolzmann, Interim City Manager

Burnsville

Elizabeth Kautz, Mayor
Gregg Lindberg, City Manager

Chanhassen

Elise Ryan, Mayor
Laurie Hokkanen, City Manager

Eagan

Mike Maguire, Mayor
Dianne Miller, City Administrator

Eden Prairie

Ron Case, Mayor
Rick Getschow, City Manager

Edina

Jim Hovland, Mayor
Scott Neal, City Manager

Golden Valley

Roslyn Harmon, Mayor
Noah Schuchman, City Manager

Inver Grove Heights

Brenda Dietrich, Mayor
Kris Wilson, City Administrator

Lakeville

Luke Hellier, Mayor
Justin Miller, City Administrator

Maple Grove

Heidi Nelson, City Administrator
Mark Steffenson, Mayor

Minnetonka

Brad Wiersum, Mayor
Mike Funk, City Manager

Plymouth

Jeff Wosje, Mayor
Dave Callister, City Manager

Prior Lake

Kirt Briggs, Mayor
Jason Wedel, City Manager

Rosemount

Jeff Weisensel, Mayor
Logan Martin, City Administrator

Shakopee

Matt Lehman, Mayor
Bill Reynolds, City Administrator

Shoreview

Sue Denkinger, Mayor
Brad Martens, City Manager

Woodbury

Anne Burt, Mayor
Clint Gridley, City Administrator

Questions? Contact us:

Tony Albright, Lobbyist

tony.albright@poulhaas.com | (612) 801-9401

Laura Harris, Director of Association Management

laura.harris@poulhaas.com | (651) 334-4359

Tom Poul, Attorney/Lobbyist

tom.poul@poulhaas.com | (651) 260-0696

Amy Walstien, Attorney/Lobbyist

amy.walstien@poulhaas.com | (651) 238-9264

For more information, visit:

www.mlcmn.org

