

# Increasing Housing Affordability & Helping End Exclusionary Zoning

## HF 4366, Agriculture, Housing & Broadband Conference Committee

### Minnesota's Housing Challenges

Currently, Minnesota stands more than 57,000 housing units short of the necessary amount to achieve balance in our housing market.

- **Worst** inventory in the nation for any major market.
- **Widest** homeownership gap in the nation.
- **Highest** regional new single-family detached home cost.

Without bold reforms to spur the building of tens of thousands of new homes, Minnesota cannot address these challenges head-on.

### Planned Unit Development

Planned Unit Developments (PUDs) were originally intended to be used sparingly, on unique projects only. Today, PUDs are the primary default form of zoning in many growing communities. From 2010-2019 at least half of all new housing in the Twin Cities came via PUD, the scale of which concerns leading housing policy experts.

Salim Furth of the Mercatus Center at George Mason University, who analyzed PUD usage in Minnesota for the *Star Tribune*, told several legislative committees this session that, "PUDs used for routine subdivisions are a warning that something is not working as it should."

### Aesthetic Mandates

A well-known exclusionary zoning tactic, aesthetic mandates take many forms, including luxury stone or brick façade requirements, high-end architectural design elements, oversized design elements, extra-large garages, mandates on rooms above garages, front porches and bans on vinyl siding. On a typical new home, these mandates **can exceed \$20,000** per home. Emily Hamilton of the Mercatus Center at George Mason University says, "Vinyl siding bans are one of the clearest ways that land use regulation[s] have no purpose other than excluding households that are priced out when more expensive materials are required." The exclusionary aspect is accomplished by raising the minimum construction cost in a community.

### Increasing Housing Access and Affordability

- Removes one of the most common exclusionary zoning tactics that can cost more than \$20,000 per home.
- Stops costly mandates for luxury material upgrades and other building code conflicts that drive costs.
- Restores reasonable homeowner choice on home design, allowing more starter home options.
- **Does not** impact historic districts or preservation powers.
- Still **allows PUDs as an option** when both applicants and municipalities believe it is warranted.

### Say YES to Increasing Housing Affordability and Helping End Exclusionary Zoning

Adoption of the Senate PUD and Aesthetics Mandate language in Article VI brings Minnesota one step closer to ending exclusionary zoning by prohibiting communities from enacting costly aesthetic mandates on luxury materials.

