

**MLC 2023 LEGISLATIVE PLATFORM**

**Housing and Home Ownership**

Housing is a top priority for MLC cities, particularly in supporting affordable home ownership for low to moderate income residents. Increasing access to home ownership for Black, Indigenous, and People of Color (BIPOC) is a high priority for our Commission.

A variety of housing options within each of our cities is very important, however MLC is focusing its efforts on access to moderately priced starter homes, which will enhance the ability of Minnesotans to achieve inter-generational wealth growth via homeownership. Specifically, supporting initiatives and funding to secure and maintain existing housing stock (NOAH), as well as finding ways to incentivize builders to bring affordable housing options to our cities.

Opportunities for affordable home ownership continue to be a challenge in our communities for a number of reasons, especially as the real estate market has transformed the housing industry and builders are now focusing on single-family and townhomes with more square footage and higher end and/or luxury materials than previously, negatively impacting housing affordability. In addition to market driven changes, Minnesota faces a variety of challenges including underproduction of new construction for at least a decade, the high cost and scarcity of land, increasing costs in building materials, and labor, the exceptionally active real estate market, and institutional investors purchasing existing homes with significant conversion to rental, as well as other market forces. In order to address these challenges, a variety of housing solutions are necessary to provide more affordable home ownership opportunities including significant State investments.

**Specific policies and programs supported by MLC include:**

1. **Support for affordable home ownership**
2. Investments to preserve existing affordable homes:
	1. Increase funding for naturally occurring affordable housing (NOAH) preservation grants.
	2. Increase investment in Housing Infrastructure Bonds (HIB).
	3. Expand NOAH Preservation programs to include townhome and condominium ownership.

*Affordability is defined as buyers making 115% AMI and spending no more than 30% of their income on housing.*

1. Incentivize production of affordable homes by:
	1. Support for a state tax exemption/credit to generate production of low to moderately priced homeownership opportunities.
	2. Provide state funding for community land trusts.
2. **Down payment assistance**
3. Support state funding for downpayment assistance programs to assist first generation homebuyers.
4. Support financing opportunities for BIPOC first-time homebuyers.
5. **Collaboratively address statewide housing cost drivers**
6. Streamline state building codes and determine if existing codes create competitive advantages for neighboring states.
7. Eliminate duplication and redundancy between the agencies involved in the storm water/environmental permitting process.
8. Streamline the process and provide local governments more flexibility in MUSA line adjustments.
9. **Preserve local autonomy and community characteristics**
10. Support city authority to protect existing taxpayers and recover costs associated with development activity including street infrastructure.
11. Preserve local government authority for land use decisions such as zoning and regulatory controls.
12. Recognize benefits of having a diverse collection of communities that provide choices across the housing spectrum.

**Public Safety**

Public safety has been a growing area of concern for MLC cities, particularly with motor vehicle theft, auto part theft (e.g., catalytic converters), and carjackings. Many aspects of the criminal justice system need to be reviewed for potential reforms including how cases are prosecuted, impact of bail guidelines, the use of sign and release warrants for violent crimes, as well as focusing on how to best address juvenile offenders. Coordination and collaboration between cities, counties, and the criminal justice system will be imperative in addressing these challenging issues.

**Specific policies and programs supported by MLC include:**

1. **Support for public safety duty disability reform**
	1. In recent years, the number of public safety employees seeking duty disability determinations through PERA, and workers compensation claims for line of duty injuries has significantly increased. The fiscal impact of these rising claims is unsustainable for cities and ultimately, taxpayers. As a result, MLC supports the following reform measures:
		1. Full state funding for the Public Safety Officer Benefit account, which reimburses employers who provide continued health insurance to police officers and firefighters injured in the line of duty and the dependents of those killed.
		2. Funding to reimburse local governments for providing paid time off to public safety employees experiencing work related trauma and/or who are seeking treatment for a mental injury.
		3. Funding for initiatives and programs which provide peer support, emotional trauma training, early intervention, and mental health treatment.
2. **Support state funding to address juvenile offenders including detention, treatment, mental health support, and educational programs**

**Tax Policy and Local Issues**

MLC supports local control, including in the areas of taxes and fiscal policy. MLC supports policies that promote greater stability and predictability in the fiscal relationship between the state and local units of government.

**Specific policies and programs supported by MLC include:**

1. Support for direct property tax relief through the Property Tax Refund and Rental Credit programs, as well as adjusting Homestead Market Value Exclusion levels to reflect recent increases in assessed values
2. Simplify the process for a sales tax exemption on construction materials for cities, counties, school districts and other local governments.
3. Preserve the integrity of the Fiscal Disparities Program by not removing revenue from the pool to pay for one-off legislative priorities.
4. Support for the repeal of the Local Government Salary Cap.

**Infrastructure and Transportation Investments**

According to 2020 census data, MLC cities combined are among the biggest job producing areas in the state with over half a million employees (530,660) compared to Minneapolis/St. Paul with a combined total of 455,689. Along with those jobs comes added congestion and demand on transit and roads in MLC Cities. MLC supports increased, regionally balanced, investment in transportation and infrastructure to maintain and grow a robust transportation network.

**Specific policies and programs supported by MLC include:**

1. Increase investments in Corridors of Commerce.
2. Increase investments in Transportation Economic Development.
3. Passage of a robust, regionally balanced bonding bill that includes significant investment in suburban communities.
4. Fully fund the required state matching dollars to leverage federal grant opportunities for programs including IIJA, Inflation Reduction Act, and CHIPS Act.
5. Flexibility for cities to impose infrastructure fees so the costs of new development aren’t shifted onto existing taxpayers.

**Workforce Support and Economic Expansion**

As the Governor’s Council on Economic Expansion recently noted, housing and workforce issues are closely related. MLC supports the Council’s recommendations on housing and on increased investments in economic development.

**Specific policies and programs supported by MLC include:**

1. Increased investment in the Minnesota Investment Fund (MIF).
2. Increased investment in the Job Creation Fund (JCF).

**Cannabinoid and Adult Use Marijuana Regulatory and Licensing Framework**

With recent legislative changes, MLC cities have faced the allowance of certain edible and beverage products infused with tetrahydrocannabinol (THC) to be sold. A strong regulatory framework with clear licensing, inspection, enforcement, and reporting requirements is needed to address the sale of edible marijuana products containing cannabinoid THC. Should the Legislature decide to approve adult use marijuana, these same needs are expected. The Legislature should address public safety, employment, public health, and taxation issues with cannabinoid and marijuana legalization. Maintaining the authority for local licenses and zoning regulations is important to the MLC and should be part of any state regulatory framework.

**A special thanks to our Legislative Program and Housing Subcommittee members:**

Aarica Coleman: HRA Administrator, Bloomington Jason Wedel: City Manager, Prior Lake

Anne Burt: Mayor, Woodbury Jim Hovland: Mayor, Edina (MLC Chair)

Bill Droste: Mayor, Rosemount Justin Miller: City Administrator, Lakeville

Dave Callister: City Manager, Plymouth Kirt Briggs: Mayor, Prior Lake

Luke Hellier: Mayor, Lakeville Mike Funk: City Manager, Minnetonka

Brad Wiersum: Mayor, Minnetonka Mike Maguire: Mayor, Eagan

Dianne Miller: City Administrator, Eagan Rick Getschow: City Manager, Eden Prairie

Heidi Nelson: City Administrator, Maple Grove Tom Lawell: City Administrator, Apple Valley

Jamie Verbrugge: City Manager, Bloomington

For questions about the MLC’s Legislative Program, please contact:

Tom Poul tom.poul@poulhaas.com

Tony Albright tony.albright@poulhaas.com

Nancy Haas nancy.haas@poulhaas.com

Owen Neubauer owen.neubauer@poulhaas.com