

Housing Needs in Cities: State Policy Solutions That Work

Cities across the state are keenly aware of the unique housing challenges that face their communities, which can include shortages, high construction costs, and racial disparities. Cities are targeting these local housing needs with the tools available to them. In fact, housing development in cities is ahead of pace to meet a state goal of building 300,000 homes by 2030. Despite that, we can do better.

Legislative action focused on supporting cities must be a part of this solution-oriented approach.

What works: Full housing spectrum solutions

Each city is sustained by a different mix of housing stock, which may include but is not limited to: affordable housing, market-rate housing, and rental.

WHAT CITIES ARE DOING: Housing rehabilitation programs, tax abatement, inclusionary housing policies, and more.

LEGISLATIVE NEED: Adequately funded state housing programs and policy changes that support construction and preservation of housing across the housing spectrum.

What works: Local innovation support

Cities create policy and finance solutions to target locally-identified housing needs.

WHAT CITIES ARE DOING: Mixed-use developments, monetary and policy incentives for diverse housing stock, fee waivers, and more.

LEGISLATIVE NEED: More flexibility and more authority to use tools and resources that foster local innovation to address unique, individual community needs.

What works: Incentives instead of mandates

Market forces such as demand, cost of land, labor shortages, and materials are creating private sector market failures. Partnerships and outside resources can bridge the gap for developers and create more affordability.

WHAT CITIES ARE DOING: Low or no cost city-supplied lots, tax increment finance districts, free electrical service for construction sites, and more.

LEGISLATIVE NEED: Incentives for the private sector to construct less profitable housing statewide, additional flexibility for cities to construct and attract development when the private market won't meet community needs.

What works: Community-specific solutions throughout Minnesota

From Baudette to Bloomington, housing solutions must be responsive to the circumstances and unique characteristics of each city.

WHAT CITIES ARE DOING: First-time homebuyer down-payment assistance, local housing trust funds, density bonuses, and more.

LEGISLATIVE NEED: Support of city land use decisions that make sense for their communities, infrastructure solutions that protect taxpayers and resident safety.