

Office of the Revisor of Statutes

SF 3080 Status in the Senate for the 93rd Legislature (2023 - 2024)		
Current bill text: As Introduced Version List	Companion: HF2235 Companion Text House Search	Revisor number: 23-03716
Long Description	Committee Hearings and Actions	Senate Counsel & Research Summary Fiscal Notes

Description

Legalize Affordable Housing Act

Authors (1)

[Draheim](#)

Actions

Separated Chronological		
Senate		
03/22/2023	Introduction and first reading	pg. 2208 Intro
03/22/2023	Referred to Housing and Homelessness Prevention	
02/15/2024	Withdrawn and re-referred to State and Local Government and Veterans	pg. 11620
03/04/2024	Withdrawn and re-referred to Housing and Homelessness Prevention	pg. 11923

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HF 2235 Status in the House for the 93rd Legislature (2023 - 2024)		
Current bill text: As Introduced Version List	Companion: SF3080 Companion Text Senate Search	Revisor number: 23-03716
Long Description	Further Committee Actions	House Research Summary Fiscal Notes

Description

Legalizing Affordable Housing Act; land use and planning requirement provisions addressed.

Authors (2)

[Elkins](#); [Pérez-Vega](#)

Actions

Separated	Chronological
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House

02/27/2023	Introduction and first reading, referred to Housing Finance and Policy	pg. 1148 Intro
03/08/2023	Author added Pérez-Vega	pg. 1466
03/09/2023	Committee report, to adopt and re-refer to State and Local Government Finance and Policy	pg. 1497

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HF 4009

1st Engrossment - 93rd Legislature (2023 - 2024) Posted on 03/07/2024 04:34pm

KEY: ~~stricken~~ = removed, old language. underscored = added, new language.

[Version List](#) [Authors and Status](#)

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Current Version - 1st Engrossment

A bill for an act
relating to local government; establishing minimum allowable densities on
residential lots in cities; requiring the authorization of middle housing types to be
built on residential lots; authorizing subdivision of residential lots; limiting parking
requirements established by cities; requiring the Minnesota Housing Finance
Agency to create a model ordinance for cities; limiting city aesthetic mandates on
residential building permits; establishing requirements for multifamily residential
developments in cities; proposing coding for new law in Minnesota Statutes,
chapter 462.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [462.3571] MULTIFAMILY RESIDENTIAL DEVELOPMENTS.

Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Affordable housing development" means a multifamily residential development in which:

(1) at least 20 percent of the residential units are for households whose incomes do not exceed 50 percent of the area median income; or

(2) at least 40 percent of the residential units are for households whose incomes do not exceed 60 percent of the area median income.

The deed or declaration for an affordable residential unit must also contain a restrictive covenant requiring the property to remain affordable housing for at least 30 years.

(c) "City" means a home rule charter or statutory city.

(d) "Residential unit" means a residential dwelling for the use of a single owner or tenant.

(e) "Structure" means anything constructed or installed for residential or commercial use which requires a location on a parcel of land.

Subd. 2. Multifamily residential developments. (a) Subject to compliance with all municipal standards, multifamily residential developments are a permitted use in any commercial zoning district. A multifamily residential development may not be constructed on a lot zoned for a single-family home unless otherwise authorized by law, rule, or ordinance.

(b) A multifamily residential development may be mixed use so long as at least 50 percent of the square footage of the development is dedicated to residential use.

Subd. 3. Compliance with comprehensive plan; zoning. A multifamily residential development must be approved by a city if it is consistent with the comprehensive plan on the date of submission and complies with the requirements of this section and all state and municipal standards.

Subd. 4. Applicable zoning standards. (a) A city may not impose more restrictive standards on a multifamily residential development than those that apply to property zoned for the current use of the parcel.

(b) A city must not impose a height requirement on a multifamily residential development that is less than the tallest structure within a one-quarter mile radius of the parcel on which the development will be built, or the maximum height permitted under the city's official controls, whichever is higher, so long as the maximum height of the development is no more than 150 feet.

(c) A city must not impose a setback requirement on a multifamily residential development that is less than the smallest minimum setback distance required of a structure within a one-quarter mile radius of the parcel on which the development will be built.

Subd. 5. **Parking requirements limited.** A city may not require more than one off-street parking space per residential unit.

Subd. 6. **Affordable housing development; height requirements.** (a) An affordable housing development must be permitted to exceed both a maximum height requirement and a maximum floor area ratio limitation imposed by city official controls as provided in paragraphs (b) and (c). The authority in paragraphs (b) and (c) that will produce the tallest development with the most number of affordable housing units on the parcel shall be applied to the affordable housing development.

(b) An affordable housing development may either:

(1) exceed the height requirement for the zoning district where the affordable housing development will be located by 35 feet in height; or

(2) match the maximum allowed height in any zoning district within one mile of the affordable housing development, so long as the maximum height is no more than 150 feet.

(c) An affordable housing development must be permitted to do one of the following, whichever results in the largest development:

(1) exceed the maximum density as permitted by city standards or the city's comprehensive plan by 30 percent;

(2) exceed the lot coverage ratio by 30 percent;

(3) exceed the floor area ratio by 30 percent; or

(4) exceed the maximum impervious lot coverage area by 30 percent.

Subd. 7. **Administrative review process.** (a) Notwithstanding any law, rule, or ordinance to the contrary, a city must establish an administrative review process for building permit applications for multifamily housing development projects. The administrative review process must review and approve or deny such building permit applications based on the application's conformity with the city's comprehensive plan, other applicable zoning requirements, and state law. An application may not be approved contingent on the development being a part of planned unit development, the approval of a conditional use permit, the completion of a study, or other condition that is not related to conformity with the city's comprehensive plan, zoning requirements, and state law.

(b) An application denial must be in writing and must describe the reasons for denial and the ways the application or development design can be amended to receive approval at a future date. Nothing in this subdivision prevents an applicant who received a denial from submitting a new application for the same multifamily housing development, which shall be treated as a new submission by the city.

(c) The administrative review process shall not involve a public hearing unless one is required by state or federal law. Approval or denial of an application does not require approval by the city council or a subcommittee of the council.

(d) An application subject to the administrative review process under this subdivision must be approved or disapproved within 60 days following the receipt by the city of a completed application by the applicant. If the city fails to approve or disapprove an application within 60 days, the application shall be deemed approved. The city may not request an extension for review of the application from the applicant.

(e) A city may request that an applicant incorporate certain design elements into the development that go beyond the criteria in state law and city official controls. The applicant may incorporate those elements in the design of the development but is not required to do so.

Subd. 8. **Local funds.** Notwithstanding any law, rule, or ordinance to the contrary, a city may not impose requirements on a multifamily housing development that are more restrictive than the requirements in this section if a multifamily housing development is funded in whole, or in part, with local funds or is located in a tax increment financing district or other special district created by the city.

EFFECTIVE DATE. This section is effective January 1, 2025.

Sec. 2. **[462.3575] CITY MINIMUM RESIDENTIAL DENSITIES AND ASSOCIATED REQUIREMENTS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Accessory dwelling unit" means any building that contains one dwelling unit used, intended, or designed to be built, used, rented, leased, let, or hired out to be occupied, or occupied for living purposes and is located on the same property as an existing dwelling. An accessory dwelling unit may be attached or detached from the existing dwelling.

(c) "Affordable housing" means a residential dwelling unit affordable to households at or below 115 percent of the area median household income, for an owner-occupied unit, or at or below 60 percent of the area median household income, for a unit that is leased. The deed or declaration for the unit must also contain a restrictive covenant requiring the property to remain affordable housing for at least ten years, if the unit is owner-occupied, or at least 30 years if the unit is leased.

(d) "All-electric and efficient home" means a residential dwelling unit that utilizes electricity as its sole source of energy for heating, hot water heating, cooling, and appliances, and meets the most current minimum efficiency standards of a zero energy ready home under the Zero Energy Ready Home program administered by United States Department of Energy.

(e) "City" means a home rule charter or statutory city.

(f) "Cottage housing" means residential dwelling units on a lot with a common open space that either:

(1) is owned in common; or

(2) has units owned as condominium units with property owned in common and a minimum of 20 percent of the lot size as open space.

(g) "Courtyard apartment" means a building with up to four attached residential dwelling units arranged on two or three sides of a yard or garden.

(h) "Duplex" means a two family home, classified as an IRC-2 in the State Building Code and not meeting the definition of townhouse.

(i) "Fiveplex" means a building containing five residential dwelling units intended for nontransient occupancy and not meeting the definition of townhouse.

(j) "Fourplex" means a building containing four residential dwelling units intended for nontransient occupancy and not meeting the definition of townhouse.

(k) "Lot" means any contiguous parcel of land in the possession of, owned by, or recorded as the property of the same claimant or person.

(l) "Major transit stop" means a stop or station for a guideway or for a busway, as the terms are defined in section 473.4485, subdivision 1.

(m) "Metropolitan area" has the meaning under section 473.121, subdivision 2.

(n) "Middle housing" means buildings that are single-family detached homes and residential properties that are compatible in scale, form, and character with single-family detached homes. Middle housing includes all of the following housing types:

(1) duplexes;

(2) triplexes;

(3) fourplexes;

(4) fiveplexes;

(5) sixplexes;

(6) townhouses;

(7) stacked flats;

(8) courtyard apartments;

(9) cottage housing; and

(10) single-family detached homes.

(o) "Residential dwelling unit" or "unit" means a residential dwelling unit for the use of a single owner or tenant, and applies to any type of residential structure unless otherwise specified.

(p) "Single-family detached home" means any building that contains one residential dwelling unit used, intended, or designed to be built, used, rented, leased, let, or hired out to be occupied, or occupied for living purposes that is not attached to another structure.

(q) "Sixplex" means a building containing six residential dwelling units intended for nontransient occupancy and not meeting the definition of townhouse.

(r) "Stacked flat" means a nontransient residential building of no more than three stories on a lot zoned for residential development in which each floor is a residential dwelling unit.

(s) "Townhouse" means a single-family residential dwelling unit constructed in a group of three or more attached units in which each unit extends from the foundation to the roof and with open space on at least two sides. Each single-family residential dwelling unit shall be considered to be a separate building. Separate building service utilities shall be provided to each single-family residential dwelling unit when required by the Minnesota State Building Code.

(t) "Triplex" means a building containing three residential dwelling units intended for nontransient occupancy and not meeting the definition of townhouse.

Subd. 2. Middle housing types permitted. Any city in the metropolitan area and any city outside of the metropolitan area with a population of 10,000 or more must authorize at least six types of middle housing other than single-family detached homes to be built on residential lots in the city to achieve the density requirements in this section.

Subd. 3. Cities of the first class; required residential densities. (a) A city of the first class must permit the development of at least four residential dwelling units on any residential lot that is more than one-half mile from a major transit stop, unless one of the following criteria are met:

(1) if all of the units are all-electric and efficient homes, the city must permit the development of at least six residential dwelling units on the lot;

(2) if at least two of the units are affordable housing, the city must permit the development of at least six residential dwelling units on the lot; or

(3) if all of the units are all-electric and efficient homes and at least two of the units are also affordable housing, the city must permit the development of at least eight residential dwelling units on the lot.

(b) A city of the first class must permit the development of at least six residential dwelling units on any residential lot that is one-half mile or less from a major transit stop, unless one of the following criteria are met:

(1) if all of the units are all-electric and efficient homes, the city must permit the development of at least eight residential dwelling units on the lot;

(2) if at least two of the units are affordable housing, the city must permit the development of at least eight residential dwelling units on the lot; or

(3) if all of the units are all-electric and efficient homes and at least two of the units are also affordable housing, the city must permit the development of at least ten residential dwelling units on the lot.

(c) The requirements of this subdivision apply regardless of the types of middle housing authorized by the city under subdivision 2.

Subd. 4. **Greater Minnesota small cities; required residential densities.** A city with a population of less than 10,000 that is located outside of the metropolitan area must permit the development of at least two residential dwelling units on any residential lot.

Subd. 5. **Other cities; required residential densities.** (a) A city to which the requirements of subdivisions 3 and 4 do not apply must permit the development of at least two residential dwelling units on any residential lot that is more than one-half mile from a major transit stop, unless one of the following criteria are met:

(1) if all of the units are all-electric and efficient homes the city must permit the development of at least three residential dwelling units on the lot;

(2) if at least one of the units is affordable housing, the city must permit the development of at least three residential dwelling units on the lot; or

(3) if all of the units are all-electric and efficient homes and at least one of the units is also affordable housing, the city must permit the development of at least four residential dwelling units on the lot.

(b) A city subject to this subdivision must permit the development of at least four residential dwelling units on any residential lot that is one-half mile or less from a major transit stop, unless one of the following criteria are met:

(1) if all of the units are all-electric and efficient homes, the city must permit the development of at least six residential dwelling units on the lot;

(2) if at least two of the units are affordable housing, the city must permit the development of at least six residential dwelling units on the lot; or

(3) if all of the units are all-electric and efficient homes and at least two of the units are also affordable housing, the city must permit the development of at least eight residential dwelling units on the lot.

(c) The requirements of this subdivision apply regardless of the types of middle housing authorized by the city under subdivision 2.

Subd. 6. **Municipal standards.** (a) Any standards, performance conditions, or requirements imposed by a city for residential dwelling units permitted under subdivisions 3, 4, and 5 must directly relate to protecting public health, safety, and general welfare.

(b) A city may not use official controls to prohibit the application of this section, including imposing performance conditions, standards, requirements, ordinances, fees, exactions, and dedications on any residential dwelling unit or development that are more restrictive than those in this section or other law or rule.

Subd. 7. **Commercial district designation.** A city with a population of 10,000 or more that does not have a major transit stop within the boundaries of the city must designate the boundaries of at least one commercial district in the city. The commercial district must be adjacent to residential property. The boundaries of the commercial district must be treated as a major transit stop for the purposes of determining properties to which the densities in subdivisions 3 and 5 apply.

Subd. 8. **Accessory dwelling units authorized.** (a) An accessory dwelling unit may be built on any residential lot in a city, regardless of total lot size, street frontage, connectivity between the accessory dwelling unit and the primary dwelling on the lot, and whether the lot is occupied by the property owner, so long as the accessory dwelling unit is built in conformance with the Minnesota State Building Code.

(b) A city may permit more than one accessory dwelling unit to be built on a residential lot.

(c) An accessory dwelling unit qualifies as a residential dwelling unit for the purposes of subdivisions 3, 4, and 5.

Subd. 9. **Minimum lot size permitted.** (a) A city may, by ordinance, require a minimum lot size in accordance with this subdivision to which the density requirements of subdivisions 3 and 5 apply.

(b) A minimum lot size for a city of the first class must not be greater than:

(1) 2,500 square feet for a single-family detached home, duplex, triplex, fourplex, fiveplex, sixplex, stacked flat, and courtyard apartment; or

(2) 1,200 square feet for a townhome and cottage housing.

(c) A minimum lot size for a city subject to subdivision 5 must not be greater than:

(1) 4,000 square feet for a single-family detached home, duplex, triplex, fourplex, fiveplex, sixplex, stacked flat, and courtyard apartment; or

(2) 1,200 square feet for a townhome and cottage housing.

(d) This subdivision does not apply to a city located outside of the metropolitan area with a population of less than 10,000.

Subd. 10. **City official controls; limitations.** (a) City official controls establishing, directly or indirectly, the permitted size, scale, or form of a building may only impose the following limitations:

- (1) building height maximums;
- (2) yard or setback requirements;
- (3) maximum lot coverage;
- (4) impervious surface maximums;
- (5) lot width minimums;
- (6) lot area minimums; and
- (7) a maximum number of residential units per lot.

(b) City official controls must not impose architectural features, minimum square footage, garage square footage, or floor area ratios, and must not create practical difficulties in the placement of residential units on any lot.

(c) City official controls establishing, directly or indirectly, the maximum square footage, gross floor area, or other size standard for residential dwelling units must be increased by at least ten percent per single-family unit built on a lot where multiple single-family units will be developed. A city may opt not to adjust a height standard for single-family units entitled to other standard adjustments under this paragraph.

(d) A city must reduce a setback standard by at least one foot for an all-electric and efficient home.

Subd. 11. **Parking requirements limited.** (a) A city may not require off-street parking space for a residential dwelling unit that is one-half mile or less from a major transit stop.

(b) A city may not require more than one off-street parking space per residential dwelling unit that is over one-half mile from a major transit stop.

Subd. 12. **Affordable housing; replacement required.** Affordable housing on a residential lot may only be demolished, in whole or in part, for the construction of middle housing if the middle housing development will create at least as many affordable housing units as exist in the structure to be demolished.

Subd. 13. **Subdivision of lots permitted; administrative review process established.** (a) Notwithstanding any law, rule, or ordinance to the contrary, a city must permit a residential lot to which the density requirements of subdivisions 3, 4, and 5 apply to be subdivided in a manner that allows all units to be built on the property to be single-family detached homes.

(b) A residential lot created from the subdivision of property under paragraph (a) that is smaller than a minimum lot size required pursuant to subdivision 9 is not subject to the density requirements under subdivisions 3, 4, and 5.

(c) A city shall process an application to subdivide a residential lot in accordance with the procedures under subdivision 14.

Subd. 14. **Administrative design review process established.** (a) Notwithstanding section 462.358, subdivision 3b, or any other law, rule, or ordinance to the contrary, a city must establish an administrative design review process for building permits for middle housing development projects and subdivision applications under subdivision 13. The administrative review process must review and approve or deny such building permit and subdivision applications based on the application's alignment with the city's comprehensive plan and other applicable zoning requirements. The administrative review process shall not involve a public hearing unless one is required by state or federal law or the project involves or affects a lot located in a historic district under section 138.73. The city may hold a public hearing on a building permit or subdivision application under this section for requests for variances from city zoning requirements. Except as provided in paragraph (b), an application subject to the administrative design review process under this paragraph must be approved or disapproved within 60 days following the receipt by the city of a completed application by the applicant. If the city fails to approve or disapprove an application within 60 days, the application shall be deemed approved.

(b) A city must specify in writing all requirements for an application for a building permit for middle housing or for a subdivision to be considered complete. The written completion requirements must accompany each application.

(c) An applicant may direct the city to toll the 60-day review period for an application for a building permit for middle housing or for a subdivision application under subdivision 13. The applicant may also direct the city to begin to run the 60-day time period for an application that was previously tolled upon request by the applicant. A request under this paragraph must be in writing. A city may not charge a fee to the applicant for a request under this paragraph.

Subd. 15. **Model ordinance.** (a) On or before December 31, 2024, the commissioner of the Minnesota Housing Finance Agency must develop and publish a model ordinance for adoption by cities that addresses the requirements of this section. On or before July 1, 2025, a city must adopt the model ordinance under this subdivision or amend its official controls to be consistent with the requirements of this section as part of an alternative density plan under subdivision 16.

(b) The Minnesota Housing Finance Agency must convene an advisory group of stakeholders to provide information during the development of the model ordinance. The advisory group must represent expertise in city administration, housing affordability, housing

construction, municipal land use planning and zoning, and any other topics that the agency determines are necessary.

Subd. 16. **Alternative density plans.** A city may develop an alternative density plan and submit the plan to the commissioner of the Minnesota Housing Finance Agency for approval. The commissioner may approve an alternative density plan under this subdivision only if the city demonstrates that the plan will result in an equal or greater amount of middle housing production that would occur with the adoption of the model ordinance under subdivision 15. The commissioner must approve or disapprove an alternative density plan within 120 days of the day of receipt of the plan by the commissioner.

Subd. 17. **Exception.** Nothing in this section authorizes a residential dwelling unit that is prohibited by state or federal law, or an ordinance adopted pursuant to such a state or federal law, that protects floodplains, areas of critical concern, wild and scenic rivers, or that otherwise restrict residential dwelling units to protect the environment or scenic areas.

Subd. 18. **State Building Code; State Fire Code.** This section does not modify any requirement of the State Building Code or State Fire Code.

EFFECTIVE DATE. This section is effective July 1, 2025, except that subdivisions 1, 15, and 16 are effective July 1, 2024, and that subdivisions 4 and 5 are effective July 1, 2026.

Sec. 3. **[462.3576] LIMITATION ON AESTHETIC MANDATES FOR CITIES.**

A home rule charter or statutory city must not condition approval of a residential building permit, subdivision development, or planned unit development on the use of one or more of the following:

(1) specific materials for aesthetic reasons for property used for a residential purpose as defined by the State Building Code;

(2) minimum square footage or floor area ratios;

(3) architectural design elements including, but not limited to, decks, balconies, porches, gables, roof pitch, and elevation design standards;

(4) garage square footage; or

(5) common space, pools, or any common property necessitating a homeowner's association.

EFFECTIVE DATE. This section is effective July 1, 2024.

Subject Legalizing Affordable Housing Act

Authors Elkins

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Date March 6, 2023

Overview

This bill contains various provisions related to local land use, building permits, building codes, and fees imposed by local governments.

Article 1: Impact Fees

Creates a new chapter 462E providing authority and parameters for the imposition of impact fees by certain local governments. Adds impact fee authority sections in other chapters of the law.

Section	Description – Article 1: Impact Fees
1	[394.245] Impact fees. Authorizes a county board to impose impact fees so long as the board has adopted a comprehensive plan and a capital improvement program.
2	[462.3594] Impact fees. Authorizes a statutory or home rule charter city to impose impact fees so long as the city has adopted a comprehensive municipal plan and capital improvement program.
3	[462E.01] Impact fees; definitions. Defines various terms for the purpose of the new chapter 462E, which contains provisions relating to impact fees imposed by a city, town, or county.
4	[462E.02] Authority. Authorizes a local government to impose impact fees by ordinance.
5	[462E.03] Permitted uses. Requires that a local ordinance imposing impact fees must specify the purposes for which the fees are imposed on new development. The purposes for which such fees may be imposed are enumerated in this section. Also requires any qualified project to be described in the local government’s approved comprehensive plan and capital

Section Description – Article 1: Impact Fees

- improvement plan, with specific information required to be included in the capital improvement plan.
- 6 **[462E.04] Establishment of district; payment of fee.**
Provides that a district is established when the design of the project funded by an impact fee is completed and the governing body of the local government has approved the imposition of the impact fee.
- States that the impact fee is due and payable from owners of property located in the district once the district is established and notice is issued. Failure to receive the notice does not postpone or excuse any default.
- Payment of the fee must be made within 90 days of district establishment. The local government must provide the option for a property owner to pay the impact fee over a period of up to ten years at an interest rate that reflects the local government's own cost of borrowing.
- 7 **[462E.05] Formula; contributions.**
Requires a local impact fee ordinance to specify the formula by which the cost of the project will be apportioned among the properties in the district. The formula must result in a just and equitable fee. The formula must provide for credits off-setting part or all of the fees that reflect what the new development in the district may have contributed in the form of taxes, other fees, dedications, or other contributions toward the improvement for which the impact fees are imposed.
- 8 **[462E.06] Advisory committee.**
Requires a local government that imposes impact fees to establish an impact fee advisory committee to assist in developing the ordinance.
- 9 **[462E.07] Exemptions.**
Provides that an impact fee ordinance may provide exemptions from impact fees for low- and moderate-income housing if the need for such housing is identified in the comprehensive plan.
- 10 **[462E.08] Segregation of fees; refund.**
Requires impact fees to be placed in a separate account and used only for qualified projects. A local government that imposes an impact fee must refund any fee that is not spent by the time a project is complete. Refunds are in the amount proportional to the payment by the party.

Section	Description – Article 1: Impact Fees
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11	[462E.09] Notice; recording.
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Requires impact fees paid or due to be recorded and notice of such fees to be provided to a purchaser of real property.

12	[462E.10] Model impact fee ordinance.
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Requires the League of Minnesota Cities, in collaboration with other stakeholders, to develop a model impact fee ordinance for local governments on or before December 31, 2023.

Article 2: Environmental Review and Comprehensive Land Planning

Section	Description – Article 2: Environmental Review and Comprehensive Land Planning
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1	Development guide.
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Amends the statute for Metropolitan Council development guide requirements to provide that the adoption and amendment of the council's development guide and the adoption and amendment of its metropolitan system plans, other policy plans, and metropolitan system statements do not constitute conduct that causes or is likely to cause pollution, impairment, or destruction as defined under the environmental rights chapter of the law, or governmental action as defined under the chapter of the Minnesota Statutes on environmental policy.

Effective the day following final enactment.

2	[473.8651] Environmental review.
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Provides that the adoption or amendment of comprehensive plans and fiscal devices and official controls consistent with Metropolitan Council comprehensive planning statutes does not constitute conduct that causes or is likely to cause pollution, impairment, or destruction as defined under the environmental rights chapter of the law.

Effective retroactively from March 1, 2018, and applies to actions commenced on or after that date. Applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Article 3: Planning and Zoning

Amends statutes related to conflicts between comprehensive plans and local government official controls and other regulations and policies.

Section	Description – Article 3: Planning and Zoning
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1	Adopted by ordinance.
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	Clarifies that official controls do not conflict with a county comprehensive plan if the official controls permit all of the uses permitted or required in the comprehensive plan at the permitted or required densities and the official controls prohibit all of the uses that are prohibited by the comprehensive plan. Official controls for land guided for commercial or industrial use may be more specific than the comprehensive plan regarding the kinds of commercial or industrial uses allowed in specific locations.
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	Applies to official controls adopted by a county board.
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2	Interim ordinance.
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	Provides that a housing proposal that is consistent with the city comprehensive plan on the date of submission and is submitted or pending before the adoption of an interim ordinance is exempt from the regulations, restrictions, or prohibitions in the interim ordinance.
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3	General requirements.
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	Clarifies that official controls do not conflict with a land use plan if the official controls permit all of the uses that are permitted or required in the land use plan at the permitted or required densities and the official controls prohibit all of the uses prohibited by the land use plan. Official controls for land guided for commercial or industrial use may be more specific than the comprehensive plan regarding the kinds of commercial or industrial uses allowed in specific locations.
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	Applies to official controls adopted by a city or town.
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4	Terms of regulations.
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	Clarifies that regulations do not conflict with a comprehensive plan if the regulations permit all of the uses permitted or required in the comprehensive plan at the permitted or required densities and the regulations prohibit all uses that are prohibited by the comprehensive plan. Regulations for land guided for commercial or industrial use may be more specific than the comprehensive plan regarding the kinds of commercial or industrial uses allowed in specific locations.
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	Applies to regulations adopted by a city or town.
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5	Affordable, life-cycle goals.
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	Provides that only parcels consistent with the policies of the Metropolitan Development Guide and zoned for multifamily housing at the guided level of density may qualify toward a municipality's affordable and life-cycle housing goals.
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Section Description – Article 3: Planning and Zoning

- Applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.
- 6 No conflicting zoning, fiscal device, official control.**
Clarifies that fiscal devices and official controls do not conflict with a comprehensive plan if they permit all of the uses permitted or required in the comprehensive plan at the permitted or required densities and they prohibit all of the uses prohibited by the comprehensive plan. Fiscal devices and official controls for land guided for commercial or industrial use may be more specific than the comprehensive plan regarding the kinds of commercial or industrial uses allowed in specific locations.
- Applies to fiscal devices and official controls adopted by cities, counties, and towns in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.
- 7 No conflict with plans.**
Clarifies that fiscal devices and official controls do not conflict with a comprehensive plan if they permit all of the uses permitted or required in the comprehensive plan at the permitted or required densities and they prohibit all of the uses prohibited by the comprehensive plan. Fiscal devices and official controls for land guided for commercial or industrial use may be more specific than the comprehensive plan regarding the kinds of commercial or industrial uses allowed in specific locations.
- Applies to fiscal devices and official controls adopted by cities, counties, and towns in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.
- 8 Amendments.**
Provides that a development application that is not in conflict with the comprehensive plan must be processed in accordance with section 15.99.
- Applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Article 4: Limiting Regulations on Residential Development

Contains amendments to several sections of the Minnesota Statutes that relate to residential development.

Section	Description – Article 4: Limiting Regulations on Residential Development
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1	Authority for zoning.
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	Adds industrialized or modular buildings for residential use that conform with applicable rules and all other zoning ordinances to the structures that may not be prohibited by regulation.
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2	Two-family property; permitted uses.
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	Authorizes a two-family property, like a duplex or single-family property with an accessory dwelling unit, as a permitted use in all areas zoned for single-family residential use and in any residential subdivision development provided the property complies with all municipal standards. Requirements imposed by the municipality for such properties must be reasonably related to protecting the public health, safety, and general welfare.
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3	[462.3575] Limiting regulations on residential development.
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	Creates a new section 462.3575 limiting certain regulations on residential development.
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Subd. 1. Application. Clarifies which official controls the section applies to.

Subd. 2. Planned unit development. Prohibits a municipality from requiring a planned unit development agreement in lieu of a proposed residential development if the proposed development complies with existing city zoning ordinances, subdivision regulation, or qualifies as a conditional use. Planned unit development agreements must be available to the public at least seven days before review of the agreement.

Subd. 3. Limitation on aesthetic mandates. Prohibits a municipality from conditioning approval of a building permit, subdivision development, or planned unit development on specific materials for aesthetic reasons.

Subd. 4. Limitation on square footage; accessory structures. Prohibits a municipality from requiring minimum square footage for a residential building or an accessory structure to a residential building. Also prohibits a municipality from requiring more than one garage stall for a single-family dwelling.

Article 5: Municipal Dedication Fees

Amends the municipal dedicated land provisions to cap fees, amend fee payments, and provide record keeping requirements.

Section	Description – Article 5: Municipal Dedication Fees
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1	Dedication.
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Adds sidewalks to uses of dedicated land. Requires a municipality to maintain records detailing the purposes for which money was obtained and the manner in which it was spent to further those purposes.

Allows a municipality to accept a combination of buildable land and cash fees for a dedication. Caps the total value of a dedication at ten percent of the fair market value of the proposed subdivision. Certain land dedicated for trails factors into the calculation of the total value of the dedication. Non-buildable land may be dedicated above and beyond the ten percent cap.

Prohibits a municipality from requiring a dedication of land for roads beyond the minimum engineering standards for urban roadways. A dedication of land for a street that is not a collector or arterial street cannot exceed a curb-to-curb width of 32 feet along with associated utilities and sidewalks, as appropriate.

Article 6: Metropolitan Area Density of Development

Creates requirements for land use plan residential development densities.

Section	Description – Article 6: Metropolitan Area Density of Development
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1	Land use plan.
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Provides that a land use plan and the related official controls must provide for an average density of residential development of no less than four units per acre for an area that has not been previously subdivided for residential development and that is not connected to the metropolitan disposal system. In areas guided for single-family homes, a minimum of 25 percent of the land must allow for a minimum density of eight units per acre. Land that is intended to remain rural must be guided and zoned at a density of no more than one unit per ten acres.

Effective the day following final enactment and applies to a land use plan amendment proposed on or after that date. Applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Article 7: Metropolitan Council; Sewer Availability Charges

Creates a new sewer availability charge adjustment requirement.

Section	Description – Article 7: Metropolitan Council; Sewer Availability Charges
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| 1 | <p>Allocation of treatment, interceptor costs; reserved capacity.</p> <p>Requires the Metropolitan Council to adjust the sewer availability charge (SAC) so that development in unsewered areas is assessed at actual density, but no less than four SAC units per acre.</p> <p>Effective January 1, 2024, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.</p> |
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Article 8: Building Permit Deadlines

Adds building permits to agency action deadline statute.

Section	Description – Article 8: Building Permit Deadlines
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| 1 | <p>Definitions.</p> <p>Adds written applications for building permits to the definition of “request”.</p> |
| 2 | <p>Deadline for response.</p> <p>Adds written requests for building permits to agency approvals or denials with a 60 day deadline.</p> <p>Requires an agency to approve or deny a building application as expeditiously as possible. An agency that approves or denies a building permit application more than 60 days from receipt of the application must refund all relevant permitting fees to the applicant within five business days of the date of the decision on the application.</p> |

Article 9: Building Permit Fees

Requires the commissioner of labor and industry to establish valuation criteria for certain properties for municipal building permit fee purposes.

Section	Description – Article 9: Building Permit Fees
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| 1 | <p>Valuation.</p> <p>Requires the commissioner of labor and industry to establish a cost per square foot valuation of certain residential properties and accessory utility buildings for the purpose of setting building permit fees by municipalities.</p> |
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Article 10: Energy Cost Disclosure

Creates a new requirement for disclosure of utility costs for residential real property.

Section	Description – Article 10: Energy Cost Disclosure
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| 1 | <p>[513.62] Energy cost disclosure requirement.</p> <p>Creates a new section 513.62 which requires a seller of residential real property to disclose to a prospective purchaser the total cost of utility usage over the previous 12-month period along with information about how the cost compares to the average cost of such utilities per residential household statewide. A utility company must provide this information at the request of the seller or a seller's representative. Also requires this information to be included in the real estate listing for the property along with the most recent Home Energy Rating System Index score, if the property has one.</p> |
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Article 11: Construction and Development Fee Report

Amends statutory requirements for municipal reporting of construction and development-related fee collections to the Department of Labor and Industry.

Section	Description – Article 11: Construction and Development Fee Report
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| 1 | <p>Annual report.</p> <p>Increases the threshold for municipally collected construction and development-related fees required to be reported annually to the Department of Labor and Industry to fees in excess of \$7,000 in the reporting year.</p> |
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Article 12: Oak Grove, Nowthen Land Use Exceptions Repealed

Section	Description – Article 12: Oak Grove, Nowthen Land Use Exceptions Repealed
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| 1 | <p>Metropolitan Council.</p> <p>Requires the Metropolitan Council to review and amend its development guide, policy plans, and system statements to be consistent with the repealer in section 2.</p> <p>Effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.</p> |
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Section Description – Article 12: Oak Grove, Nowthen Land Use Exceptions Repealed

2 Repealer.

Repeals special laws requiring the Metropolitan Council to modify its Metropolitan Development Guide, system plans, for the cities of Oak Grove and Nowthen.

Effective the day following final enactment.



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March 5, 2024

Re: City comments on SF 3080 (“Legalizing Affordable Housing Act”)

Chair Port and Members of the Senate Housing and Homelessness Prevention Committee:

The League of Minnesota Cities, Coalition of Greater Minnesota Cities, Metro Cities, Minnesota Association of Small Cities and Municipal Legislative Commission appreciates the opportunity to provide comments in opposition to SF 3080 (Draheim). Cities are concerned with the bill’s broad preemption of city land use and zoning authorities, particularly as they are unlikely to address important housing issues across Minnesota.

Housing is a statewide issue. The best way to ensure that housing issues in the metro area and greater Minnesota are adequately addressed is to approach statewide solutions to housing in a comprehensive way that: (1) addresses the full housing spectrum, (2) supports local innovation, (3) provides incentives instead of mandates, and (4) provides community-specific solutions throughout Minnesota.

While we appreciate the provisions in Article 1 of the bill that seeks a clear path for cities to impose impact fees to support new development and the clarification in Article 2 that exempts comprehensive plans are exempt from review under the Minnesota Environmental Rights Act, SF 3080 unfortunately falls short of a comprehensive approach. The legislation includes no policy that promotes housing affordability. Instead, it broadly preempts city zoning and land use authority. Zoning is an important planning tool that benefits communities economically and socially, improves health and wellness, and helps conserve the environment. The bill would limit this beneficial tool in multiple ways:

- Requiring that all cities, regardless of infrastructure capacity, up-zone all single-family zoned areas to allow for duplexes or an accessory dwelling unit on a single lot
- Severely deteriorating the tool that allows the development of smaller homes and lots – planned unit developments
- Capping land dedication and park dedication fees
- Prohibiting cities from requiring roads that exceed certain widths which in conjunction with limitations on off-street parking in the bill, could pose significant challenges
- Prohibiting cities from conditioning any approvals on material, design, or other conditions if not currently required by the State Building Code (which is meant to be a minimum safety standard) even to promote energy efficiency or similar goals; and
- Mandating the refunding of all building permits if not approved or denied within 60-days even if delay is outside of city control.

Thank you for consideration of our concerns. We look forward to working with Senator Draheim and other legislators to address housing challenges in cities across the state.

Sincerely,

Daniel Lightfoot
League of Minnesota Cities

Ania McDonnell
Metro Cities

Elizabeth Wefel
Coalition of Greater Minnesota Cities

Tom Poul
Municipal Legislative Commission

Cap O’Rourke
Minnesota Association of Small Cities