



STAFF REPORT

DATE: 4-2-2024

Regular Meeting

TO: City Council
FROM: Jason Stopa, Community Development Director
AGENDA ITEM: **Resolution Supporting Retention of City Zoning Authority**
REVIEWED BY: Clark Schroder, Interim City Administrator
Sarah Sonsalla, City Attorney (drafted resolution)

BACKGROUND: During the current Minnesota State Legislative session, bills have been introduced to promote multifamily development (missing middle housing). According to the League of Minnesota Cities, *Legislation has been introduced that would undermine the abilities of city officials and their residents to make their own decisions about zoning and land use. The “Missing Middle Housing” bill increases housing density and take away cities’ rights to make zoning and land use decisions that best fit their communities’ needs.*

ISSUE BEFORE THE COUNCIL: The Council is being asked to adopt a resolution, to be sent to Minnesota State Legislature, supporting the retention of the city’s zoning authority.

PROPOSED BILL DETAILS: House File 4009 and Senate File 1370, in current form, are included as attachments. The League of Minnesota Cities released a City Issue Fact Sheet on 3/4/24 and document titled Consequences Cities and Residents Face from Housing Legislation on 3/6/24. Below is a summary of their key points. The bill:

- *Forces administrative approvals of projects that meet standards and prohibits public input in the approval process.*
- *Limits minimum lot size requirements to no greater than 2,500 square feet for first class cities and 4,000 square feet for all other cities except for cities with populations less than 10,000.*
- *Requires all cities to accept Accessory Dwelling Units on all residential lots regardless of size and allows property owners to subdivide their lots by right.*
- *Sets a base level for density allowed on any residential lot by right—regardless of size—at 2 units statewide and 4 units in first class cities. • Prohibits off-street parking from being required close to major transit stops and limits off-street parking minimum requirements to 1 spot per unit in other areas.*
- *Allows multi-family dwellings to be constructed in any zoning district that allows commercial activity as tall as the tallest commercial or residential structure within ¼ mile radius of the parcel up to 150 feet in height or the local height restriction, whichever is higher.*
- *Broadly prohibits design standards for residential development and eliminates minimum square footage and floor area ratio requirements.*

POTENTIAL CONSEQUENCES: LMC stated a few consequences.

- *Cities would need to upgrade and/or expand their water and sewer infrastructure. The state does not plan to provide financial support for these infrastructure requirements, which means cities may have to turn to taxpayers to pay for necessary infrastructure upgrades.*

•Residents would no longer be able to voice their concerns regarding new developments that affect their property and neighborhood during public comment periods of city council or other public hearings.

•Emergency medical services and fire departments' access to homes will be restricted if multiple units are on a lot that was originally designed for one home without adequate spacing, setbacks, or access to dwelling units.

•Many cities lack the equipment and infrastructure to support tall multifamily developments in areas that were not planned for building of that size and scale. These cities would have to buy new equipment to assist residents in an up to 150-foot building—adding another major expense to fire departments that are already struggling to afford up-to-date equipment.

•Solar panels on homes and businesses may be blocked by taller neighboring buildings.

FISCAL IMPACT:

None.

RECOMMENDATION:

Staff recommends approval of the proposed resolution.

“Motion to adopt RESOLUTION 2024-041 SUPPORTING RETENTION OF CITY ZONING AUTHORITY”

ATTACHMENTS:

- Resolution
- SF 1370
- HF 4009

**CITY OF LAKE ELMO
WASHINGTON COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2024-041

A RESOLUTION SUPPORTING RETENTION OF CITY ZONING AUTHORITY

WHEREAS, decisions about local zoning and land use that best fit community needs are best left to city residents and officials;

WHEREAS, cities use zoning and land use regulations to balance property usage, plan for community growth, dedicate space and capacity for public infrastructure to support development (roads, parks and trails, transportation, sewer, storm water, water, etc.), mitigate flooding and erosion, and preserve natural resources among others;

WHEREAS, the Minnesota State Legislature, in an attempt to address housing availability and affordability challenges, is considering measures that would preempt city authority to regulate land use and zoning and assign that authority to state government;

WHEREAS, passage of those measures would inadequately address housing availability and affordability challenges;

WHEREAS, a rigid framework for land use and zoning mandated by the state makes little sense and cities require flexibility to address their own unique circumstances;

WHEREAS, provisions of the proposed state measures would place the fiscal burden for infrastructure cost of new residential development on the shoulders of existing homeowners and renters in the state's local communities;

WHEREAS, building of multiple housing units on a single residential lot with inadequate spacing, as allowed in the proposed zoning preemption measures, could result in service delivery problems like limiting emergency medical services and fire departments' access to city neighborhoods;

WHEREAS, provisions would also silence local residents from their concerns regarding proposed developments during public comment periods of the planning commission, city council, and other public meetings;

WHEREAS, cities across the state have already put in years of work to address zoning issues, and continue to do so, with the help of community engagement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LAKE ELMO AS FOLLOWS:

The City Council of the City of Lake Elmo hereby:

- 1) Opposes state proposals that seek to preempt local zoning and land use decision-making when it comes to residential development.
- 2) Urges the Legislature to take into consideration the many concerns raised by the League of Minnesota Cities with respect to the proposed zoning-related legislation, namely Senate File 1370 and House File 4009.
- 3) Supports constructive policy alternatives to incentivize and bolster city efforts for addressing housing challenges.
- 4) Advocates for a city-state partnership to consider reforms that are proven to address housing availability and affordability and that ensure efforts can be locally led and shaped.

Passed and duly adopted this 2nd day of April 2024, by the City Council of the City of Lake Elmo, Minnesota.

Charles Cadenhead, Mayor

ATTEST:

Julie Johnson, City Clerk

This Document can be made available in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. **4009**

02/19/2024 Authored by Kraft, Howard, Nash, Elkins, Wolgamott and others
The bill was read for the first time and referred to the Committee on Housing Finance and Policy
02/22/2024 Adoption of Report: Amended and re-referred to the Committee on State and Local Government Finance and Policy

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

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

1.11 Section 1. [462.3571] MULTIFAMILY RESIDENTIAL DEVELOPMENTS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.33 (b) An affordable housing development may either:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.19 (c) "Affordable housing" means a residential dwelling unit affordable to households at
4.20 or below 115 percent of the area median household income, for an owner-occupied unit, or
4.21 at or below 60 percent of the area median household income, for a unit that is leased. The
4.22 deed or declaration for the unit must also contain a restrictive covenant requiring the property
4.23 to remain affordable housing for at least ten years, if the unit is owner-occupied, or at least
4.24 30 years if the unit is leased.

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

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

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

- 5.1 (1) is owned in common; or
- 5.2 (2) has units owned as condominium units with property owned in common and a
5.3 minimum of 20 percent of the lot size as open space.
- 5.4 (g) "Courtyard apartment" means a building with up to four attached residential dwelling
5.5 units arranged on two or three sides of a yard or garden.
- 5.6 (h) "Duplex" means a two family home, classified as an IRC-2 in the State Building
5.7 Code and not meeting the definition of townhouse.
- 5.8 (i) "Fiveplex" means a building containing five residential dwelling units intended for
5.9 nontransient occupancy and not meeting the definition of townhouse.
- 5.10 (j) "Fourplex" means a building containing four residential dwelling units intended for
5.11 nontransient occupancy and not meeting the definition of townhouse.
- 5.12 (k) "Lot" means any contiguous parcel of land in the possession of, owned by, or recorded
5.13 as the property of the same claimant or person.
- 5.14 (l) "Major transit stop" means a stop or station for a guideway or for a busway, as the
5.15 terms are defined in section 473.4485, subdivision 1.
- 5.16 (m) "Metropolitan area" has the meaning under section 473.121, subdivision 2.
- 5.17 (n) "Middle housing" means buildings that are single-family detached homes and
5.18 residential properties that are compatible in scale, form, and character with single-family
5.19 detached homes. Middle housing includes all of the following housing types:
- 5.20 (1) duplexes;
- 5.21 (2) triplexes;
- 5.22 (3) fourplexes;
- 5.23 (4) fiveplexes;
- 5.24 (5) sixplexes;
- 5.25 (6) townhouses;
- 5.26 (7) stacked flats;
- 5.27 (8) courtyard apartments;
- 5.28 (9) cottage housing; and
- 5.29 (10) single-family detached homes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8.8 Subd. 6. **Municipal standards.** (a) Any standards, performance conditions, or
8.9 requirements imposed by a city for residential dwelling units permitted under subdivisions
8.10 3, 4, and 5 must directly relate to protecting public health, safety, and general welfare.

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

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

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

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

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

8.30 Subd. 9. **Minimum lot size permitted.** (a) A city may, by ordinance, require a minimum
8.31 lot size in accordance with this subdivision to which the density requirements of subdivisions
8.32 3 and 5 apply.

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

9.1 (1) 2,500 square feet for a single-family detached home, duplex, triplex, fourplex,
9.2 fiveplex, sixplex, stacked flat, and courtyard apartment; or

9.3 (2) 1,200 square feet for a townhome and cottage housing.

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

9.5 (1) 4,000 square feet for a single-family detached home, duplex, triplex, fourplex,
9.6 fiveplex, sixplex, stacked flat, and courtyard apartment; or

9.7 (2) 1,200 square feet for a townhome and cottage housing.

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

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

9.13 (1) building height maximums;

9.14 (2) yard or setback requirements;

9.15 (3) maximum lot coverage;

9.16 (4) impervious surface maximums;

9.17 (5) lot width minimums;

9.18 (6) lot area minimums; and

9.19 (7) a maximum number of residential units per lot.

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

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

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

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

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

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

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

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

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

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

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

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

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

11.16 (b) The Minnesota Housing Finance Agency must convene an advisory group of
11.17 stakeholders to provide information during the development of the model ordinance. The
11.18 advisory group must represent expertise in city administration, housing affordability, housing
11.19 construction, municipal land use planning and zoning, and any other topics that the agency
11.20 determines are necessary.

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

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

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

12.1 **EFFECTIVE DATE.** This section is effective July 1, 2025, except that subdivisions
12.2 1, 15, and 16 are effective July 1, 2024, and that subdivisions 4 and 5 are effective July 1,
12.3 2026.

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

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

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

12.10 (2) minimum square footage or floor area ratios;

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

12.13 (4) garage square footage; or

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

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

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 1370

(SENATE AUTHORS: PORT and Mitchell)

DATE	D-PG	OFFICIAL STATUS
02/08/2023	733	Introduction and first reading Referred to Housing and Homelessness Prevention
03/22/2023	2199	Comm report: To pass
	2199	Second reading
03/13/2024	11498	Rule 47, returned to Housing and Homelessness Prevention
	12159a	Comm report: To pass as amended and re-refer to State and Local Government and Veterans
	12197	Author added Mitchell

1.1 A bill for an act

1.2 relating to housing; amending provisions relating to building permit processing

1.3 and fees; amending provisions relating to land use and planning; prohibiting

1.4 counties and municipalities from enacting ordinances prohibiting emergency shelter

1.5 facilities; establishing requirements for municipalities to allow multifamily

1.6 residential developments; defining middle housing; requiring permitting middle

1.7 housing types in residential areas; authorizing accessory dwelling units; limiting

1.8 off-street parking requirements for residential development; limiting aesthetic

1.9 mandates on residential project approvals; limiting requirements for homeowners

1.10 associations on residential project approvals; amending Minnesota Statutes 2022,

1.11 sections 15.99, subdivisions 1, 2; 326B.153, by adding a subdivision; 394.25, by

1.12 adding subdivisions; 462.357, by adding a subdivision; proposing coding for new

1.13 law in Minnesota Statutes, chapter 462.

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

1.15 Section 1. Minnesota Statutes 2022, section 15.99, subdivision 1, is amended to read:

1.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms shall

1.17 have the meanings given.

1.18 (b) "Agency" means a department, agency, board, commission, or other group in the

1.19 executive branch of state government; a statutory or home rule charter city, county, town,

1.20 or school district; any metropolitan agency or regional entity; and any other political

1.21 subdivision of the state.

1.22 (c) "Request" means a written application for a building permit, or a written application

1.23 related to zoning, septic systems, watershed district review, soil and water conservation

1.24 district review, or the expansion of the metropolitan urban service area, for a permit, license,

1.25 or other governmental approval of an action. A request must be submitted in writing to the

1.26 agency on an application form provided by the agency, if one exists. The agency may reject

2.1 as incomplete a request not on a form of the agency if the request does not include
2.2 information required by the agency. A request not on a form of the agency must clearly
2.3 identify on the first page the specific permit, license, or other governmental approval being
2.4 sought. No request shall be deemed made if not in compliance with this paragraph.

2.5 (d) "Applicant" means a person submitting a request under this section. An applicant
2.6 may designate a person to act on the applicant's behalf regarding a request under this section
2.7 and any action taken by or notice given to the applicant's designee related to the request
2.8 shall be deemed taken by or given to the applicant.

2.9 Sec. 2. Minnesota Statutes 2022, section 15.99, subdivision 2, is amended to read:

2.10 Subd. 2. **Deadline for response.** (a) Except as otherwise provided in this section, section
2.11 462.358, subdivision 3b, or 473.175, or chapter 505, and notwithstanding any other law to
2.12 the contrary, an agency must approve or deny within 60 days a written request for a building
2.13 permit, or a written request relating to zoning, septic systems, watershed district review,
2.14 soil and water conservation district review, or expansion of the metropolitan urban service
2.15 area for a permit, license, or other governmental approval of an action. Failure of an agency
2.16 to deny a request within 60 days is approval of the request. If an agency denies the request,
2.17 it must state in writing the reasons for the denial at the time that it denies the request.

2.18 (b) When a vote on a resolution or properly made motion to approve a request fails for
2.19 any reason, the failure shall constitute a denial of the request provided that those voting
2.20 against the motion state on the record the reasons why they oppose the request. A denial of
2.21 a request because of a failure to approve a resolution or motion does not preclude an
2.22 immediate submission of a same or similar request.

2.23 (c) Except as provided in paragraph (b), if an agency, other than a multimember governing
2.24 body, denies the request, it must state in writing the reasons for the denial at the time that
2.25 it denies the request. If a multimember governing body denies a request, it must state the
2.26 reasons for denial on the record and provide the applicant in writing a statement of the
2.27 reasons for the denial. If the written statement is not adopted at the same time as the denial,
2.28 it must be adopted at the next meeting following the denial of the request but before the
2.29 expiration of the time allowed for making a decision under this section. The written statement
2.30 must be consistent with the reasons stated in the record at the time of the denial. The written
2.31 statement must be provided to the applicant upon adoption.

3.1 Sec. 3. Minnesota Statutes 2022, section 326B.153, is amended by adding a subdivision
3.2 to read:

3.3 Subd. 5. **Valuation.** The commissioner must establish a cost-per-square-foot valuation
3.4 of residential buildings for the purpose of setting building permit fees by municipalities.
3.5 Residential buildings include one- and two-family buildings, townhouse buildings, and
3.6 accessory buildings.

3.7 Sec. 4. Minnesota Statutes 2022, section 394.25, is amended by adding a subdivision to
3.8 read:

3.9 Subd. 11. **Emergency shelter facility.** (a) "Emergency shelter facility" means a facility
3.10 that provides a safe, sanitary, accessible, and suitable emergency shelter for individuals and
3.11 families experiencing homelessness, regardless of whether the facility provides emergency
3.12 shelter during the day, overnight, or both. The emergency shelter facility must conform
3.13 with the State Building Code under chapter 326B and the State Fire Code under chapter
3.14 299F.

3.15 (b) A county shall not enact, amend, or enforce a zoning ordinance that prohibits
3.16 emergency shelter facilities. A county may prohibit an emergency shelter facility in areas
3.17 zoned for residential, agricultural, or heavy industrial uses, or as required by law to conform
3.18 with the State Building Code, State Fire Code, or other state requirements.

3.19 Sec. 5. Minnesota Statutes 2022, section 394.25, is amended by adding a subdivision to
3.20 read:

3.21 Subd. 12. **Homeowners associations.** (a) A county must not condition approval of a
3.22 residential building permit, residential subdivision development, or residential planned unit
3.23 development on the creation of a homeowners association or on the inclusion of any terms
3.24 in a homeowners association bylaws, articles of incorporation, or any other governing
3.25 document that is not required under state law.

3.26 (b) A county must not require that a residential property be part of a homeowners
3.27 association or provide an incentive for such membership. The county must also not require
3.28 or incentivize a homeowners association to adopt terms or conditions not required under
3.29 state law.

4.1 Sec. 6. Minnesota Statutes 2022, section 462.357, is amended by adding a subdivision to
4.2 read:

4.3 Subd. 1j. **Emergency shelter facility.** (a) "Emergency shelter facility" means a facility
4.4 that provides a safe, sanitary, accessible, and suitable emergency shelter for individuals and
4.5 families experiencing homelessness, regardless of whether the facility provides emergency
4.6 shelter during the day, overnight, or both. The emergency shelter facility must conform
4.7 with the State Building Code under chapter 326B and the State Fire Code under chapter
4.8 299F.

4.9 (b) A municipality shall not enact, amend, or enforce a zoning ordinance that prohibits
4.10 emergency shelter facilities. A municipality may prohibit an emergency shelter facility in
4.11 areas zoned for residential, or agricultural, or heavy industrial uses, or as required by law
4.12 to conform with the State Building Code, State Fire Code, or other state requirements.

4.13 Sec. 7. **462.3571] MULTIFAMILY RESIDENTIAL DEVELOPMENTS.**

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

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

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

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

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

4.24 (c) "Municipality" means a home rule charter city, statutory city, or town.

4.25 (d) "Multifamily residential development" means a single residential building with more
4.26 than eight dwelling units or a mixed-use building with commercial use on the ground floor
4.27 and at least half of the usable square footage is for residential uses. Multifamily residential
4.28 development is not middle housing as defined in section 462.3575, subdivision 1.

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

4.30 Subd. 2. **Multifamily residential developments.** (a) Multifamily residential
4.31 developments are a permitted use in any mixed-use, multifamily, or commercial zoning
4.32 district, subject to compliance with all municipal standards.

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

5.3 Subd. 3. **Applicable zoning standards.** (a) A municipality must not impose a height
5.4 requirement on a multifamily residential development that is less than the tallest commercial
5.5 or residential building within a one-quarter mile radius of the parcel on which the
5.6 development will be built or the maximum height permitted under the municipality's official
5.7 controls, whichever is higher.

5.8 (b) A municipality must not impose a setback requirement on a multifamily residential
5.9 development that is more than the smallest minimum setback distance required of a new
5.10 building within a one-quarter mile radius of the parcel on which the development will be
5.11 built.

5.12 Subd. 4. **Parking requirements limited.** A municipality may not require more than one
5.13 off-street parking space per residential unit.

5.14 Subd. 5. **Affordable housing development; height requirements.** (a) Subject to section
5.15 462.358, subdivision 2a, an affordable housing development must be permitted to exceed
5.16 both a maximum height requirement and a maximum floor area ratio limitation imposed by
5.17 municipality official controls as provided in paragraphs (b) and (c). The authority in
5.18 paragraphs (b) and (c) that produces the tallest development with the most number of
5.19 affordable housing units on the parcel shall be applied to the affordable housing development.

5.20 (b) An affordable housing development may either:

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

5.23 (2) match the maximum allowed height in any zoning district within one mile of the
5.24 affordable housing development.

5.25 (c) In addition to all previous allowances, an affordable housing development must be
5.26 permitted to do one of the following, whichever results in the largest development:

5.27 (1) exceed the maximum floor area ratio or dwelling unit count permitted by municipality
5.28 standards or the municipality's comprehensive plan by 30 percent, whichever allows for
5.29 greater density;

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

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

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

6.1 (d) A municipality that does not approve a project under section 462.358, subdivision
6.2 2a, must provide the applicant with written justification and reasons for the disapproval
6.3 within seven days of the disapproval. Where insufficient infrastructure is the reason for
6.4 disapproval, a municipality must include credentialed evidence in the written justification.

6.5 Subd. 6. **State Building Code; State Fire Code.** This section is subject to the
6.6 requirements under the State Building Code under chapter 326B and the State Fire Code
6.7 under chapter 299F.

6.8 Sec. 8. **[462.3575] MINIMUM RESIDENTIAL DENSITIES AND ASSOCIATED**
6.9 **REQUIREMENTS.**

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

6.12 (b) "Accessory dwelling unit" means a smaller, independent residential dwelling unit
6.13 located on the same lot as a dwelling. An accessory dwelling unit may be attached or detached
6.14 from the existing dwelling. Accessory dwelling unit does not include sacred communities
6.15 and micro-unit dwellings under section 327.30 and temporary family health care dwellings
6.16 under section 462.3593.

6.17 (c) "Affordable housing" means a residential dwelling unit affordable to households at
6.18 or below 115 percent of the area median household income, for an owner-occupied unit, or
6.19 at or below 60 percent of the area median household income, for a unit that is leased. The
6.20 deed or declaration for the unit must also contain a restrictive covenant requiring the property
6.21 to remain affordable housing for at least ten years if the unit is owner-occupied, or at least
6.22 30 years if the unit is leased.

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

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

6.30 (1) is owned in common; or

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

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

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

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

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

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

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

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

7.16 (1) duplexes;

7.17 (2) triplexes;

7.18 (3) fourplexes;

7.19 (4) fiveplexes;

7.20 (5) sixplexes;

7.21 (6) townhouses;

7.22 (7) stacked flats;

7.23 (8) courtyard apartments;

7.24 (9) cottage housing;

7.25 (10) single-family detached homes; and

7.26 (11) twin homes.

7.27 (m) "Municipality" means a home rule charter city, statutory city, or town.

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

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

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

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

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

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

8.15 Subd. 2. **Middle housing types permitted.** A municipality must authorize at least six
8.16 types of middle housing other than single-family detached homes to be built on residential
8.17 lots in single-family zones in the municipality to achieve the density requirements in this
8.18 section.

8.19 Subd. 3. **Cities of the first class; required residential densities.** (a) Subject to section
8.20 462.358, subdivision 2a, a city of the first class must permit the development of at least four
8.21 residential dwelling units on any residential lot that is more than one-half mile from a major
8.22 transit stop, unless one of the following criteria are met:

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

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

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

8.30 (b) Subject to section 472.358, subdivision 2a, a city of the first class must permit the
8.31 development of at least six residential dwelling units on any residential lot that is one-half
8.32 mile or less from a major transit stop, unless one of the following criteria are met:

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

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

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

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

9.10 (d) A municipality that does not approve a project under section 462.358, subdivision
 9.11 2a, must provide the applicant with written justification and reasons for the disapproval
 9.12 within seven days of the disapproval. Where insufficient infrastructure is the reason for
 9.13 disapproval, a municipality must include credentialed evidence in the written justification.

9.14 Subd. 4. **Other cities and towns; required residential densities.** (a) Subject to section
 9.15 462.358, subdivision 2a, a city of the second, third, or fourth class or town must permit the
 9.16 development of at least two residential dwelling units on any residential lot that is more
 9.17 than one-half mile from a major transit stop, unless one of the following criteria are met:

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

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

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

9.25 (b) Subject to section 462.358, subdivision 2a, a city of the second, third, or fourth class
 9.26 or town must permit the development of at least four residential dwelling units on any
 9.27 residential lot that is one-half mile or less from a major transit stop, unless one of the
 9.28 following criteria are met:

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

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

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

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

10.6 (d) A municipality that does not approve a project under section 462.358, subdivision
10.7 2a, must provide the applicant with written justification and reasons for the disapproval
10.8 within seven days of the disapproval. Where insufficient infrastructure is the reason for
10.9 disapproval, a municipality must include from a public works director or a similarly qualified
10.10 person evidence in the written justification.

10.11 Subd. 5. **Municipal standards.** (a) Municipal official controls must not impose standards
10.12 that create practical difficulties in the placement or building of residential units on any lot.

10.13 (b) Any standards, performance conditions, or requirements imposed by a municipality
10.14 for residential dwelling units permitted under this section must allow for all missing middle
10.15 types authorized under subdivision 2 to be built.

10.16 (c) Any limits or restrictions on missing middle development must directly relate to
10.17 protecting public health, safety, and general welfare.

10.18 Subd. 6. **Accessory dwelling units authorized.** (a) An accessory dwelling unit may be
10.19 built on any residential lot in a municipality, regardless of total lot size, street frontage,
10.20 connectivity between the accessory dwelling unit and the primary dwelling on the lot, and
10.21 whether the lot is occupied by the property owner.

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

10.24 Subd. 7. **Minimum lot size permitted.** (a) A municipality may, by ordinance, require
10.25 a minimum lot size in accordance with this subdivision to which the density requirements
10.26 of subdivisions 3 and 4 apply.

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

10.28 (1) 2,500 square feet for a single-family detached home, duplex, triplex, fourplex,
10.29 fiveplex, sixplex, stacked flat, and courtyard apartment; or

10.30 (2) 1,200 square feet for a townhome and cottage housing.

10.31 (c) A minimum lot size for a city of the second, third, or fourth class or a town must not
10.32 be greater than:

11.1 (1) 4,000 square feet for a single-family detached home, duplex, triplex, fourplex,
11.2 fiveplex, sixplex, stacked flat, and courtyard apartment; or

11.3 (2) 1,200 square feet for a townhome and cottage housing.

11.4 Subd. 8. **Parking requirements limited.** (a) A municipality may not require an off-street
11.5 parking space for a residential dwelling unit that is one-half mile or less from a major transit
11.6 stop. A municipality may require that disability parking spaces be provided in compliance
11.7 with the Americans with Disabilities Act.

11.8 (b) A municipality may not require more than one off-street parking space per residential
11.9 dwelling unit that is over one-half mile from a major transit stop, except that additional
11.10 disability parking spaces may be required to meet the requirements of the Americans with
11.11 Disabilities Act.

11.12 Subd. 9. **Affordable housing; replacement required.** For cities of the first class,
11.13 affordable housing on a residential lot may only be demolished or remodeled for the
11.14 construction of middle housing if the middle housing development will create at least as
11.15 many affordable housing units as exist in the structure to be demolished or remodeled. This
11.16 subdivision does not apply to housing in a blighted area defined under section 469.002,
11.17 subdivision 11.

11.18 Subd. 10. **Alternative density plans.** A municipality that adopts zoning controls prior
11.19 to June 30, 2025, that would allow for residential construction leading to an increase in
11.20 density of more than 100 percent in single family zones as permitted uses is not subject to
11.21 the requirements in this section.

11.22 Subd. 11. **Exception.** This section does not apply to any parcel located in a floodplain.

11.23 Subd. 12. **State Building Code; State Fire Code.** This section is subject to the
11.24 requirements under the State Building Code under chapter 326B and the State Fire Code
11.25 under chapter 299F.

11.26 Sec. 9. **[462.3576] LIMITATION ON AESTHETIC MANDATES FOR CITIES.**

11.27 A municipality must not condition approval of a residential building permit, residential
11.28 subdivision development, or residential planned unit development on the use of one or more
11.29 of the following, unless to conform with state and local historic district requirements, the
11.30 State Building Code in chapter 326B, and the State Fire Code in chapter 299F:

11.31 (1) specific materials for aesthetic reasons;

12.1 (2) residential building or accessory structure to a residential building minimum square
12.2 footage or floor area ratios;

12.3 (3) design elements for aesthetic reasons including, but not limited to, decks, balconies,
12.4 porches, gables, roof pitch, and elevation design standards;

12.5 (4) garage square footage; or

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

12.8 Sec. 10. **[462.3577] MUNICIPALITIES; HOMEOWNERS ASSOCIATIONS.**

12.9 (a) A municipality must not condition approval of a residential building permit, residential
12.10 subdivision development, or residential planned unit development on the creation of a
12.11 homeowners association or on the inclusion of any terms in a homeowners association
12.12 bylaws, articles of incorporation, or any other governing document that is not required under
12.13 state law.

12.14 (b) A municipality must not require that a residential property be part of a homeowners
12.15 association or provide an incentive for such membership. The municipality must also not
12.16 require or incentivize a homeowners association to adopt terms or conditions not required
12.17 under state law.

12.18 Sec. 11. **EFFECTIVE DATE.**

12.19 This act is effective July 1, 2025.