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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 2018

03/10/2025 Authored by Kozlowski, Dotseth, Howard, Igo, Kraft and others

The bill was read for the first time and referred to the Committee on Housing Finance and Policy

03/17/2025 Adoption of Report: Amended and re-referred to the Committee on Elections Finance and Government Operations

- 1.1 A bill for an act
- 1.2 relating to local government; limiting the zoning authority of municipalities related
- 1.3 to certain multifamily and mixed-use developments; proposing coding for new
- 1.4 law in Minnesota Statutes, chapter 462.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. [462.3572] MULTIFAMILY AND MIXED-USE DEVELOPMENTS.
- 1.7 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
- 1.8 the meanings given.
- 1.9 (b) "Affordable housing development" means a multifamily development in which the
- 1.10 residential units are:
- 1.11 (1) owner-occupied units that are income restricted to households that, at the time of
- 1.12 initial occupancy, have an income at or below 115 percent of state or area median income,
- 1.13 whichever is greater, as determined by the United States Department of Housing and Urban
- 1.14 Development; or
- 1.15 (2) leased units that satisfy the definition of a qualified low-income housing project
- 1.16 under section 42(g) of the Internal Revenue Code, with a deed or declaration for the leased
- 1.17 residential units containing a restrictive covenant requiring the property to remain affordable
- 1.18 housing for 30 years.
- 1.19 (c) "Applicant" has the meaning provided in section 15.99.
- 1.20 (d) "Minimum parking mandate" means a law, rule, or ordinance that specifies a minimum
- 1.21 number of motor vehicle parking spaces, including on-street or off-street within a garage
- 1.22 or other enclosed area.

(e) "Multifamily residential development" means a single residential building with at least 13 units or a mixed-use building with commercial use on the ground floor, and at least half of the usable square footage is for residential use.

(f) "Request" has the meaning provided in section 15.99, except that for the purposes of this section, it also includes a written application for a building permit or a proposed subdivision related to a multifamily residential development.

(g) "Residential unit" means a building or part of a building intended to be used as a dwelling by a single owner or tenant.

Subd. 2. Multifamily and mixed-use development permitted. (a) A multifamily residential development shall be a permitted use in any zoning district in a municipality that authorizes commercial uses, except if such zoning district also authorizes heavy industrial uses as a permitted use.

(b) A municipality must approve a multifamily residential development authorized under paragraph (a), pursuant to the process and limitations established in subdivisions 3 and 4.

(c) Subject to the limitations in subdivisions 3, 4, and 6, a development authorized under paragraph (a) must comply with any standards, performance conditions, or requirements, including the adequacy of existing public infrastructure, imposed by a municipality to protect public health, safety, and general welfare.

(d) Nothing in this section authorizes a multifamily residential development that is prohibited by state or federal law or rule, or is prohibited under an ordinance adopted pursuant to such a state or federal law or rule, to protect floodplains, areas of critical or historic concern, wild and scenic rivers, or shore land, or that otherwise restricts residential units to protect and preserve public health, the environment, or scenic areas.

(e) A city may establish local controls or ordinances to require that multifamily residential developments constructed under this section that replace existing commercial or industrial structures be mixed use, with commercial use on the ground floor and at least of half of the usable square footage dedicated to residential use. This provision does not apply to an affordable housing development.

(f) For purposes of this section, public health, safety, and general welfare does not include traffic, noise, or nuisance concerns for developments with less than 300 units.

Subd. 3. Required standards. (a) The following limitations and required standards apply to a multifamily residential development permitted under subdivision 2.

3.1 (b) Any standards, performance conditions, or requirements imposed by a municipality
3.2 must directly relate to protecting health or safety.

3.3 (c) A municipality must allow a floor area ratio of 2.5 or greater.

3.4 (d) The following municipalities must not impose a height limitation that is less than 75
3.5 feet above grade:

3.6 (1) cities of the first class;

3.7 (2) the city of St. Cloud; and

3.8 (3) municipalities in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott,
3.9 and Washington.

3.10 (e) A municipality other than those listed in paragraph (d) must not impose a height
3.11 limitation that is less than the higher of:

3.12 (1) the tallest commercial or multifamily building that zoning standards authorize in the
3.13 same zoning district; or

3.14 (2) the tallest existing commercial or multifamily building within one-quarter mile within
3.15 the municipality, excluding nonconforming buildings built before January 1, 1975.

3.16 (f) A municipality must allow setback and lot coverage requirements equal to those
3.17 allowed for a commercial building in the same zoning district.

3.18 (g) A municipality must not impose more restrictive standards, performance conditions,
3.19 or requirements than those that would apply to a commercial building.

3.20 (h) A municipality must not impose minimum parking mandates on a multifamily
3.21 residential development or the residential portion of a mixed-use development, except that
3.22 a municipality may pass and enforce an ordinance under section 169.346, subdivision 4,
3.23 related to disability parking spaces or any provision of the Minnesota Accessibility Code,
3.24 Minnesota Rules, chapter 1341.

3.25 (i) A municipality must not impose standards, performance conditions, or requirements
3.26 on an affordable housing development that are more restrictive than those imposed on a
3.27 market rate multifamily residential development.

3.28 (j) Notwithstanding paragraphs (b) to (h), a municipality may use official controls that
3.29 result in increased density, including by imposing performance conditions, standards, or
3.30 other requirements.

4.1 Subd. 4. **Administrative approval process.** (a) A municipality must establish and follow
4.2 an administrative process to review requests related to a development permitted under
4.3 subdivision 2 in accordance with the process outlined in section 15.99. Notwithstanding
4.4 language to the contrary in section 15.99, subdivision 2, the time limit in section 15.99 shall
4.5 apply to a request for a building permit or a proposed subdivision for the purposes of this
4.6 section. Failure of a municipality to deny a request within the time limit provided under
4.7 section 15.99 is approval of the request.

4.8 (b) An applicant may provide written authorization to a municipality to toll the review
4.9 time limit provided by section 15.99. The applicant may also direct in writing that the
4.10 municipality resume the 60-day time limit for a request that was previously tolled by
4.11 authorization of the applicant. A municipality must not charge a fee to the applicant for a
4.12 request under this paragraph.

4.13 (c) A municipality must specify in writing, including on any application form provided
4.14 by the municipality, all requirements that a request must fulfill for a request to be deemed
4.15 complete and for the time limit in section 15.99, subdivision 2, to begin. Such requirements
4.16 may not include a requirement that an applicant waive any rights, forgo the process
4.17 established in this subdivision, or consent to exactions, dedications, or fees, except that a
4.18 municipality may charge a standard application fee for the request.

4.19 (d) A municipality engaging in the process established in paragraph (a) must:

4.20 (1) approve or deny a request for a building permit or proposed subdivision based on
4.21 the alignment of the request with the municipality's comprehensive plan, applicable zoning
4.22 requirements, and subdivision regulations;

4.23 (2) not require a conditional use permit or planned unit development agreement, except
4.24 that a municipality may require a conditional use permit or planned unit development
4.25 agreement to address an identified and documented risk to health or safety;

4.26 (3) not require more than one community meeting prior to approval of a request, except
4.27 if more are required by state or federal law, or the project involves or affects a lot located
4.28 in a historic district under section 138.73; and

4.29 (4) provide any development agreement to the applicant no less than three days in advance
4.30 of final plat approval or before final approval of a request if a plat is not required.

4.31 Subd. 5. **Affordable and workforce housing density bonus.** A municipality must
4.32 permit an affordable housing development or a workforce housing development meeting
4.33 the requirements of section 462A.39, subdivision 4, paragraph (a), to exceed one or more

5.1 maximum dimensional standards imposed by official zoning controls as a zoning density
5.2 bonus, including:

5.3 (1) a building height increase of at least 35 feet or 30 percent, whichever is greater;

5.4 (2) an increase of at least 30 percent in allowed floor area ratio, units per acre, total
5.5 number of units, or maximum lot coverage; or

5.6 (3) increases in other dimensional standards that increase building size by at least 30
5.7 percent more than what is allowed for market rate multifamily developments in the
5.8 jurisdiction.

5.9 Subd. 6. **Official controls; limitations.** A municipality must not use official controls
5.10 to prohibit the application of this section, including by imposing performance conditions,
5.11 standards, requirements, ordinances, fees, exactions, and dedications on a multifamily
5.12 residential development that are more restrictive than those in this section or other municipal
5.13 law or rule.

5.14 Subd. 7. **Interim ordinance.** No municipality shall enact an interim ordinance as provided
5.15 under section 462.355, subdivision 4, related to the policies specified in this section.

5.16 **EFFECTIVE DATE.** This section is effective January 1, 2026.