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## **S.F. No. 3080 - Legalize Affordable Housing Act**

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### **Article 1 - Impact Fees**

**Section 1 (394.245)** allows a county board that has adopted a comprehensive plan and capital improvement plan to impose impact fees under new chapter 462E.

**Section 2 (462.3594)** allows a city that has adopted a comprehensive municipal plan and capital improvement plan to impose impact fees under new chapter 462E.

**Sections 3 to 12** provide local governments with the authority to impose impact fees.

**Section 3 [462E.01]** defines terms for purposes of the new chapter of law.

**Section 4 [462E.02]** authorizes local governments to impose impact fees by ordinance.

**Section 5 [462E.03]** requires a local ordinance to specify the purpose for which the impact fees may be imposed on a new development. Lists the purposes for which a fee may be imposed and requires the capital improvement plan to provide estimated costs, dates of the project, and an estimate of the portion of the project cost that will be financed by the fee.

**Section 6 [462E.04]** provides that a district is established upon completion of the design of the project and approval by the governing body.

**Section 7 [462E.05]** requires a local impact fee ordinance to specify the formula by which the costs of the project will be apportioned among the property in the district. The formula must provide for credits off-setting part or all of the fees that reflect what new development in the district may have contributed in the form of taxes, other fees, dedications, or other contributions.

**Section 8 [462E.06]** requires a local government that imposes an impact fee to establish an advisory committee to assist in developing the ordinance.

**Section 9 [462E.07]** allows the impact fee ordinance to exempt projects providing low- and moderate-income housing if the need for such housing is identified in the comprehensive plan.

**Section 10 [462E.08]** requires revenues from impact fees to be placed in a separate account used only for projects permitted under section 5 and requires a refund if not spent by the completion of the project.

**Section 11 [462E.09]** requires impact fees paid or due to be recorded and requires the purchaser of real property to be notified of the same.

**Section 12 [462E.10]** requires the League of Minnesota Cities, in collaboration with interested parties, to develop a model ordinance.

## **Article 2 - Environmental Review and Comprehensive Land Planning**

**Section 1 (473.145)** states that adoption or amendment of a comprehensive development guide or metropolitan system transportation plan does not constitute conduct that could be considered polluting or damaging.

**Section 2 (473.8651)** exempts the adoption or amendment of comprehensive plans from environmental impact statement requirements and also exempts fiscal devices and official controls consistent with sections 473.858 to 473.865 from environmental impact statement requirements. This section is retroactively effective from March 1, 2018, and applies only in the seven metropolitan counties.

## **Article 3 - Planning and Zoning**

**Sections 1, 3, and 4 (394.24; 462.357, subd. 2; 462.358, subd. 2a)** provide that official controls do not conflict with a comprehensive plan, land use plan, or subdivision regulations, respectively, if they are permitted or required uses, and prohibit all uses that are prohibited by the plan or regulation, while allowing for official controls for commercial and industrial uses to be more specific than the comprehensive plan. Official controls include ordinances establishing zoning and subdivision controls.

**Section 2 (462.355, subd. 4)** provides that a housing proposal that is consistent with the comprehensive plan on the date of submission before the adoption of an interim ordinance is exempt from the restrictions or prohibitions in the interim ordinance.

**Sections 5 to 8** amend metropolitan council statutes, so the provisions in these sections apply to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

**Section 5 (473.254, subd. 2)** relates to policies for affordable and life-cycle housing goals. This section provides that only parcels that are consistent with and promote the policies of the Metropolitan Development Guide and are zoned for multifamily housing may qualify toward the municipality's affordable and life-cycle goals.

**Sections 6 and 7 (473.858, subd. 1; 473.865, subd. 2)** relate to the comprehensive plan of local governments. These sections provide that fiscal devices and official controls do not conflict with a comprehensive plan if they are permitted or required uses and prohibit all uses that are prohibited by the plan or regulation, while allowing for fiscal devices and official controls for commercial and industrial uses to be more specific than the comprehensive plan.

**Section 8 (473.865)** provides that if a complete development application that does not conflict with the comprehensive plan is submitted, it must be processed within 60 days.

#### **Article 4 - Limiting Regulations on Residential Development**

**Section 1 (462.357, subd. 1)** provides that no regulation may prohibit industrialized or modular buildings for residential use built in conformance with Minnesota Rules, chapter 1361.

**Section 2 (462.357, subd. 7a)** amends the official controls, zoning ordinance section of law, by adding a new subdivision stating that a two-family property is a permitted use in all areas zoned for single-family residential use and in a residential subdivision development provided it complies with municipal standards. Any municipal standards, performance conditions, or requirements must reasonably relate to protecting public health, safety, and general welfare.

**Section 3 [462.3575]** is a new section of the law that limits regulations on residential development.

**Subd. 1** specifies that this section of law applies to the statutes governing official controls related to zoning and subdivision regulation, and conditional use permits for residential development.

**Subd. 2** provides that a municipality must not require a planned unit development agreement in lieu of a proposed residential development if the residential development complies with existing city zoning ordinances. A planned unit development must be made available to the public on the municipality website, and if the agreement is approved by the governing body, it cannot be modified unless all parties to the agreement concur.

**Subd. 3** prohibits a municipality from conditional approval of a residential building permit, subdivision development, or planned unit development on the use of specific material for aesthetic reasons.

**Subd. 4** prohibits a municipality from requiring minimum square footage for a residential building or residential accessory structure and prohibits requiring more than one garage stall for a single-family dwelling.

#### **Article 5 - Municipal Dedication Fees**

**Section 1 (462.358, subd. 2d)** adds sidewalks in paragraph (a) to the list of land that can be dedicated to the public or preserved for public use. Further, under paragraph (f), the municipality is required to maintain records detailing the purposes for which fees were collected and the manner in which the municipality spent the money to further those purposes. Fees must be used for public improvements and may not be used for ongoing operation. Paragraph (g) requires the municipality to maintain records demonstrating the manner in which the municipality used each cash payment.

New paragraph (j) allows the municipality to accept a combination of buildable land and cash fees to satisfy the dedication requirements and caps the total value of the dedication at ten percent of the fair market value of the proposed subdivision. New paragraph (k) prohibits a municipality from requiring a dedication of land for streets or roads that exceed minimum standards for urban roadways. New paragraph (l) provides that a dedication for certain streets must not exceed the amount of land required to construct the street with curb-to-curb width.

### **Article 6 - Metropolitan Area Density of Development**

**Section 1 (473.859, subd. 2)** amends the land use plan section of the law by adding that the plan shall provide for an average density of residential development of no less than four units per acre if the municipality has not previously subdivided the area for residential development and the area is not connected to the metropolitan disposal system. In the area guided for single-family homes, at least 25% of the land must allow for a minimum density of eight units per acre. This section is effective the day following final enactment and applies to land use plan amendments on or after that date in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

### **Article 7 - Metropolitan Council; Sewer Availability Charges**

**Section 1** requires the Metropolitan Council to adjust the sewer availability charge (SAC) for developments in unsewered areas, so the charge is assessed at actual density but no fewer than four SAC units per acre. This section is effective January 1, 2024, and applies to the seven-county metropolitan area.

### **Article 8 - Building Permit Deadlines**

**Sections 1 and 2** modify the chapter of law imposing requirements on agencies, which includes a department in the executive branch of state government; a statutory or home rule charter city, county, town, or school district; any metropolitan agency or regional entity; and any other political subdivision of the state.

**Section 1 (15.99, subd. 1)** modifies the definition of the term request to include a written application for a building permit.

**Section 2 (15.99, subd. 2)** requires an agency to approve or deny a building permit application as expeditiously as possible. Failure to deny a request within 60 days is not an approval of the request. An agency that fails to approve or deny within 60 days must refund all relevant permitting fees.

### **Article 9 - Building Permit Fees**

**Section 1 (326B.153, subd. 5)** requires the commissioner of labor and industry to establish a cost-per-square-foot valuation of new and additions to one- and two-family buildings, townhouses, and accessory utility buildings for the purpose of setting building permit fees by municipalities.

## **Article 10 - Energy Cost Disclosure**

**Section 1 [513.62]** adds a new section to the Agreements Relating to Property chapter of law that requires a seller of residential property to disclose to prospective purchasers the cost of utilities in the previous 12-month period and how this compares to similar properties. The real estate listing must also include the information. Utility companies serving a residential property must provide the information at the request of a seller.

## **Article 11 - Construction and Development Fee Report**

**Section 1 (326B.145)** modifies the annual report that each municipality must provide to the Department of Labor and Industry. Current law requires municipalities to report all construction- and development-related fees collected from developers and builders if the cumulative fees exceed \$5,000. This section increases that amount to \$7,000.

## **Article 12 - Oak Grove, Nowthen Land Use Exceptions Repealed**

**Section 1** requires the Metropolitan Council to review and amend their policy guide, policy plans, and system statements so they are consistent with section 2. This section is effective the day following final enactment and applies in the seven-county metropolitan area.

**Section 2** repeals exceptions to the metropolitan system plan required by the Metropolitan Council for the cities of Oak Grove and Nowthen and is effective the day following final enactment.