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S.F. No. 3980 – Multifamily residential developments in cities requirements establishment

Author: Senator Susan Pha

Prepared by: Joan White, Senate Counsel (651/296-3814)

Laura Paynter, Legislative Analyst, (651/296-5079)

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Section 1 [462.3571] adds a new section to the planning and zoning chapter of the statutes relating to multifamily residential developments (MRD).

Subdivision 1 defines the terms affordable housing development, city, and residential unit.

Subd. 2 allows multifamily residential developments as a permitted use in any zoning district that is not zoned as industrial or agricultural. An MRD may be mixed use as long as at least 50% of the square footage is dedicated to residential use.

Subd. 3 requires that an MRD must be located at least 500 feet from a federal interstate highway, airport, or rail line.

Subd. 4 requires a city to approve an MRD if it is consistent with the comprehensive plan and complies with all state and municipal standards.

Subd 5 prohibits a city from imposing more restrictive standards on an MRD than those that apply to property zoned for the current use of the parcel. A city must not impose a height requirement on an MRD that is less than the tallest structure within a quarter mile or the maximum permitted by the city, as long as the height is no more than 150 feet. A city must not impose a setback requirement on an MRD that is less than the smallest minimum setback within a quarter mile.

Subd 6 prohibits a city from requiring more than one off-street parking space per residential unit.

Subd 7 allows an affordable housing development (AHD) to exceed both a maximum height requirement and a minimum floor area ratio limitation imposed by the city under certain circumstances. An AHD may be permitted to either (1) exceed the height requirement in the zoning

district by 35 feet or (2) match the maximum allowed height in any zoning district within one mile to a maximum of 150 feet, whichever results in the tallest development with the most affordable housing units. Further, an AHD must be permitted to exceed maximum density, lot coverage, floor area ratio, or impervious lot coverage by 30%, whichever results in the largest development.

Subd. 8 relates to the administrative review process.

Paragraph (a) requires the city to establish an administrative review process for building permits for MRD projects.

Paragraph (b) requires an application denial to be in writing, describe the reasons for the denial, and state revisions necessary to receive approval.

Paragraph (c) states that the administrative review process shall not require a public hearing unless required under state or federal law, and that approval or denial of an application shall not require approval by the city council or a subcommittee of the council.

Paragraph (d) states that an application subject to the administrative review process must be approved or denied within 60 days, or it is deemed approved.

Paragraph (e) allows a city to request that an applicant incorporate certain design elements into a development, but the applicant is not required to.

Subd. 9 prohibits a city from imposing requirements on an MRD that are more restrictive than the requirements in this section if the development is funded in whole or in part with local funds, located in a tax increment financing district, or a special district created by the city.