

Senator Port from the Committee on Housing and Homelessness Prevention, to which was referred

S.F. No. 2231: A bill for an act relating to local government; requiring the creation of mixed-use housing zones; amending Minnesota Statutes 2024, section 462.355, subdivision 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [462.3573] MIXED HOUSING AND COMMERCIAL CORRIDOR DISTRICTS.

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

(b) "Accessory dwelling unit" means an addition or alteration that is an additional, subordinate dwelling unit on the same lot, and is entirely within a dwelling unit, attached to a dwelling unit, or in a detached structure.

(c) "Applicant" has the meaning provided in section 15.99.

(d) "Commercial corridor district" means a zoning district that is required to comply with subdivision 2, paragraph (c).

(e) "Covered municipality" means a city of the first class, an urban municipality, or a nonurban municipality.

(f) "Duplex" means a single building sited on a single lot that contains two separate residential units with separation either horizontal or vertical.

(g) "Fourplex" means a single building sited on a single lot that contains four residential units.

(h) "Minimum parking mandate" means a law, rule, or ordinance that specifies a minimum number of motor vehicle parking spaces, including on-street or off-street within a garage or other enclosed area.

(i) "Mixed housing" means all of the following types of dwellings:

(1) a single-family dwelling;

(2) a townhouse;

(3) a duplex;

(4) a triplex;

2.1 (5) a fourplex; and

2.2 (6) an accessory dwelling unit on a lot with a single-family dwelling.

2.3 (j) "Mixed housing district" means a zoning district that is required to comply with
2.4 subdivision 2, paragraph (a) or (b).

2.5 (k) "Municipal state-aid street" means a street within a municipality that has been
2.6 established as a municipal state-aid street pursuant to section 162.09.

2.7 (l) "Nonurban municipality" means a municipality with a population greater than 10,000
2.8 that is not an urban municipality or a city of the first class.

2.9 (m) "Request" has the meaning provided in section 15.99, except that for the purposes
2.10 of this section, it also includes a written application for a building permit or a proposed
2.11 subdivision related to the housing authorized under subdivision 2.

2.12 (n) "Residential unit" means a building or part of a building used or intended to be used
2.13 for dwelling purposes by a single owner or tenant.

2.14 (o) "Single-family dwelling" means a building that contains one residential unit.

2.15 (p) "Townhouse" means a single-family dwelling constructed in a group of two or more
2.16 attached units in which each unit extends from the foundation to the roof and having open
2.17 space on at least two sides of each unit. Each single-family dwelling shall be considered to
2.18 be a separate building. Separate building service utilities shall be provided to each
2.19 single-family dwelling unit when required by other chapters of the State Building Code.

2.20 (q) "Triplex" means a single building sited on a single lot that contains three residential
2.21 units.

2.22 (r) "Urban municipality" means a municipality other than a city of the first class that is
2.23 adjacent to, or has a border that is within one mile of the border of, a city with a population
2.24 greater than 150,000.

2.25 Subd. 2. **Mixed housing and commercial corridor districts required.** (a) An urban
2.26 municipality or a city of the first class must create mixed housing districts that allow the
2.27 following types of residential development in at least 75 percent of the area within the
2.28 municipality that is zoned to permit residential use:

2.29 (1) any type of mixed housing as a permitted use on every lot in the mixed housing
2.30 district, except an urban municipality may prohibit fourplexes; or

(2) any combination of residential developments or mixed housing sufficient to permit an average density in the mixed housing district of at least one residential unit per every 1,500 square feet.

(b) A nonurban municipality must enact mixed housing districts that allow the following types of residential development on at least 50 percent of the area within the nonurban municipality that is zoned to permit residential use:

(1) any type of mixed housing as a permitted use on every lot in the mixed housing district, except a nonurban municipality may prohibit fourplexes; or

(2) any combination of residential developments or mixed housing sufficient to permit an average density in the mixed housing district of at least one residential unit per every 4,000 square feet.

(c) A covered municipality must create commercial corridor districts that encompass every lot in the municipality that has frontage on a municipal state-aid street. The commercial corridor districts must permit the following residential density:

(1) cities of the first class must permit an average density of at least ... residential units per acre in the commercial corridor district;

(2) urban municipalities must permit an average density of at least ... residential units per acre in the commercial corridor district; or

(3) nonurban municipalities must permit an average density of at least ... residential units per acre in the commercial corridor district.

(d) When determining where to site commercial corridor and mixed housing districts, a covered municipality must consider proximity to transit, public amenities, and commercial areas.

(e) Subject to the limitations in subdivisions 3, 4, and 5, a covered municipality may require a development permitted under paragraphs (a), (b), and (c) to comply with any standards, performance conditions, or requirements, including the adequacy of existing public infrastructure, imposed by a municipality to promote public health, safety, and general welfare.

(f) Nothing in this section authorizes a covered municipality to permit a 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, that protects floodplains, areas of critical or historic concern, wild and scenic rivers, or shore land, or that otherwise restrict residential units to protect and preserve the public health, the environment, or scenic areas.

4.1 Subd. 3. **Municipal standards; limitations.** (a) The following limitations on municipal
4.2 authority apply to the developments permitted in mixed housing and commercial corridor
4.3 districts required under subdivision 2.

4.4 (b) Subject to the maximum residential units permitted on a lot, districts required under
4.5 subdivision 2 must authorize mixed housing as a permitted use.

4.6 (c) A covered municipality must not impose requirements related to the bulk and size
4.7 of buildings that prevent the type of housing or number of residential units authorized by
4.8 paragraph (b) from being constructed with at least 1,500 square feet of habitable floor space
4.9 per residential unit, including requirements related to lot coverage, setbacks, maximum
4.10 height, minimum unit size, dimensions, minimum square footage on a structure foundation,
4.11 or floor area ratio.

4.12 (d) Except as provided in the State Building Code for dwellings adhering to the Minnesota
4.13 Residential Code, Minnesota Rules, chapter 1309, a covered municipality must not impose
4.14 requirements related to construction materials or methods, including architectural elements,
4.15 building egress, durability, energy efficiency, or light access requirements.

4.16 (e) A covered municipality must not impose minimum parking mandates, except that a
4.17 municipality may pass and enforce an ordinance under section 169.346, subdivision 4,
4.18 related to disability parking spaces or any provision of the Minnesota Accessibility Code,
4.19 Minnesota Rules, chapter 1341.

4.20 (f) A covered municipality must not take any action that requires a residential property
4.21 to be part of a homeowners association or provide an incentive for such membership. A
4.22 municipality must not require or incentivize a homeowners association to adopt, revoke, or
4.23 amend a term in any governing document or a rule or regulation not required under state
4.24 law. A municipality must not condition approval of a residential building permit or
4.25 conditional use permit, residential subdivision development or residential planned unit
4.26 development, or any other permit related to residential development on the:

4.27 (1) creation of a homeowners association;

4.28 (2) inclusion of any service, feature, or common property necessitating a homeowners
4.29 association;

4.30 (3) inclusion of any terms in a homeowners association declaration, bylaws, articles of
4.31 incorporation, or any other governing document that is not required under state law; or

4.32 (4) adoption or revocation of, or amendment to, a rule or regulation governing the
4.33 homeowners association or its members.

5.1 Subd. 4. **Administrative approvals.** (a) A covered municipality must establish and
5.2 follow an administrative process to review requests related to developments in commercial
5.3 corridor districts, including proposed residential lot splits and subdivisions, in accordance
5.4 with the process outlined in section 15.99.

5.5 (b) In mixed housing districts, a covered municipality must apply the same administrative
5.6 approval process to requests related to any type of mixed housing that it would apply to a
5.7 single-family dwelling being developed on the same lot. A covered municipality may require
5.8 a site development plan or similar materials for mixed housing provided the timeline for
5.9 the administrative approval process is the same or similar to that for a single-family dwelling.

5.10 (c) A municipality engaging in the process established in paragraph (a) or (b) must
5.11 approve or deny a request for a building permit or proposed subdivision based on the request's
5.12 alignment with the municipality's comprehensive plan, applicable zoning requirements, and
5.13 subdivision regulations.

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

5.15 (1) not require a conditional use permit or planned unit development agreement, except
5.16 that a municipality may require a conditional use permit or planned unit development
5.17 agreement to address an identified and documented risk to health or safety;

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

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

5.23 Subd. 5. **Official controls; limitations.** A covered municipality may not use official
5.24 controls to prohibit the application of this section, including by imposing performance
5.25 conditions, standards, requirements, ordinances, fees, exactions, and dedications on any
5.26 residential unit or development that are more restrictive than those in this section or other
5.27 municipal law or rule.

5.28 Subd. 6. **Failure to comply; remedies.** (a) If a covered municipality fails to adopt new
5.29 standards that meet the requirements of this section by the dates set out in paragraph (b),
5.30 then any type of mixed housing shall be a permitted use on any lot within the municipality
5.31 that is zoned to allow a residential use.

5.32 (b) A covered municipality must comply with the requirements of this section by the
5.33 dates below:

6.1 (1) for a city of the first class, by June 30, 2026;

6.2 (2) for an urban municipality, by December 31, 2026; and

6.3 (3) for a nonurban municipality, by June 30, 2027.

6.4 Subd. 7. **Interim ordinance.** No covered municipality shall enact an interim ordinance
6.5 as provided under section 462.355, subdivision 4, to prohibit or delay the application of this
6.6 section.

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

6.8 Delete the title and insert:

6.9 "A bill for an act

6.10 relating to local government; requiring the creation of mixed housing zones;
6.11 proposing coding for new law in Minnesota Statutes, chapter 462."

6.12 And when so amended the bill do pass and be re-referred to the Committee on State and
6.13 Local Government. Amendments adopted. Report adopted.

6.14 *Lindsey Folt*
6.15 (Committee Chair)

6.16 March 13, 2025.....
6.17 (Date of Committee recommendation)