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State of Minnesota HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. **2140**

03/10/2025 Authored by Kraft, Dotseth, Howard, Igo, Wolgamott and others
The bill was read for the first time and referred to the Committee on Housing Finance and Policy

- 1.1 A bill for an act
- 1.2 relating to local government; requiring the creation of mixed-use housing zones;
- 1.3 amending Minnesota Statutes 2024, section 462.355, subdivision 3, by adding a
- 1.4 subdivision; proposing coding for new law in Minnesota Statutes, chapter 462.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. Minnesota Statutes 2024, section 462.355, is amended by adding a subdivision
- 1.7 to read:
- 1.8 Subd. 1b. **Comprehensive plan amendment exemption.** Notwithstanding subdivision
- 1.9 1a or other law or rule, no comprehensive plan amendments shall be required before
- 1.10 December 31, 2029, for changes to municipal zoning controls required by section 462.3572,
- 1.11 including any new housing authorized by that section.
- 1.12 Sec. 2. Minnesota Statutes 2024, section 462.355, subdivision 3, is amended to read:
- 1.13 Subd. 3. **Adoption by governing body.** A proposed comprehensive plan or an amendment
- 1.14 to it may not be acted upon by the governing body until it has received the recommendation
- 1.15 of the planning agency or until 60 days have elapsed from the date an amendment proposed
- 1.16 by the governing body has been submitted to the planning agency for its recommendation.
- 1.17 Unless otherwise provided by charter, the governing body may by resolution adopt and
- 1.18 amend the comprehensive plan or portion thereof as the official municipal plan upon such
- 1.19 notice and hearing as may be prescribed by ordinance. ~~Except for amendments to permit~~
- 1.20 ~~affordable housing development,~~ A resolution to amend or adopt a comprehensive plan
- 1.21 must be approved by a ~~two-thirds vote~~ simple majority of all of the members. ~~Amendments~~
- 1.22 ~~to permit an affordable housing development are approved by a simple majority of all of~~
- 1.23 ~~the members. For purposes of this subdivision, "affordable housing development" means a~~

development in which at least 20 percent of the residential units are restricted to occupancy for at least ten years by residents whose household income at the time of initial occupancy does not exceed 60 percent of area median income, adjusted for household size, as determined by the United States Department of Housing and Urban Development, and with respect to rental units, the rents for affordable units do not exceed 30 percent of 60 percent of area median income, adjusted for household size, as determined annually by the United States Department of Housing and Urban Development.

Sec. 3. [462.3572] RESIDENTIAL MIXED-USE HOUSING ZONES.

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) "Covered municipality" means:

(1) a statutory or home rule city in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington; and

(2) any municipality with a population of 10,000 or more residents.

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

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

(g) "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.

(h) "Mixed-use development" means a single building with dedicated space for commercial use in which at least 50 percent or more of the usable square footage is dedicated to residential units.

(i) "Mixed-use housing zone" means a zoning district defined by municipal ordinance where the following are authorized as a permitted use:

(1) a residential or mixed-use development that contains a minimum of four residential units on a lot that is within one-quarter mile of a municipal state-aid street, as measured from any point on the lot; or

(2) a residential or mixed-use development that contains a minimum of three residential units on a lot that is within one-half mile of a municipal state-aid street, as measured from any point on the lot.

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

(k) "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 the housing authorized under subdivision 2.

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

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

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

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

Subd. 2. **Residential mixed-use housing zones required.** (a) On or before June 30, 2027, a covered municipality must enact ordinances creating:

(1) mixed-use housing zones that authorize a residential or mixed-use development containing three residential units on a lot as a permitted use in an area covering 80 percent of the land within the municipality that is within one-half mile of a municipal state-aid street; or

(2) mixed-use housing zones that authorize a residential or mixed-use development containing four residential units on a lot as a permitted use in an area covering 80 percent of the land within the municipality that is within one-quarter mile of a municipal state-aid street.

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

4.5 (c) Nothing in this section authorizes a covered municipality to permit a development
4.6 that is prohibited by state or federal law or rule, or is prohibited under an ordinance adopted
4.7 pursuant to such a state or federal law or rule, that protects floodplains, areas of critical or
4.8 historic concern, wild and scenic rivers, shore land, or that otherwise restrict residential
4.9 units to protect and preserve public health, the environment, or scenic areas.

4.10 Subd. 3. **Municipal standards; limitations.** (a) The following limitations on municipal
4.11 authority apply to the developments permitted by residential mixed-use housing zones
4.12 required under subdivision 2.

4.13 (b) Subject to the maximum residential units permitted on a lot, a residential mixed-use
4.14 housing zone must authorize the following housing types:

4.15 (1) a single-family dwelling;

4.16 (2) a townhouse;

4.17 (3) a duplex;

4.18 (4) a triplex;

4.19 (5) a fourplex;

4.20 (6) an accessory dwelling unit on a lot with a single-family dwelling; and

4.21 (7) a mixed-use development.

4.22 (c) A mixed-use housing zone must permit:

4.23 (1) density of at least 25 residential units per acre;

4.24 (2) lot coverage of at least 80 percent of a lot, except as required by state or federal law;

4.25 (3) front setbacks of 20 feet or less;

4.26 (4) developments with at least two stories above grade;

4.27 (5) any floor area ratio for a development that otherwise complies with lot coverage and
4.28 height requirements; and

4.29 (6) a minimum lot size for each housing type that is less than or equal to the smallest
4.30 existing lot size in the municipality containing that type of housing as of January 1, 2025.

(d) Except as provided in the State Building Code for dwellings adhering to the Minnesota Residential Code, Minnesota Rules, chapter 1309, a covered municipality must not impose requirements related to:

(1) minimum unit size or dimension requirements;

(2) minimum square footage requirements on a structure foundation;

(3) construction materials or methods, including architectural elements, building egress, durability, energy efficiency, or light access requirements; or

(4) minimum side setbacks.

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

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

(1) creation of a homeowners association;

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

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

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

Subd. 4. **Administrative approvals.** (a) A municipality must establish and follow an administrative process to review requests related to developments permitted under subdivision 2, including proposed residential lot splits and subdivisions, in accordance with the process outlined in section 15.99.

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

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

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

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

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

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

6.17 Subd. 6. **Failure to comply; remedies.** If a covered municipality fails to adopt new
6.18 standards that meet the requirements of this section by June 30, 2027, up to six residential
6.19 units shall be allowed without restriction on any lot that is within one-half mile of a municipal
6.20 state-aid street or in any zoning district that authorizes mixed-use developments as a permitted
6.21 use.

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

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