

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 3980

(SENATE AUTHORS: PHA and Mitchell)

DATE	D-PG	OFFICIAL STATUS
02/19/2024	11658	Introduction and first reading
03/07/2024	12068	Referred to State and Local Government and Veterans
03/14/2024	12271	Withdrawn and re-referred to Housing and Homelessness Prevention Author added Mitchell

1.1 A bill for an act

1.2 relating to local government; establishing requirements for multifamily residential

1.3 developments in cities; proposing coding for new law in Minnesota Statutes,

1.4 chapter 462.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. 462.3571 MULTIFAMILY RESIDENTIAL 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 residential development in

1.10 which:

1.11 (1) at least 20 percent of the residential units are for households whose incomes do not

1.12 exceed 50 percent of the area median income; or

1.13 (2) at least 40 percent of the residential units are for households whose incomes do not

1.14 exceed 60 percent of the area median income.

1.15 The deed or declaration for an affordable residential unit must also contain a restrictive

1.16 covenant requiring the property to remain affordable housing for at least 30 years.

1.17 (c) "City" means a home rule charter or statutory city.

1.18 (d) "Residential unit" means a residential dwelling for the use of a single owner or tenant.

1.19 Subd. 2. Multifamily residential developments. (a) Multifamily residential

1.20 developments are a permitted use in any zoning district that is not zoned as industrial or

1.21 agricultural, subject to compliance with all municipal standards.

2.1 (b) A multifamily residential development may be mixed use so long as at least 50
2.2 percent of the square footage of the development is dedicated to residential use.

2.3 Subd. 3. **Proximity to certain transportation infrastructure.** A multifamily residential
2.4 development must not be located less than 500 feet from a federal interstate highway, airport,
2.5 or rail line. The limitation under this subdivision does not apply to a state trunk highway,
2.6 county state-aid highway, or other local road.

2.7 Subd. 4. **Compliance with comprehensive plan; zoning.** A multifamily residential
2.8 development must be approved by a city if it is consistent with the comprehensive plan on
2.9 the date of submission and complies with all state and municipal standards.

2.10 Subd. 5. **Applicable zoning standards.** (a) A city may not impose more restrictive
2.11 standards to a multifamily residential development than those that apply to property zoned
2.12 for the current use of the parcel.

2.13 (b) A city must not impose a height requirement on a multifamily residential development
2.14 that is less than the tallest structure within a one-quarter mile radius of the parcel on which
2.15 the development will be built or the maximum height permitted under the city's official
2.16 controls, whichever is higher, so long as the maximum height of the development is no
2.17 more than 150 feet.

2.18 (c) A city must not impose a setback requirement on a multifamily residential
2.19 development that is less than the smallest minimum setback distance required of a structure
2.20 within a one-quarter mile radius of the parcel on which the development will be built.

2.21 Subd. 6. **Parking requirements limited.** A city may not require more than one off-street
2.22 parking space per residential unit.

2.23 Subd. 7. **Affordable housing development; height requirements.** (a) An affordable
2.24 housing development must be permitted to exceed both a maximum height requirement and
2.25 a maximum floor area ratio limitation imposed by city official controls as provided in
2.26 paragraphs (b) and (c). The authority in paragraphs (b) and (c) that produces the tallest
2.27 development with the most number of affordable housing units on the parcel shall be applied
2.28 to the affordable housing development.

2.29 (b) An affordable housing development may either:

2.30 (1) exceed the height requirement for the zoning district where the affordable housing
2.31 development will be located by 35 feet in height; or

2.32 (2) match the maximum allowed height in any zoning district within one mile of the
2.33 affordable housing development, so long as the maximum height is no more than 150 feet.

3.1 (c) An affordable housing development must be permitted to do one of the following,
3.2 whichever results in the largest development:

3.3 (1) exceed the maximum density as permitted by city standards or the city's
3.4 comprehensive plan by 30 percent;

3.5 (2) exceed the lot coverage ratio by 30 percent;

3.6 (3) exceed the floor area ratio by 30 percent; or

3.7 (4) exceed the maximum impervious lot coverage area by 30 percent.

3.8 Subd. 8. **Administrative review process.** (a) Notwithstanding any law, rule, or ordinance
3.9 to the contrary, a city must establish an administrative review process for building permit
3.10 applications for multifamily residential development projects. The administrative review
3.11 process must review and approve or deny such building permit applications based on the
3.12 application's conformity with the city's comprehensive plan, other applicable zoning
3.13 requirements, and state law. An application may not be approved contingent on the
3.14 development being a part of planned unit development, the approval of a conditional use
3.15 permit, the completion of a study, or other condition that is not related to conformity with
3.16 the city's comprehensive plan, zoning requirements, and state law.

3.17 (b) An application denial must be in writing and must describe the reasons for denial
3.18 and the ways the application or development design can be amended to receive approval at
3.19 a future date. Nothing in this subdivision prevents an applicant who received a denial from
3.20 submitting a new application for the same multifamily residential development, which shall
3.21 be treated by the city as a new submission.

3.22 (c) The administrative review process shall not involve a public hearing unless one is
3.23 required by state or federal law. Approval or denial of an application does not require
3.24 approval by the city council or a subcommittee of the council.

3.25 (d) An application subject to the administrative review process under this subdivision
3.26 must be approved or denied within 60 days following the receipt by the city of a completed
3.27 application by the applicant. If the city fails to approve or deny an application within 60
3.28 days, the application shall be deemed approved. The city may not request an extension for
3.29 review of the application from the applicant.

3.30 (e) A city may request that an applicant incorporate certain design elements into the
3.31 development that go beyond the criteria in state law and city official controls. The applicant
3.32 may incorporate those elements in the design of the development but is not required to do
3.33 so.

4.1 Subd. 9. **Local funds.** Notwithstanding any law, rule, or ordinance to the contrary, a
4.2 city may not impose requirements on a multifamily residential development that are more
4.3 restrictive than the requirements in this section if a multifamily residential development is
4.4 funded in whole, or in part, with local funds or is located in a tax increment financing district
4.5 or other special district created by the city.

4.6 **EFFECTIVE DATE.** This section is effective January 1, 2025.