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| <p>Chair: Tim Felton</p> <p>Commissioners: Geoff Fournier Tyler Ferhman James Hart Ruth Krueger Brianne Miller Andrew Hoffman</p> |  <p>City of South St. Paul Planning Commission Agenda</p> <p>Wednesday, April 3, 2024 7:00 p.m.</p> | <p>City of South St. Paul 125 Third Avenue North South St. Paul, MN 55075 Phone: (651) 554-3217 Fax: (651) 554-3271 www.southstpaul.org</p> |
| <p>Hearing assistance PA system is available – if you need a hearing assistance unit please notify City staff before the meeting. <i>(If you use the hearing assistance PA system, please remove your hearing aid so it does not cause a feedback problem)</i></p> | | |
| <p>Roll Call</p> | | |
| <p>1. Agenda</p> | | |
| <p>2. Minutes</p> <p>A. March 6, 2024</p> | | |
| <p>3. New Business</p> | | |
| <p>4. Public Hearings</p> <p>A. Ordinance Adding Craft Production and Funeral Homes as Allowed Uses in Commercial Zoning Districts</p> | | |
| <p>5. Other Business</p> | | |
| <p>6. Staff Updates</p> <p>A. Update on Zoning Preemption Bills</p> | | |
| <p>7. Adjournment</p> | | |

Next Planning Commission Meeting: May 1, 2024

This meeting is being taped by Town Square Television (NDC4): phone: 651-451-7834 web: www.townsquare.tv
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MINUTES OF MEETING
SOUTH ST. PAUL PLANNING COMMISSION
March 6, 2024

MEETING CALLED TO ORDER BY CHAIR FELTON AT 7:00 P.M.

Present: Tim Felton, Chair
 Geoff Fournier
 Tyler Ferhman
 James Hart
 Andrew Hoffmann
 Brienne Miller
 Ruth Krueger
 Michael Healy, Planning Manager
 Monika Miller, Associate Planner

Absent: None

- 1) APPROVAL OF AGENDA –Motion to approve as presented– Miller/Fournier (7-0)
- 2) APPROVAL OF MINUTES – February 7, 2024 - Motion to approve as presented – Hart/Fournier (7-0).
- 3) NEW BUSINESS

A. Planning Commission Rules of Order

Ms. Miller provided a brief staff background. Each year in March, the Planning Commission adopts Rules of Order which govern the operations of the Planning Commission for the coming year. The rules are identical to the rules that have been adopted for the last several years. Motion to adopt the rules of order as presented-Ferhman/Miller (7-0).

B. Planning Commission Officer Elections

Ms. Miller provided a brief background. Each year, after the Planning Commission adopts rules of order, a Chair and a Vice Chair are elected to serve from March of the current year to March of the following year. The rules of order for the Planning Commission state that elections are to be done by secret ballot. This can be overruled by a majority vote. The Planning Commission has historically held chair and vice chair elections by nominations from the floor as opposed to by secret ballot.

Chair Felton asked for a motion to waive the requirement that elections be done by secret ballot and instead allow elections of the chair and vice chair to be done by voice vote- Krueger/ Fournier (7-0)

Chair Felton opened nominations for the position of the Chair of the Planning Commission.

Commissioner Krueger nominated Tim Felton as chair of the Planning Commission. Chair Felton accepted the nomination.

Motion to reelect Chair Felton as Chair of the Planning Commission (7-0).

Chair Felten opened nominations for the position of the vice chair of the Planning Commission.

Chair Felton nominated Geoff Fournier as vice chair of the Planning Commission. Commissioner Fournier accepted the nomination.

Motion to reelect Commissioner Fournier as Vice Chair of the Planning Commission (7-0).

4) PUBLIC HEARINGS

None.

5) OTHER BUSINESS

A. Discussion on Pool Barrier Requirements

Mr. Healy presented the staff report. Mr. Healy shared that the item was requested by the Planning Commission at their previous meeting. South St. Paul requires all private, residential swimming pools to be enclosed with at least a 4-foot-tall barrier (usually a fence or wall). If a fence is used, the fence must have self-closing and self-latching gates. Several residents have reached out to both city staff and their elected officials about allowing swimming pool covers in lieu of barrier fencing to prevent accidental drownings. City staff reviewed swimming pool ordinances from 9 Dakota County cities as well as the 3 largest cities in the Twin Cities metro. Staff found that Inver Grove Heights is the only urban or suburban community that waives the barrier requirement if a swimming pool safety cover is used. Staff reviewed the request with the Building Official Joe Heimkes who is strongly opposed to waiving the 4-foot barrier requirement due to concerns about user error and a pool safety cover being left off. Mr. Healy discussed the different characteristics of the communities that typically allow pool covers in lieu of barrier fencing. The staff recommendation is to keep the ordinance as it is for the reasons listed in the staff report. Mr. Healy stated that if the Planning Commission wished to see the swimming pool barrier requirements updated, the Planning Commission should direct him to do so.

Chair Felton asked staff to clarify if Medina requires all pools to have an auto cover. Mr. Healy clarified that Medina requires that a homeowner have either a barrier fence or a pool auto cover. A homeowner could not have the fence barrier requirement waived if they have a manual pool cover.

Chair Felton asked if the ordinance currently includes a provision that would allow a homeowner to opt out of having a barrier fence if they have a pool auto cover. Mr. Healy explained that the code does not allow this today. In theory, a homeowner could apply for a variance from this requirement but they would need to make the case that there is a practical difficulty with complying with the barrier requirement that an auto cover would fix.

Chair Felton asked if staff had come across any statistics about the safety of an auto cover versus a barrier fence. Ms. Miller shared that most of the research available is dated and does not directly compare the safety of a pool auto cover with a barrier fence; however, the unanimous conclusion from the research is that barrier fencing is the most effective way to prevent accidental pool drownings.

Commissioner Ferhman asked staff to clarify that the current ordinance only requires a barrier fence as opposed to a barrier fence and a cover. Mr. Healy stated this was correct. Ms. Miller added that the code included a fence height requirement and that the fence be self-closing and self-latching.

Commissioner Krueger asked why the City does not require a 5-foot-tall barrier around a swimming pool. Mr. Healy commented that he could not remember specific communities that require a 5-foot-tall fence around a residential swimming pool but that this was more common for commercial pools. Mr. Healy added that it does not make sense to go back and change the fence height regulation after it has been on the books for a number of years because it would make all of the existing fences 'legal nonconforming.'

The Planning Commission did not request that staff pursue amendments to the swimming pool barrier requirements.

B. Discussion on Adding Craft Production and Funeral Homes as Allowed Uses in Commercial Zoning Districts

Mr. Healy shared the staff report for discussion. Each commercial zoning district has a list of allowed uses, some of which are "permitted" uses which are allowed automatically while some are "conditional" uses that require review by the Planning Commission and City Council. In 2021, a new commercial zoning district (the MMM district) was created along with several new uses, including craft production. Craft production is where you have a small retail space in a large commercial production facility. Common examples of craft production are breweries with a taproom or a production bakery with a small retail storefront. The ordinance would create rules for craft productions in the C-1, GB, and CGMU districts. The ordinance would also add funeral homes as a conditional use to the C-1 district as well as clean-up some of the commercial district use lists. Mr. Healy reiterated that this was a discussion item and that he was looking for feedback from the commissioners.

Chair Felton asked if the proposed ordinance would legalize the existing funeral homes on Southview Boulevard and Marie Avenue. Mr. Healy explained that funeral homes would be a conditional use in the C-1 district, which covers Southview Boulevard and Marie Avenue. If either of the existing funeral homes in this district wanted to expand, they would need to get a conditional use permit.

Commissioner Hart asked if there are any other uses staff should consider adding to the code to help attract businesses based on current market trends. Mr. Healy commented that the Planning Commission and City Council had spent a lot of time in the last year focusing on updating regulations about building setbacks, building materials, and parking lots but less time on updating our list of allowable uses for each commercial zoning district. Staff anticipate reviewing our use lists in the near future and bringing forward an ordinance with additional uses if it is necessary. Commissioner Hart encouraged staff to be proactive with bringing forwarded uses that might be missing from our use lists as opposed to reactive.

C. 2023 Planning Commission Annual Report

Ms. Miller presented the staff report. The City Code requires that the Planning Commission submit an annual report of its work to the City Council each year. This report summarizes the work of the Planning Commission from the previous calendar year and includes a roster of the commissioners, the applications they reviewed, and building permit data from that year.

Chair Felton asked for a status update on the Bryant's Ridge Project. Mr. Healy stated that the project had not moved forward but that he had talked with the developer a number of times. One of the conditions of approval

for the project is that the developer needed to submit his plans to the State Archeologist. Mr. Healy shared that per the Applicant, the review of the project by that Office had been very time-consuming. Chair Felton stated that he was not aware of the archaeological component to the project. Mr. Healy clarified that component of the project had not been heavily publicized due to its sensitive nature.

Motion to approve the 2023 Planning Commission Annual Report- Fournier/ Miller (7-0).

6) STAFF UPDATES

- A. Proposed State Law Changes that Would Limit Local Zoning Authority and Block South St. Paul's Development Goals for the Concord Street Corridor.

Mr. Healy shared that there are several bills being reviewed by the State Legislature that would completely change how planning and zoning works in the state of Minnesota. City staff have concerns about some of the language in the bills as written. Mr. Healy encouraged the Planning Commissioners and members of the public that have comments on the topic to reach out to South St. Paul's representatives. There are at least two bills that would greatly limit local governments' ability to regulate housing development. Instead, the state would establish statewide zoning rules for residential development that all cities must follow. The proposed rules would likely be difficult to administer and would directly conflict with South St. Paul's comprehensive plan goals. The bills would allow for almost unlimited residential development "up the hill" and would prohibit new housing construction along the Concord Street corridor. The State Legislature is considering these regulations to help address the overall housing shortage in Minnesota as well as the shortage of housing that is affordable to low-income and middle-class individuals. It is becoming increasingly common nationwide for State Legislatures to pass laws requiring cities to implement targeted zoning reforms; however, the legislation that is being presented in Minnesota goes beyond the targeted zoning reforms being adopted elsewhere. Mr. Healy again encouraged the Planning Commissioners to reach out to their local representatives with their thoughts about the legislation.

7) ADJOURNMENT

Motion to adjourn- Hart/Miller (7-0).



AGENDA ITEM 4.A

South St. Paul Planning Commission

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|---|----------------------------------|
| Prepared By: <i>Michael Healy, Planning Manager</i> | Meeting Date: 4/3/2024 |
| Item Description: <i>Public Hearing for an Ordinance Adding Craft Production and Funeral Homes as Allowed Uses in Commercial Zoning Districts</i> | |

ACTION REQUESTED

A motion recommending approval or denial of an ordinance adding craft production and funeral homes as allowed uses in commercial zoning districts.

BACKGROUND/ DISCUSSION

OVERVIEW

Background

Each commercial zoning district in South St. Paul has a list of what types of commercial uses are allowed. In each district, some uses are allowed automatically as “permitted” and other uses require a conditional use permit and review by the Planning Commission & City Council. The City has four commercial zoning districts:

1. The C-1 Retail Business district covers Southview Boulevard and Marie Avenue as well as several neighborhood business areas.
2. The Concord Gateway Mixed Use (CGMU) district covers Concord Exchange and a few adjacent areas.
3. The GB- General Business District covers Concord Street South and some of the commercial areas directly north of Interstate 494.
4. The Mixed Markets and Makers (MMM) district covers Concord Street North. It has four subdistricts which each have slightly different rules.

The C-1 and GB districts both have “allowed use” lists that were written in the 1990’s and have received minor updates since. The CGMU district’s “allowed use” list was written in 2003 and it has received minor updates since then. The MMM district was created as the result of a corridor study in 2021.

The City created an entirely new commercial “use” for the MMM district which is called craft production. Craft production refers to artisan manufacturing operations that have a public-facing component. For instance, a building may be primarily used to manufacture ice cream, but a small part of the building is turned into a retail space where customers can purchase the ice cream that is manufactured on-site.

Breweries and distilleries are another example of craft production, and the public-facing component in those buildings is typically a taproom or cocktail room. Many communities are updating their zoning codes to embrace craft production because these types of businesses can become destinations that visitors seek out for a unique experience. Many traditional retailers are struggling due to competition from online shopping, but craft production businesses are often able to thrive because they offer something special that cannot be matched online. This is how the City defines craft production in its zoning code:

Craft production means a commercial use that involves the production of arts, crafts, foods, beverages or other product with on-site production and assembly of goods primarily involving the use of hand tools and/or small-scale equipment. Due to the limited scale of the activities and small boutique nature of craft production establishments, they are compatible, and are often co-located with, retail sales and service uses. This use category includes but is not limited to ceramic art, glass art, candle-making, custom jewelry manufacture, bakeries, confectionaries, butchers, coffee roasting establishments, and food and/or beverage production.

The proposed ordinance was discussed by the Planning Commission at their March meeting and received a positive reception. City Staff has further refined the ordinance over the past month. The proposed ordinance would do three things:

1. Create rules for craft production for the C-1, GB, and CGMU zoning districts. *Some types of craft production are already allowed in these zoning districts (i.e. bakeries, butcher shops, candy shops, brewpubs, etc.) but the code could be updated to be more welcoming to a diverse range of craft production uses.*
2. Add funeral homes to the City Code. *The City Code does not currently allow funeral homes in any zoning district, which is probably an oversight. There are two existing funeral homes in the C-1 Retail Business district.*
3. Clean up some issues with the existing zoning district commercial “use” lists and add clarity to these lists.

Craft Production

The City generally wants to steer purely manufacturing businesses that do not have a public-facing component down into the Bridgepoint Business Park and the other industrial areas near the Mississippi River. The only types of manufacturing businesses that belong in traditional commercial-retail-restaurant areas are artisan businesses that will add to the overall visitor experience in those areas. These are the existing standards for “craft production” in the MMM district on Concord Street North:

- Craft production businesses must include a retail/eating/drinking/tasting component that is open to the public and occupies at least 10% of the usable space within the building.
- All production and processing activities must take place within an enclosed building.
- Businesses that are selling alcohol need a conditional use permit and review by the Planning Commission & City Council.
- Any craft production business with a gross floor area greater than 10,000 square feet or with exterior storage needs a conditional use permit and review by the Planning Commission & City Council.

Funeral Homes

Most communities allow funeral homes in their commercial areas. Many require funeral homes to obtain a conditional use permit in at least some of their commercial districts because they have some unique attributes that can require “case by case” review, especially if they are near a residential area. For instance:

- They have an intense parking demand during services, and they can create unique traffic issues due to funeral processions.
- They may involve cremation facilities and/or storage of bodies and the City may want to establish regulatory parameters around these activities.

Staff recommends that the City add funeral homes as an allowed use in all four of its commercial zoning districts.

What Would the Proposed Ordinance Do?

The proposed ordinance would do the following:

- Create a zoning definition for “funeral home.”
- Allow funeral homes in the C-1, GB, and CGMU districts with a conditional use permit.
- Allow funeral homes in the MMM district in a manner that is consistent with the goals of the district. The MMM district is an isolated corridor at the bottom of a bluff where the City is deliberately taking a “business-friendly, market-driven approach” and has a streamlined review process.
 - In the MMM-2, MMM-3, and MMM-4 subdistrict, funeral homes would be a permitted use. Very few commercial uses require a conditional use permit in these subdistricts unless there is a strong need for “case by case” review.
 - In the MMM-1 district, which includes some single-family homes and duplexes, funeral homes would require a conditional use permit.
- Slightly update the rules for craft production in the MMM district:
 - Make it clear that the retail/eating/drinking/tasting part of the business needs to be visible from the street or have a well-marked entrance that is visible from the street.
 - Increase the “gross floor area” trigger for when a conditional use permit is required from 10,000 square feet to 15,000 square feet. This is more in line with the goals of the district which, as stated above, call for a business-friendly, market-driven approach. The City Code already uses that 15,000 square foot size as its trigger for applying additional scrutiny to parking plans so this makes the review process more consistent.
- Allow craft production businesses in the C-1, GB, and CGMU districts:

- In the CGMU district on Concord Exchange, the rules would be roughly the same as in the MMM district except exterior storage would not be allowed. All uses in the CGMU district automatically require a conditional use permit if they are larger than 10,000 square feet.
- In the C-1 district on Southview Boulevard and Marie Avenue, all craft production would require a conditional use permit except for those types of craft production that are “permitted uses” like bakeries and butcher shops. Exterior storage would not be allowed. *The conditional use permit requirement would allow for “case by case” review, and the City could potentially deny a conditional use permit or attach strict conditions of approval if a proposed craft production business might cause a nuisance for nearby residential properties.*
- In the GB district, which is a quasi-industrial district, the rules would be the same as in the MMM district except that a conditional use permit is not required until the craft production use exceeds 20,000 square feet of gross floor space.
- Clean up the commercial district use lists by doing the following:
 - Deleting two irrelevant commercial uses from the C-1 district that date back to when this district covered properties along Concord Street. The uses being deleted were only allowed on properties that were within 350 feet of Concord Street.
 - Add health clubs and martial arts studios to the list of permitted uses in the C-1 district. *Currently, only ‘dance studios’ are listed.*
 - Clarify that contractors’ operations in the GB-General Business district only need a conditional use permit if they want to have exterior storage. Contractors with no exterior storage should be a permitted use.
 - Clean up some of the use descriptions for consistency with other parts of the City Code.

Discussion

At their March meeting, the Planning Commission showed strong support for the proposed ordinance. Commissioners asked Staff to investigate whether there are other changes that could be made to the commercial district “use lists” to make the community even more welcoming to businesses. Staff conducted some preliminary research and has a few observations to share:

- Staff reviewed the commercial use lists from several other metro-area communities, and it does not appear that there are any more commercial uses that are flat-out “missing” from South St. Paul’s commercial use lists, the way funeral homes are currently missing from the lists.
- There are some commercial uses that live in a gray area and this could be improved. For example, the City has the C-1 Retail Business district which is woven into neighborhoods and allows “offices” but does not allow exterior storage. The City also has quasi-industrial districts like the GB-General Business district which allow contractors’ operations (which may sometimes include exterior storage). Sometimes, a small-time contractor will want to have a small office with a workshop in a building with C-1 Retail Business zoning. They may want to occasionally park small commercial vehicles like pickup trucks and small trailers outside of that office. Whether or not this is allowed is somewhat open to interpretation and depends on the scope of what is being parked outside.

- Over the past 4 years, the Planning Commission and City Council have worked closely with City Staff to update performance standards in all the City’s commercial districts to reduce the need for variances. This has involved making changes to setback requirements, lot coverage requirements, exterior building material requirements, and other site and building regulations. Aside from the corridor study in 2021 that created the MMM district, the City has not focused as much time and energy on updating the commercial use lists. There are potential opportunities to make these lists work “better” to make it easier to start a business in South St. Paul:
 - Each of the commercial zoning districts has a list of uses that require a conditional use permit. To obtain a conditional use permit, a business must pay a fee and go through 45–60-day review that involves meetings with the Planning Commission and City Council. There is always a chance that the conditional use permit will be denied or it will be approved but with challenging conditions. There may be some uses where the City does not get a clear benefit from requiring a conditional use permit. City Staff would be in favor of exploring whether some uses could be moved to the “permitted use” column in some zoning districts.
 - Since it was created in 2003, the CGMU zoning district has required all uses to obtain a conditional use permit if they are going to be larger than 10,000 square feet. The original intent of this requirement was to make Concord Exchange a traditional downtown main street and prevent large monolithic single-use buildings from dominating the corridor. The City’s plans for Concord Exchange have evolved since 2003 and it may be time to reassess whether there is still a benefit in requiring all large uses to get a conditional use permit.
 - There may be opportunities to consolidate commercial uses in some zoning districts. In the MMM district, “General Retail Businesses” and “General Service Businesses” are allowed as permitted uses and the zoning code defines what these terms mean. In the other commercial districts, uses are listed out individually (i.e. candy store, stationary store, hardware store, etc.) which can be somewhat cumbersome and make it less clear what the rules are if a retail concept is similar to the listed uses but not identical.

City Staff would be happy to discuss these topics with the Planning Commission during the public hearing and some of these issues could be addressed with future code updates.

Action Requested

The Planning Commission has the following actions available on the proposed application:

1. Approval. If the Planning Commission wishes to recommend approval of the Ordinance Amendment, the following action should be taken:
 - A. Motion to recommend approval of an ordinance amendment adding craft production and funeral homes as allowed uses in commercial zoning districts.
2. Denial. If the Planning Commission wishes to recommend denial of the Ordinance Amendment, the following action should be taken:
 - B. Motion to recommend denial of an ordinance amendment adding craft production and funeral homes as allowed uses in commercial zoning districts.

ATTACHMENTS

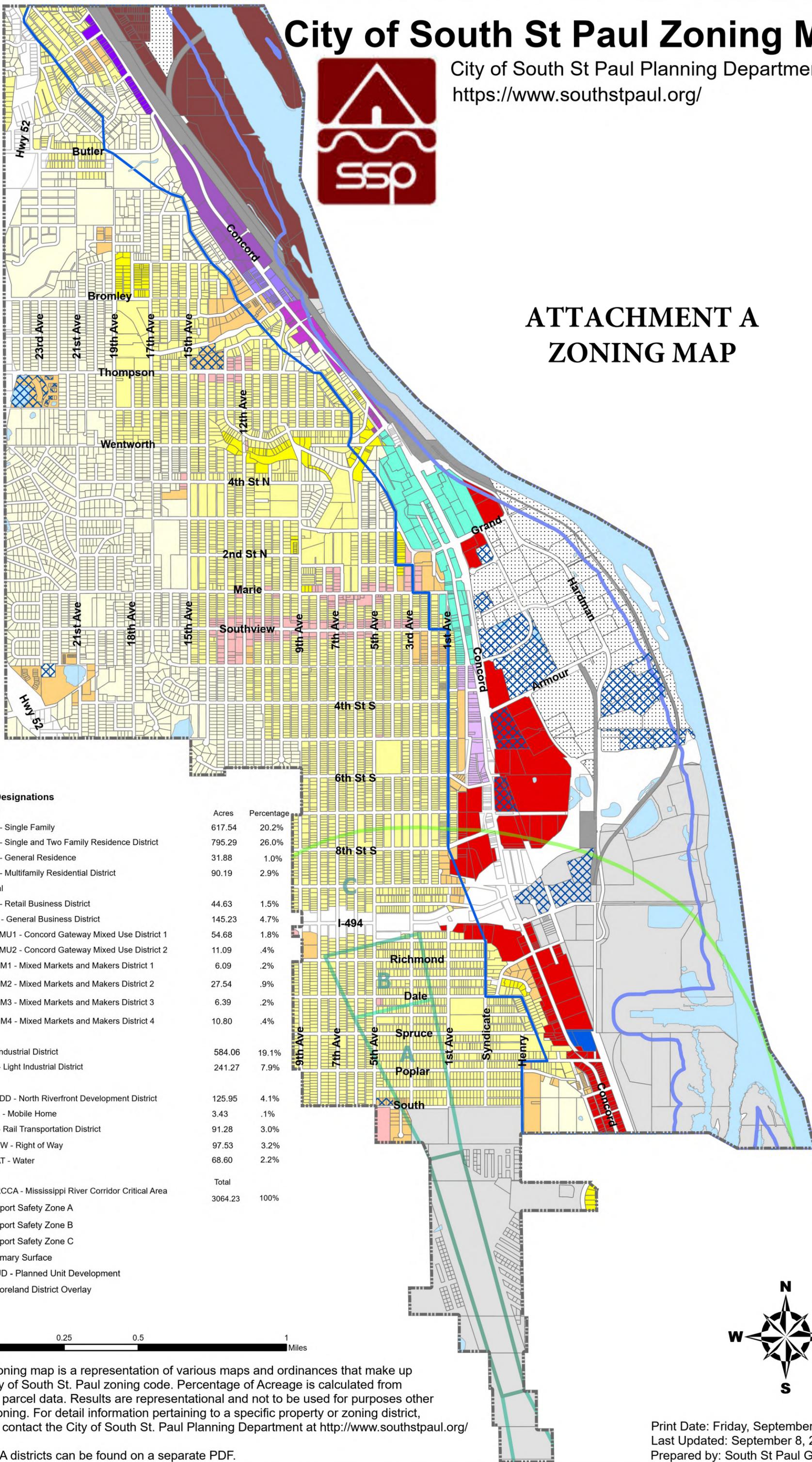
- A. Zoning Map
- B. Draft Ordinance

City of South St Paul Zoning Map

City of South St Paul Planning Department
<https://www.southstpaul.org/>



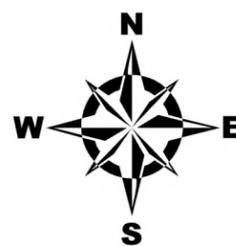
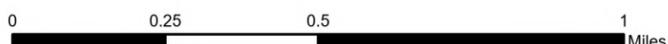
ATTACHMENT A ZONING MAP



Zoning Designations

| | Acres | Percentage |
|---|----------------|-------------|
| Residential | | |
| R1 - Single Family | 617.54 | 20.2% |
| R2 - Single and Two Family Residence District | 795.29 | 26.0% |
| R3 - General Residence | 31.88 | 1.0% |
| R4 - Multifamily Residential District | 90.19 | 2.9% |
| Commercial | | |
| C1 - Retail Business District | 44.63 | 1.5% |
| GB - General Business District | 145.23 | 4.7% |
| CGMU1 - Concord Gateway Mixed Use District 1 | 54.68 | 1.8% |
| CGMU2 - Concord Gateway Mixed Use District 2 | 11.09 | .4% |
| MMM1 - Mixed Markets and Makers District 1 | 6.09 | .2% |
| MMM2 - Mixed Markets and Makers District 2 | 27.54 | .9% |
| MMM3 - Mixed Markets and Makers District 3 | 6.39 | .2% |
| MMM4 - Mixed Markets and Makers District 4 | 10.80 | .4% |
| Industrial | | |
| I - Industrial District | 584.06 | 19.1% |
| I-1 - Light Industrial District | 241.27 | 7.9% |
| Other | | |
| NRDD - North Riverfront Development District | 125.95 | 4.1% |
| MH - Mobile Home | 3.43 | .1% |
| RT- Rail Transportation District | 91.28 | 3.0% |
| ROW - Right of Way | 97.53 | 3.2% |
| WAT - Water | 68.60 | 2.2% |
| Total | 3064.23 | 100% |

- MRCCA - Mississippi River Corridor Critical Area
- Airport Safety Zone A
- Airport Safety Zone B
- Airport Safety Zone C
- Primary Surface
- PUD - Planned Unit Development
- Shoreland District Overlay



This Zoning map is a representation of various maps and ordinances that make up the City of South St. Paul zoning code. Percentage of Acreage is calculated from county parcel data. Results are representational and not to be used for purposes other than zoning. For detail information pertaining to a specific property or zoning district, please contact the City of South St. Paul Planning Department at <http://www.southstpaul.org/>

MRCCA districts can be found on a separate PDF.

Print Date: Friday, September 8, 2023
 Last Updated: September 8, 2023
 Prepared by: South St Paul GIS

**ATTACHMENT B
DRAFT ORDINANCE**

**City of South St. Paul
Dakota County, Minnesota**

Ordinance No. 14XX

**AN ORDINANCE AMENDMENT UPDATING THE LIST OF ALLOWED USES IN THE
CITY'S COMMERCIAL ZONING DISTRICTS TO INCORPORATE CRAFT
PRODUCTION AND FUNERAL HOMES**

The City Council of the City of South St. Paul does ordain:

SECTION 1. AMENDMENT. South St. Paul City Code Section 118-8 is hereby amended as follows:

Sec. 118-8. - Lots, distances, and definitions.

Funeral home means a building or part thereof used for human funeral services. Such building may contain space and facilities for (a) embalming and the performance of other services used in the preparation of the dead for burial; (b) the performance of autopsies and other surgical procedures; (c) the storage of caskets, funeral urns, and other related funeral supplies; and (d) the storage of funeral vehicles. This definition excludes cemeteries. A funeral home may have a maximum of 1 crematory retort under the following conditions:

- (1) The retort is located within the same structure as the funeral home.
- (2) The crematory retort complies with all state and federal statutes, regulations, and requirements.
- (3) The crematory retort is used only for bodies which the funeral home has prepared for cremation.

SECTION 2. AMENDMENT. South St. Paul City Code Section 118-125 is hereby amended as follows:

Sec. 118-125. CGMU, Concord Gateway mixed-use district.

(b) *Permitted uses.* Within either the CGMU-1 or CGMU-2 subdistricts, no structure or land may be used except for one or more of the following uses, provided such use is less than 10,000 square feet in gross floor area:

- (15) Copy service or printing service.
- (16) Craft production, including the production of alcoholic beverages.
 - a. Must include a retail/eating/drinking/tasting component that is open to the public and occupies a minimum of ten percent of usable space. This space must front the street at

the ground floor level or have a well-marked and visible entrance at the ground floor level.

b. All production, processing, and distribution activities except for the loading of finished products onto trucks are to be conducted within an enclosed building.

c. Craft production of alcoholic beverages shall require a conditional use permit for off-sale or on-sale liquor.

SECTION 3. AMENDMENT. South St. Paul City Code Section 118-126 is hereby amended as follows:

Sec. 118-126. C-1, retail business district.

(a) *Permitted uses.* No land or buildings within the C-1 district shall be used except for one or more of the following uses:

(6) Bakery ~~employing not over five employees.~~

(21) Dance studio, health club, martial arts studio, and similar uses.

(b) *Uses by conditional use permit.* The following uses shall require a conditional use permit:

(3) Gasoline service station ~~and~~, auto repair, ~~sales, and storage.~~

~~(8) Bakery employing more than five employees when the site is located within 350 feet of State Highway 56 (as measured from the property boundary nearest the highway).~~

~~(9) Food warehousing in conjunction with a permitted or conditional use when the site is located within 350 feet of State Highway 56 (as measured from the property boundary nearest the highway).~~

(8) Craft production

a. Must include a retail/eating/drinking/tasting component that is open to the public and occupies a minimum of ten percent of usable space. This space must front the street at the ground floor level or have a well-marked and visible entrance at the ground floor level.

b. All production, processing, and distribution activities except for the loading of finished products onto trucks are to be conducted within an enclosed building.

c. Craft production of alcoholic beverages shall require a conditional use permit for off-sale or on-sale liquor.

d. Craft production uses that are listed as permitted uses, such as bakeries and butcher shops, shall not require a conditional use permit. However, these uses still must include a retail/eating/drinking/tasting component.

(9) Funeral home and mortuary.

(d) *Accessory uses.* The following accessory uses shall be permitted:

- (1) Off-street parking and loading, signs, fences, and decorative landscape features, as regulated herein.
- (2) Temporary construction buildings and storage as may be approved by the Zoning Administrator ~~code enforcement officer~~.
- (3) Customary uses incidental to the principal use as may be approved by the Zoning Administrator ~~city engineer~~.
- (4) Residential garage as allowed in the R-1 and R-2 districts.

SECTION 4. AMENDMENT. South St. Paul City Code Section 118-127 is hereby amended as follows:

Sec. 118-127. MMM, mixed markets and makers district.

(c) *Table 1. Permitted, Conditional and Accessory Uses.*

| Table 1 Principal Use | MMM1 | MMM2 | MMM3 | MMM4 | Notes |
|---|----------|----------|----------|----------|-------|
| Single family detached dwelling | P | X | X | X | |
| Two family dwelling | P | X | X | X | |
| Three-family dwelling | P | X | X | X | |
| Multi-family dwelling (four or more units) | C | P | P | P | |
| Mixed residential and commercial building | C | P | P | P | |
| Live-work unit | P | P | P | P | (f) |
| Adult day care facility | C | P | P | P | |
| Auto repair | C | C | X | C | |
| Auto sales, leasing, and rental (may include service) | X | X | X | C | (f) |
| Body art establishment that offers body art procedures other than micropigmentation and cosmetic tattooing (defined and regulated by Section 118-276) | C | P | P | P | |
| Child day care facility | P | P | P | P | (f) |
| Catering | C | P | P | P | |
| Churches, chapels & other worship buildings | P | P | P | P | |
| Contractor operations with no exterior storage or overnight parking of fleet vehicles & trailers | P | P | P | P | |
| Craft production | C | P/C | P/C | P/C | (f) |
| Essential services | P | P | P | P | |
| <u>Funeral Homes and Mortuaries</u> | <u>C</u> | <u>P</u> | <u>P</u> | <u>P</u> | |
| Gasoline service station | X | C | X | C | |

| | | | | | |
|---|---|---|---|---|-----|
| General retail business (within a building) | P | P | P | P | |
| General service business (within a building) | P | P | P | P | |
| Health club, dance studio or similar uses | P | P | P | P | |
| Hotel or motel | X | P | P | P | |
| Indoor commercial recreation | X | C | C | C | |
| Medical or dental clinic | C | P | P | P | |
| Municipal buildings & uses | P | P | P | P | |
| Museum, library, theater & similar uses | C | P | P | P | |
| Office | P | P | P | P | |
| On-sale, off-sale liquor, beer or wine establishments | C | C | C | C | |
| Parking ramps, garages & surface lots | X | C | C | C | |
| Pet boarding, kenneling, training & grooming | C | C | C | C | (f) |
| Public & private parks & playgrounds | P | P | P | P | |
| Reception or meeting hall | X | C | C | C | |
| Recording studio | C | P | P | P | |
| Restaurant, cafe, coffee shop, cafeteria or deli | C | P | P | P | |
| School, public or private | C | P | P | P | |
| Small wireless facility (see Sec. 54-402) | P | P | P | P | |
| Veterinary Clinic | C | P | P | P | |
| Accessory Uses | | | | | |
| Car washes (accessory to gas station) | X | C | X | C | |
| Drive thru facilities | X | C | X | C | (f) |
| Exterior storage for contractor operations and craft production | X | C | X | C | (f) |
| Fences, signs, & decorative landscape features | P | P | P | P | |
| Garages & accessory structures (see Sec. 118-208) | P | P | P | P | |
| Home occupation (see Sec. 118-249) | P | P | P | P | |
| Commercial indoor storage | X | C | X | C | (f) |
| Off-site storage for contractor operations | X | C | X | C | (f) |
| Off-street parking and loading | P | P | P | P | |
| Outdoor display/sales (no vehicles, boats or trailers) | X | C | C | C | (f) |
| Vehicle Rental | X | C | X | C | (f) |
| P = Permitted Use | | | | | |
| C = Conditional Use | | | | | |
| X = Prohibited Use | | | | | |
| Note: Uses marked with an (f) have special performance standards that are unique to the MMM district which are listed in subdivision (f) of this section. | | | | | |

(f) *Performance standards for specific uses.* In addition to performance standards found elsewhere in the City Code, the following performance standards are in effect for a number of specific uses in the MMM district:

(5) *Craft production.*

- a. Must include a retail/eating/drinking/tasting component that is open to the public and occupies a minimum of ten percent of usable space. This space must front the street at the ground floor level or have a well-marked and visible entrance at the ground floor level.
- b. All production and processing activities are to be conducted within an enclosed building. Distribution activities except for the loading of finished products onto trucks must be conducted within an enclosed building unless otherwise allowed by conditional use permit.
- c. May include accessory exterior storage by conditional use permit, subject to the provisions outlined in this section.
- d. Craft production of alcoholic beverages shall require a conditional use permit for off-sale or on-sale liquor.
- e. Any craft production use with a gross floor area that is greater than 15,000 10,000 square feet shall require a conditional use permit. This requirement shall not apply to craft production uses that are considered general retail uses such as bakeries and butcher shops.

SECTION 5 AMENDMENT. South St. Paul City Code Section 118-128 is hereby amended as follows:

Sec. 118-128. GB, general business district.

(a) *Permitted uses.* ~~Uses permitted in the general business (GB) district shall include and be limited to the following: All uses permitted in the C-1 retail business district.~~

(1) All uses listed as permitted in the C-1 Retail Business district unless that use is listed as requiring a conditional use permit in the GB General Business district.

(2) Body art establishment (defined and regulated by section 118-276)

(3) Contractor operation when there is no exterior storage.

(3) Craft production.

a. Must include a retail/eating/drinking/tasting component that is open to the public and occupies a minimum of ten percent of usable space. This space must front the street at the ground floor level or have a well-marked and visible entrance at the ground floor level.

b. All production, processing, and distribution activities except for the loading of finished products onto trucks are to be conducted within an enclosed building.

c. May include accessory exterior storage by conditional use permit.

d. Craft production of alcoholic beverages shall require a conditional use permit for on-sale or off-sale liquor.

e. Any craft production use with a gross floor area that is greater than 20,000 square feet shall require a conditional use permit. This requirement shall not apply to craft production uses that are listed as permitted uses in the C-1 Retail Business district, such as bakeries and butcher shops.

(b) *Uses by conditional use permit.* Within the GB district, the following uses may be allowed only by conditional use permit:

- (1) Adult day care facility.
- (2) Armories, skating rinks, convention halls, and similar uses.
- (3) Auditorium or recreational building.
- (4) Automobile and truck service uses.
- (5) Automobile car wash.
- (6) Boat, marine, trailer, farm equipment, automobile, truck, and similar sales.
- (7) Bottling works.
- (8) Bowling alley.
- (9) Carpet or rug cleaning.
- (10) Child day care facility.
- (11) Church.
- (12) Commercial recreation and equipment storage.
- (13) Contractor operation, if open exterior storage is utilized.
- (14) ~~Dance and other commercial schools.~~ Vocational schools.
- (15) Drive-in business of all types.
- (16) Dry cleaning.
- (17) Dwelling units in any building.
- (18) Equipment and vehicle rental.
- (19) Essential services.
- (20) ~~Exterior storage, or Open~~ sales lots, provided the same business occupies space in a building on the same lot.
- (21) Food locker plant.
- (22) Funeral home and mortuary.
- (23) Laundry.

- (~~234~~) Lumber yard.
- (~~245~~) Manufacturing as permitted in the I-1 Light Industrial district.
- (~~256~~) Medical uses (human and animal).
- (~~267~~) On-sale and off-sale liquor sales
- (~~278~~) Other uses deemed by the city council to be similar in purpose and character to those set forth in this subsection and in subsection (a) of this section.
- (~~289~~) Parking garage.
- (~~2930~~) Pet boarding, kenneling, training, and grooming provided that:
 - a. Unless expressly allowed by the conditional use permit, all activity must take place within a completely enclosed building with odor and sound control except for the walking of dogs. No outdoor kenneling shall be permitted.
 - b. There shall be no overnight kenneling of customers' pets and no animal may be present inside the business between the hours of 10:00 p.m. and 6:00 a.m. unless their owner is also present.
 - c. Any outdoor off-leash exercise/relief area that is provided shall be entirely enclosed by a fence. Pets may not be off-leash in these areas between the hours of 8:00 p.m. and 7:00 a.m.
- (~~301~~) PWS antennas.
- (~~312~~) PWS tower.
- (~~323~~) Reception or meeting hall.
- (~~334~~) Seasonal business.
- (~~345~~) Spur tracks.
- (~~356~~) Supper club.
- (~~367~~) Structures exceeding 45 feet in height.
- (~~378~~) Theater.
- (~~389~~) Wholesaling.
- (~~3940~~) Alternative financial establishment, subject to the supplemental regulations in section 118-275.

SECTION 6. SUMMARY PUBLICATION. Pursuant to Minnesota Statutes Section 412.191, in the case of a lengthy ordinance, a summary may be published. While a copy of the entire ordinance is available without cost at the office of the City Clerk, the following summary is approved by the City Council and shall be published in lieu of publishing the entire ordinance:

This ordinance amendment updates the use lists in the City's commercial zoning districts to allow craft production and funeral homes in all commercial districts. It also includes minor updates to some of the listed uses.

SECTION 7. EFFECTIVE DATE. This ordinance shall become effective upon publication.

Approved: _____

Published: _____

Deanna Werner, City Clerk



AGENDA ITEM 6.A

South St. Paul Planning Commission

| | |
|---|----------------------------------|
| Prepared By: Michael Healy, Planning Manager | Meeting Date: 4/3/2024 |
| Item Description: Update on Zoning Preemption Bills | |

ACTION REQUESTED

This update is for informational purposes only and is intended as a follow-up to the update that was given at the March 6th Planning Commission meeting.

BACKGROUND/ DISCUSSION

OVERVIEW

At the March 6th Planning Commission meeting, City Staff provided an update regarding several bills that are currently being considered by the Minnesota State Legislature that would limit local government's ability to regulate residential development and replace many local zoning standards with new statewide standards. The bills are still in draft format and are going through committee hearings, and they have been revised considerably since March 6th. At least some of the "poison pill" provisions from the original bills have been removed including the proposed statewide requirement that all housing must be set back 500 feet from rail lines which would have made most of the Concord Street redevelopment corridor unbuildable.

The League of Minnesota Cities is encouraging municipalities to pass resolutions in opposition to the bills and the City Council will be considering this action at their meeting on Monday, April 1st. Staff has prepared a memo for the City Council meeting (see Attachment A) which provides an overview of the status of the bills and contains the latest versions of the two main bills that are currently receiving committee hearings at the Legislature.

ATTACHMENTS

A. Staff Memo from April 1, 2024 City Council Meeting Packet

ATTACHMENT A



CITY COUNCIL AGENDA REPORT

DATE: APRIL 1, 2024

DEPARTMENT: PLANNING

Prepared By: Michael Healy, Planning Manager

ADMINISTRATOR: RG

10-B

AGENDA ITEM: Resolution Supporting Retention of City Zoning Authority

ACTION TO BE CONSIDERED:

Motion to approve Resolution #2024-52 supporting retention of City zoning authority.

OVERVIEW:

Background

In Minnesota, cities do not have any automatic powers and have only those powers which are delegated to them by the State. Cities only have local zoning control because the State has given cities local zoning control. Because of this, the State Legislature has complete authority to override local zoning rules at any time through a process called preemption.

The State Legislature is currently reviewing several zoning preemption bills which would greatly limit local government's ability to regulate residential development. The bills would instead establish a set of statewide zoning standards for residential development that all Minnesota communities must follow. The proposed preemption bills are still considered drafts and have been revised several times since the 2024 legislative session began in February. Some of the earliest versions of the bills contained "poison pill" provisions that would have effectively prevented SSP's Concord Street corridor from being redeveloped but those provisions have been removed from the latest versions of the bills.

It is not clear what level of overall support the proposed zoning preemption bills have and it is not clear whether they will be voted on during the 2024 legislative session. The preemption bills are currently being reviewed by committees and not all bills survive the committee process. The two main bills that are currently going through committee hearings are SF #1370 and HF #4010.

League of Minnesota Cities' Position on the Zoning Preemption Bills

The League of Minnesota Cities is a tireless advocate for local control and is strongly opposed to statewide zoning preemption. They have been active in lobbying efforts, and they are encouraging City Councils to pass resolutions supporting the retention of City zoning authority. They have prepared a model resolution that very broadly outlines some of the benefits of local control and some of the potential downsides to statewide zoning preemption.

The League's model resolution can be found using the link at the bottom of the following webpage: <https://www.lmc.org/advocacy/how-to-advocate/advocacy-toolkit-housing-and-development/>

Discussion

The City Council has indicated to City Staff that they would like to respond to the League's request by passing a resolution supporting retention of City zoning authority. The City of South St. Paul is in a unique position to go further than adopting the model resolution because SSP has been a regional leader in embracing local zoning reform without State mandates. South St. Paul has consistently gone above and beyond to provide a full range of housing options to its residents and the City Council has a compelling story to tell if they wish to share it.

Staff has prepared a draft resolution that builds off the League's model resolution with the following "extra" content:

- It shares that South St. Paul already has large amounts of "missing middle" housing types that fall between a single-family home and a large apartment building. Most of SSP's residential areas have R-2 zoning where duplexes are allowed as a permitted use.
- It speaks to the many efforts that the Planning Commission and City Council have already made to update SSP's zoning code to make it easier to build housing.
- It shares that the Master Housing Strategy and 2040 Comprehensive Plan both acknowledge that the City needs to retool the Code's performance standards for residential zoning districts (setbacks, lot coverage, lot dimensions, etc.).
- It acknowledges that the Legislature may ultimately decide that there needs to be some type of statewide zoning reform even if municipalities are opposed to it. If this happens, the process needs to be more collaborative, and the proposed bills need to be re-calibrated. At a minimum, there are at least four (4) remaining "poison pills" in the draft bills that should be removed or revised:
 1. Building permits should not be subjected to the "60-Day Rule." The authors of the preemption bills appear to fundamentally misunderstand how a building permit review works for a large development. It would be a disaster if building permits were automatically approved after 60 days even if the Building Code safety review is incomplete or there are unmet development agreement obligations.
 2. Cities cannot be stripped of all architectural control over residential buildings, as the preemption bills propose. High-density residential buildings with poor urban design degrade neighborhoods and make them less livable for all residents.
 3. Cities should not be required to allow buildings that the State has defined as "affordable housing" to be 30% larger than whatever building size has been found appropriate for a zoning district. Density bonuses can be encouraged but should not be required.
 4. Cities need to be given broad authority to determine what type of residential development is appropriate in commercial zoning districts. For instance, some quasi-industrial commercial areas are not suitable for housing due to road design and a lack of parks and open space.

RECOMMENDED ACTION:

If the City Council is comfortable with the idea of going beyond the League's model resolution to tell South St. Paul's unique story as it relates to housing, City Staff would recommend approval of Resolution #2024-52.

ATTACHMENTS

A- SF 1370 ZONING PREEMPTION BILL– VERSION DATED MARCH 13, 2024

B- HF 4010 ZONING PREEMPTION BILL– VERSION DATED MARCH 19, 2024

ATTACHMENT A

SF1370

REVISOR

JSK

S1370-1

1st Engrossment

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 1370

(SENATE AUTHORS: PORT and Mitchell)

| DATE | D-PG | OFFICIAL STATUS |
|------------|--------|---|
| 02/08/2023 | 733 | Introduction and first reading Referred to Housing and Homelessness Prevention |
| 03/22/2023 | 2199 | Comm report: To pass |
| | 2199 | Second reading |
| | 11498 | Rule 47, returned to Housing and Homelessness Prevention |
| 03/13/2024 | 12159a | Comm report: To pass as amended and re-refer to State and Local Government and Veterans |
| | 12197 | Author added Mitchell |

1.1 A bill for an act

1.2 relating to housing; amending provisions relating to building permit processing

1.3 and fees; amending provisions relating to land use and planning; prohibiting

1.4 counties and municipalities from enacting ordinances prohibiting emergency shelter

1.5 facilities; establishing requirements for municipalities to allow multifamily

1.6 residential developments; defining middle housing; requiring permitting middle

1.7 housing types in residential areas; authorizing accessory dwelling units; limiting

1.8 off-street parking requirements for residential development; limiting aesthetic

1.9 mandates on residential project approvals; limiting requirements for homeowners

1.10 associations on residential project approvals; amending Minnesota Statutes 2022,

1.11 sections 15.99, subdivisions 1, 2; 326B.153, by adding a subdivision; 394.25, by

1.12 adding subdivisions; 462.357, by adding a subdivision; proposing coding for new

1.13 law in Minnesota Statutes, chapter 462.

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

1.15 Section 1. Minnesota Statutes 2022, section 15.99, subdivision 1, is amended to read:

1.16 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms shall

1.17 have the meanings given.

1.18 (b) "Agency" means a department, agency, board, commission, or other group in the

1.19 executive branch of state government; a statutory or home rule charter city, county, town,

1.20 or school district; any metropolitan agency or regional entity; and any other political

1.21 subdivision of the state.

1.22 (c) "Request" means a written application for a building permit, or a written application

1.23 related to zoning, septic systems, watershed district review, soil and water conservation

1.24 district review, or the expansion of the metropolitan urban service area, for a permit, license,

1.25 or other governmental approval of an action. A request must be submitted in writing to the

1.26 agency on an application form provided by the agency, if one exists. The agency may reject

2.1 as incomplete a request not on a form of the agency if the request does not include
2.2 information required by the agency. A request not on a form of the agency must clearly
2.3 identify on the first page the specific permit, license, or other governmental approval being
2.4 sought. No request shall be deemed made if not in compliance with this paragraph.

2.5 (d) "Applicant" means a person submitting a request under this section. An applicant
2.6 may designate a person to act on the applicant's behalf regarding a request under this section
2.7 and any action taken by or notice given to the applicant's designee related to the request
2.8 shall be deemed taken by or given to the applicant.

2.9 Sec. 2. Minnesota Statutes 2022, section 15.99, subdivision 2, is amended to read:

2.10 Subd. 2. **Deadline for response.** (a) Except as otherwise provided in this section, section
2.11 462.358, subdivision 3b, or 473.175, or chapter 505, and notwithstanding any other law to
2.12 the contrary, an agency must approve or deny within 60 days a written request for a building
2.13 permit, or a written request relating to zoning, septic systems, watershed district review,
2.14 soil and water conservation district review, or expansion of the metropolitan urban service
2.15 area for a permit, license, or other governmental approval of an action. Failure of an agency
2.16 to deny a request within 60 days is approval of the request. If an agency denies the request,
2.17 it must state in writing the reasons for the denial at the time that it denies the request.

2.18 (b) When a vote on a resolution or properly made motion to approve a request fails for
2.19 any reason, the failure shall constitute a denial of the request provided that those voting
2.20 against the motion state on the record the reasons why they oppose the request. A denial of
2.21 a request because of a failure to approve a resolution or motion does not preclude an
2.22 immediate submission of a same or similar request.

2.23 (c) Except as provided in paragraph (b), if an agency, other than a multimember governing
2.24 body, denies the request, it must state in writing the reasons for the denial at the time that
2.25 it denies the request. If a multimember governing body denies a request, it must state the
2.26 reasons for denial on the record and provide the applicant in writing a statement of the
2.27 reasons for the denial. If the written statement is not adopted at the same time as the denial,
2.28 it must be adopted at the next meeting following the denial of the request but before the
2.29 expiration of the time allowed for making a decision under this section. The written statement
2.30 must be consistent with the reasons stated in the record at the time of the denial. The written
2.31 statement must be provided to the applicant upon adoption.

3.1 Sec. 3. Minnesota Statutes 2022, section 326B.153, is amended by adding a subdivision
3.2 to read:

3.3 Subd. 5. **Valuation.** The commissioner must establish a cost-per-square-foot valuation
3.4 of residential buildings for the purpose of setting building permit fees by municipalities.
3.5 Residential buildings include one- and two-family buildings, townhouse buildings, and
3.6 accessory buildings.

3.7 Sec. 4. Minnesota Statutes 2022, section 394.25, is amended by adding a subdivision to
3.8 read:

3.9 Subd. 11. **Emergency shelter facility.** (a) "Emergency shelter facility" means a facility
3.10 that provides a safe, sanitary, accessible, and suitable emergency shelter for individuals and
3.11 families experiencing homelessness, regardless of whether the facility provides emergency
3.12 shelter during the day, overnight, or both. The emergency shelter facility must conform
3.13 with the State Building Code under chapter 326B and the State Fire Code under chapter
3.14 299F.

3.15 (b) A county shall not enact, amend, or enforce a zoning ordinance that prohibits
3.16 emergency shelter facilities. A county may prohibit an emergency shelter facility in areas
3.17 zoned for residential, agricultural, or heavy industrial uses, or as required by law to conform
3.18 with the State Building Code, State Fire Code, or other state requirements.

3.19 Sec. 5. Minnesota Statutes 2022, section 394.25, is amended by adding a subdivision to
3.20 read:

3.21 Subd. 12. **Homeowners associations.** (a) A county must not condition approval of a
3.22 residential building permit, residential subdivision development, or residential planned unit
3.23 development on the creation of a homeowners association or on the inclusion of any terms
3.24 in a homeowners association bylaws, articles of incorporation, or any other governing
3.25 document that is not required under state law.

3.26 (b) A county must not require that a residential property be part of a homeowners
3.27 association or provide an incentive for such membership. The county must also not require
3.28 or incentivize a homeowners association to adopt terms or conditions not required under
3.29 state law.

4.1 Sec. 6. Minnesota Statutes 2022, section 462.357, is amended by adding a subdivision to
4.2 read:

4.3 Subd. 1j. **Emergency shelter facility.** (a) "Emergency shelter facility" means a facility
4.4 that provides a safe, sanitary, accessible, and suitable emergency shelter for individuals and
4.5 families experiencing homelessness, regardless of whether the facility provides emergency
4.6 shelter during the day, overnight, or both. The emergency shelter facility must conform
4.7 with the State Building Code under chapter 326B and the State Fire Code under chapter
4.8 299F.

4.9 (b) A municipality shall not enact, amend, or enforce a zoning ordinance that prohibits
4.10 emergency shelter facilities. A municipality may prohibit an emergency shelter facility in
4.11 areas zoned for residential, or agricultural, or heavy industrial uses, or as required by law
4.12 to conform with the State Building Code, State Fire Code, or other state requirements.

4.13 Sec. 7. **[462.3571] MULTIFAMILY RESIDENTIAL DEVELOPMENTS.**

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

4.16 (b) "Affordable housing development" means a multifamily residential development in
4.17 which:

4.18 (1) at least 20 percent of the residential units are for households whose incomes do not
4.19 exceed 50 percent of the area median income; or

4.20 (2) at least 40 percent of the residential units are for households whose incomes do not
4.21 exceed 60 percent of the area median income.

4.22 The deed or declaration for an affordable residential unit must also contain a restrictive
4.23 covenant requiring the property to remain affordable housing for at least 30 years.

4.24 (c) "Municipality" means a home rule charter city, statutory city, or town.

4.25 (d) "Multifamily residential development" means a single residential building with more
4.26 than eight dwelling units or a mixed-use building with commercial use on the ground floor
4.27 and at least half of the usable square footage is for residential uses. Multifamily residential
4.28 development is not middle housing as defined in section 462.3575, subdivision 1.

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

4.30 Subd. 2. **Multifamily residential developments.** (a) Multifamily residential
4.31 developments are a permitted use in any mixed-use, multifamily, or commercial zoning
4.32 district, subject to compliance with all municipal standards.

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

5.3 Subd. 3. **Applicable zoning standards.** (a) A municipality must not impose a height
5.4 requirement on a multifamily residential development that is less than the tallest commercial
5.5 or residential building within a one-quarter mile radius of the parcel on which the
5.6 development will be built or the maximum height permitted under the municipality's official
5.7 controls, whichever is higher.

5.8 (b) A municipality must not impose a setback requirement on a multifamily residential
5.9 development that is more than the smallest minimum setback distance required of a new
5.10 building within a one-quarter mile radius of the parcel on which the development will be
5.11 built.

5.12 Subd. 4. **Parking requirements limited.** A municipality may not require more than one
5.13 off-street parking space per residential unit.

5.14 Subd. 5. **Affordable housing development; height requirements.** (a) Subject to section
5.15 462.358, subdivision 2a, an affordable housing development must be permitted to exceed
5.16 both a maximum height requirement and a maximum floor area ratio limitation imposed by
5.17 municipality official controls as provided in paragraphs (b) and (c). The authority in
5.18 paragraphs (b) and (c) that produces the tallest development with the most number of
5.19 affordable housing units on the parcel shall be applied to the affordable housing development.

5.20 (b) An affordable housing development may either:

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

5.23 (2) match the maximum allowed height in any zoning district within one mile of the
5.24 affordable housing development.

5.25 (c) In addition to all previous allowances, an affordable housing development must be
5.26 permitted to do one of the following, whichever results in the largest development:

5.27 (1) exceed the maximum floor area ratio or dwelling unit count permitted by municipality
5.28 standards or the municipality's comprehensive plan by 30 percent, whichever allows for
5.29 greater density;

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

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

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

6.1 (d) A municipality that does not approve a project under section 462.358, subdivision
6.2 2a, must provide the applicant with written justification and reasons for the disapproval
6.3 within seven days of the disapproval. Where insufficient infrastructure is the reason for
6.4 disapproval, a municipality must include credentialed evidence in the written justification.

6.5 Subd. 6. **State Building Code; State Fire Code.** This section is subject to the
6.6 requirements under the State Building Code under chapter 326B and the State Fire Code
6.7 under chapter 299F.

6.8 Sec. 8. **[462.3575] MINIMUM RESIDENTIAL DENSITIES AND ASSOCIATED**
6.9 **REQUIREMENTS.**

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

6.12 (b) "Accessory dwelling unit" means a smaller, independent residential dwelling unit
6.13 located on the same lot as a dwelling. An accessory dwelling unit may be attached or detached
6.14 from the existing dwelling. Accessory dwelling unit does not include sacred communities
6.15 and micro-unit dwellings under section 327.30 and temporary family health care dwellings
6.16 under section 462.3593.

6.17 (c) "Affordable housing" means a residential dwelling unit affordable to households at
6.18 or below 115 percent of the area median household income, for an owner-occupied unit, or
6.19 at or below 60 percent of the area median household income, for a unit that is leased. The
6.20 deed or declaration for the unit must also contain a restrictive covenant requiring the property
6.21 to remain affordable housing for at least ten years if the unit is owner-occupied, or at least
6.22 30 years if the unit is leased.

6.23 (d) "All-electric and efficient home" means a residential dwelling unit that utilizes
6.24 electricity or a combination of electricity and thermal energy as its sole source of energy
6.25 for heating, hot water heating, cooling, and appliances and meets the most current minimum
6.26 efficiency standards of a zero energy ready home under the Zero Energy Ready Home
6.27 Program administered by United States Department of Energy.

6.28 (e) "Cottage housing" means residential dwelling units on a lot with a common open
6.29 space that either:

6.30 (1) is owned in common; or

6.31 (2) has units owned as condominium units with property owned in common and a
6.32 minimum of 20 percent of the lot size as open space.

7.1 (f) "Courtyard apartment" means a building with up to four attached residential dwelling
7.2 units arranged on two or three sides of a yard or garden.

7.3 (g) "Duplex" means a two-family home, classified as an IRC-2 in the State Building
7.4 Code and not meeting the definition of townhouse.

7.5 (h) "Fiveplex" means a building containing five residential dwelling units intended for
7.6 nontransient occupancy and not meeting the definition of townhouse.

7.7 (i) "Fourplex" means a building containing four residential dwelling units intended for
7.8 nontransient occupancy and not meeting the definition of townhouse.

7.9 (j) "Lot" means any contiguous parcel of land in the possession of, owned by, or recorded
7.10 as the property of the same claimant or person.

7.11 (k) "Major transit stop" means a stop or station for a guideway or busway, as the terms
7.12 are defined in section 473.4485, subdivision 1.

7.13 (l) "Middle housing" means buildings that are single-family detached homes and
7.14 residential properties that are compatible in scale, form, and character with single-family
7.15 detached homes. Middle housing includes all of the following housing types:

7.16 (1) duplexes;

7.17 (2) triplexes;

7.18 (3) fourplexes;

7.19 (4) fiveplexes;

7.20 (5) sixplexes;

7.21 (6) townhouses;

7.22 (7) stacked flats;

7.23 (8) courtyard apartments;

7.24 (9) cottage housing;

7.25 (10) single-family detached homes; and

7.26 (11) twin homes.

7.27 (m) "Municipality" means a home rule charter city, statutory city, or town.

7.28 (n) "Residential dwelling unit" or "unit" means a residential dwelling unit for the use of
7.29 a single owner or tenant and applies to any type of residential structure unless otherwise
7.30 specified.

8.1 (o) "Single-family detached home" means any building that contains one residential
 8.2 dwelling unit used, intended, or designed to be built, used, rented, leased, let, or hired out
 8.3 to be occupied, or occupied for living purposes that is not attached to another structure.

8.4 (p) "Sixplex" means a building containing six residential dwelling units intended for
 8.5 nontransient occupancy and not meeting the definition of townhouse.

8.6 (q) "Stacked flat" means a nontransient residential building of no more than three stories
 8.7 on a lot zoned for residential development in which each floor is a residential dwelling unit.

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

8.13 (s) "Triplex" means a building containing three residential dwelling units intended for
 8.14 nontransient occupancy and not meeting the definition of townhouse.

8.15 Subd. 2. **Middle housing types permitted.** A municipality must authorize at least six
 8.16 types of middle housing other than single-family detached homes to be built on residential
 8.17 lots in single-family zones in the municipality to achieve the density requirements in this
 8.18 section.

8.19 Subd. 3. **Cities of the first class; required residential densities.** (a) Subject to section
 8.20 462.358, subdivision 2a, a city of the first class must permit the development of at least four
 8.21 residential dwelling units on any residential lot that is more than one-half mile from a major
 8.22 transit stop, unless one of the following criteria are met:

8.23 (1) if all of the units are all-electric and efficient homes, the city must permit the
 8.24 development of at least six residential dwelling units on the lot;

8.25 (2) if at least two of the units are affordable housing, the city must permit the development
 8.26 of at least six residential dwelling units on the lot; or

8.27 (3) if all of the units are all-electric and efficient homes and at least two of the units are
 8.28 also affordable housing, the city must permit the development of at least eight residential
 8.29 dwelling units on the lot.

8.30 (b) Subject to section 472.358, subdivision 2a, a city of the first class must permit the
 8.31 development of at least six residential dwelling units on any residential lot that is one-half
 8.32 mile or less from a major transit stop, unless one of the following criteria are met:

9.1 (1) if all of the units are all-electric and efficient homes, the city must permit the
 9.2 development of at least eight residential dwelling units on the lot;

9.3 (2) if at least two of the units are affordable housing, the city must permit the development
 9.4 of at least eight residential dwelling units on the lot; or

9.5 (3) if all of the units are all-electric and efficient homes and at least two of the units are
 9.6 also affordable housing, the city must permit the development of at least ten residential
 9.7 dwelling units on the lot.

9.8 (c) The requirements of this subdivision apply regardless of the types of middle housing
 9.9 authorized by the city under subdivision 2.

9.10 (d) A municipality that does not approve a project under section 462.358, subdivision
 9.11 2a, must provide the applicant with written justification and reasons for the disapproval
 9.12 within seven days of the disapproval. Where insufficient infrastructure is the reason for
 9.13 disapproval, a municipality must include credentialed evidence in the written justification.

9.14 Subd. 4. **Other cities and towns; required residential densities.** (a) Subject to section
 9.15 462.358, subdivision 2a, a city of the second, third, or fourth class or town must permit the
 9.16 development of at least two residential dwelling units on any residential lot that is more
 9.17 than one-half mile from a major transit stop, unless one of the following criteria are met:

9.18 (1) if all of the units are all-electric and efficient homes, the city or town must permit
 9.19 the development of at least three residential dwelling units on the lot;

9.20 (2) if at least two of the units are affordable housing, the city or town must permit the
 9.21 development of at least three residential dwelling units on the lot; or

9.22 (3) if all of the units are all-electric and efficient homes and at least two of the units are
 9.23 also affordable housing, the city or town must permit the development of at least four
 9.24 residential dwelling units on the lot.

9.25 (b) Subject to section 462.358, subdivision 2a, a city of the second, third, or fourth class
 9.26 or town must permit the development of at least four residential dwelling units on any
 9.27 residential lot that is one-half mile or less from a major transit stop, unless one of the
 9.28 following criteria are met:

9.29 (1) if all of the units are all-electric and efficient homes, the city or town must permit
 9.30 the development of at least six residential dwelling units on the lot;

9.31 (2) if at least two of the units are affordable housing, the city or town must permit the
 9.32 development of at least six residential dwelling units on the lot; or

10.1 (3) if all of the units are all-electric and efficient homes and at least two of the units are
10.2 also affordable housing, the city or town must permit the development of at least eight
10.3 residential dwelling units on the lot.

10.4 (c) The requirements of this subdivision apply regardless of the types of middle housing
10.5 authorized by the city or town under subdivision 2.

10.6 (d) A municipality that does not approve a project under section 462.358, subdivision
10.7 2a, must provide the applicant with written justification and reasons for the disapproval
10.8 within seven days of the disapproval. Where insufficient infrastructure is the reason for
10.9 disapproval, a municipality must include from a public works director or a similarly qualified
10.10 person evidence in the written justification.

10.11 Subd. 5. **Municipal standards.** (a) Municipal official controls must not impose standards
10.12 that create practical difficulties in the placement or building of residential units on any lot.

10.13 (b) Any standards, performance conditions, or requirements imposed by a municipality
10.14 for residential dwelling units permitted under this section must allow for all missing middle
10.15 types authorized under subdivision 2 to be built.

10.16 (c) Any limits or restrictions on missing middle development must directly relate to
10.17 protecting public health, safety, and general welfare.

10.18 Subd. 6. **Accessory dwelling units authorized.** (a) An accessory dwelling unit may be
10.19 built on any residential lot in a municipality, regardless of total lot size, street frontage,
10.20 connectivity between the accessory dwelling unit and the primary dwelling on the lot, and
10.21 whether the lot is occupied by the property owner.

10.22 (b) A municipality may permit more than one accessory dwelling unit to be built on a
10.23 residential lot.

10.24 Subd. 7. **Minimum lot size permitted.** (a) A municipality may, by ordinance, require
10.25 a minimum lot size in accordance with this subdivision to which the density requirements
10.26 of subdivisions 3 and 4 apply.

10.27 (b) A minimum lot size for a city of the first class must not be greater than:

10.28 (1) 2,500 square feet for a single-family detached home, duplex, triplex, fourplex,
10.29 fiveplex, sixplex, stacked flat, and courtyard apartment; or

10.30 (2) 1,200 square feet for a townhome and cottage housing.

10.31 (c) A minimum lot size for a city of the second, third, or fourth class or a town must not
10.32 be greater than:

11.1 (1) 4,000 square feet for a single-family detached home, duplex, triplex, fourplex,
11.2 fiveplex, sixplex, stacked flat, and courtyard apartment; or

11.3 (2) 1,200 square feet for a townhome and cottage housing.

11.4 Subd. 8. **Parking requirements limited.** (a) A municipality may not require an off-street
11.5 parking space for a residential dwelling unit that is one-half mile or less from a major transit
11.6 stop. A municipality may require that disability parking spaces be provided in compliance
11.7 with the Americans with Disabilities Act.

11.8 (b) A municipality may not require more than one off-street parking space per residential
11.9 dwelling unit that is over one-half mile from a major transit stop, except that additional
11.10 disability parking spaces may be required to meet the requirements of the Americans with
11.11 Disabilities Act.

11.12 Subd. 9. **Affordable housing; replacement required.** For cities of the first class,
11.13 affordable housing on a residential lot may only be demolished or remodeled for the
11.14 construction of middle housing if the middle housing development will create at least as
11.15 many affordable housing units as exist in the structure to be demolished or remodeled. This
11.16 subdivision does not apply to housing in a blighted area defined under section 469.002,
11.17 subdivision 11.

11.18 Subd. 10. **Alternative density plans.** A municipality that adopts zoning controls prior
11.19 to June 30, 2025, that would allow for residential construction leading to an increase in
11.20 density of more than 100 percent in single family zones as permitted uses is not subject to
11.21 the requirements in this section.

11.22 Subd. 11. **Exception.** This section does not apply to any parcel located in a floodplain.

11.23 Subd. 12. **State Building Code; State Fire Code.** This section is subject to the
11.24 requirements under the State Building Code under chapter 326B and the State Fire Code
11.25 under chapter 299F.

11.26 Sec. 9. **[462.3576] LIMITATION ON AESTHETIC MANDATES FOR CITIES.**

11.27 A municipality must not condition approval of a residential building permit, residential
11.28 subdivision development, or residential planned unit development on the use of one or more
11.29 of the following, unless to conform with state and local historic district requirements, the
11.30 State Building Code in chapter 326B, and the State Fire Code in chapter 299F:

11.31 (1) specific materials for aesthetic reasons;

12.1 (2) residential building or accessory structure to a residential building minimum square
12.2 footage or floor area ratios;

12.3 (3) design elements for aesthetic reasons including, but not limited to, decks, balconies,
12.4 porches, gables, roof pitch, and elevation design standards;

12.5 (4) garage square footage; or

12.6 (5) common space, pools, or any common property necessitating a homeowner's
12.7 association.

12.8 Sec. 10. **[462.3577] MUNICIPALITIES; HOMEOWNERS ASSOCIATIONS.**

12.9 (a) A municipality must not condition approval of a residential building permit, residential
12.10 subdivision development, or residential planned unit development on the creation of a
12.11 homeowners association or on the inclusion of any terms in a homeowners association
12.12 bylaws, articles of incorporation, or any other governing document that is not required under
12.13 state law.

12.14 (b) A municipality must not require that a residential property be part of a homeowners
12.15 association or provide an incentive for such membership. The municipality must also not
12.16 require or incentivize a homeowners association to adopt terms or conditions not required
12.17 under state law.

12.18 Sec. 11. **EFFECTIVE DATE.**

12.19 This act is effective July 1, 2025.

ATTACHMENT B

1.1 moves to amend H.F. No. 4010 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. [462.3571] MULTIFAMILY RESIDENTIAL DEVELOPMENTS.

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

1.6 (b) "Affordable housing development" means a multifamily residential development in
1.7 which:

1.8 (1) at least 20 percent of the residential units are for households whose incomes do not
1.9 exceed 50 percent of the greater of the statewide or area median income; or

1.10 (2) at least 40 percent of the residential units are for households whose incomes do not
1.11 exceed 60 percent of the greater of the statewide or area median income.

1.12 The deed or declaration for an affordable residential unit must also contain a restrictive
1.13 covenant requiring the property to remain affordable housing for at least 30 years.

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

1.15 (d) "Commercial use" means the use of land or buildings, in whole or in part, for the
1.16 sale, lease, rental, or trade of products, goods, and services.

1.17 (e) "Cottage housing" means residential dwelling units on a lot with a common open
1.18 space that either:

1.19 (1) is owned in common; or

1.20 (2) has units owned as condominium units with property owned in common and a
1.21 minimum of 20 percent of the lot size as open space.

2.1 (f) "Courtyard apartment" means a building with up to four attached residential dwelling
2.2 units arranged on two or three sides of a yard or garden.

2.3 (g) "Duplex" means a two family home, classified as an IRC-2 in the State Building
2.4 Code and not meeting the definition of townhouse.

2.5 (h) "Fiveplex" means a building containing five residential dwelling units intended for
2.6 nontransient occupancy and not meeting the definition of townhouse.

2.7 (i) "Fourplex" means a building containing four residential dwelling units intended for
2.8 nontransient occupancy and not meeting the definition of townhouse.

2.9 (j) "Environmental justice area" has the meaning under section 116.065, subdivision 1.

2.10 (k) "Metropolitan area" has the meaning under section 473.121, subdivision 2.

2.11 (l) "Multifamily residential development" means a single residential building with at
2.12 least 13 units or a mixed-use building with commercial use on the ground floor and at least
2.13 half of the usable square footage is for residential use. "Multifamily residential development"
2.14 does not include the following housing types:

2.15 (1) duplexes;

2.16 (2) triplexes;

2.17 (3) fourplexes;

2.18 (4) fiveplexes;

2.19 (5) sixplexes;

2.20 (6) townhouses;

2.21 (7) stacked flats;

2.22 (8) courtyard apartments;

2.23 (9) cottage housing; and

2.24 (10) single-family detached homes.

2.25 (m) "Residential unit" means a residential dwelling for the use of a single owner or
2.26 tenant.

2.27 (n) "Single-family detached home" means any building that contains one residential
2.28 dwelling unit used, intended, or designed to be built, used, rented, leased, let, or hired out
2.29 to be occupied, or occupied for living purposes that is not attached to another structure.

3.1 (o) "Sixplex" means a building containing six residential dwelling units intended for
3.2 nontransient occupancy and not meeting the definition of townhouse.

3.3 (p) "Stacked flat" means a nontransient residential building of no more than three stories
3.4 on a lot zoned for residential development in which each floor is a residential dwelling unit.

3.5 (q) "Structure" means anything constructed or installed for residential or commercial
3.6 use which requires a location on a parcel of land. "Structure" does not include
3.7 nonconformities.

3.8 (r) "Townhouse" means a single-family residential dwelling unit constructed in a group
3.9 of three or more attached units in which each unit extends from the foundation to the roof
3.10 and with open space on at least two sides. Each single-family residential dwelling unit shall
3.11 be considered to be a separate building. Separate building service utilities shall be provided
3.12 to each single-family residential dwelling unit when required by the Minnesota State Building
3.13 Code.

3.14 (s) "Triplex" means a building containing three residential dwelling units intended for
3.15 nontransient occupancy and not meeting the definition of townhouse.

3.16 Subd. 2. **Multifamily residential developments.** (a) Subject to compliance with all
3.17 municipal zoning standards, multifamily residential developments shall be a permitted use
3.18 in any zoning district that allows for a commercial use, except for:

3.19 (1) industrial zoning districts where a commercial use is not allowed; or

3.20 (2) industrial zoning districts that are located in an environmental justice area.

3.21 (b) A multifamily residential development may not be constructed on a lot zoned for a
3.22 single-family detached home unless otherwise authorized by law, rule, or ordinance.

3.23 (c) A city may require a conditional use permit for a multifamily residential development
3.24 only if the specific circumstances of the development raise concerns related to the public
3.25 health, safety, and general welfare.

3.26 Subd. 3. **Applicable zoning standards.** (a) A multifamily residential development must
3.27 comply with any standards, performance conditions, or requirements, including the adequacy
3.28 of existing public infrastructure, imposed by a city to promote the public health, safety, and
3.29 general welfare.

3.30 (b) A city must not impose a height requirement on a multifamily residential development
3.31 that is less than the following:

3.32 (1) in a city of the first class, 75 feet;

4.1 (2) in a city of the second class, 45 feet;

4.2 (3) in a city of the third class in the metropolitan area, 45 feet; or

4.3 (4) in a city of the third class outside of the metropolitan area, 35 feet.

4.4 (c) A city must not impose a setback requirement on a multifamily residential
4.5 development that is greater than the smallest required minimum setback distance of any
4.6 other structure in the same zoning district of the parcel on which the development will be
4.7 built.

4.8 (d) A city may impose a height or setback requirement that is different from the
4.9 requirements in this subdivision if such requirements would result in a multifamily residential
4.10 development that would substantially vary in compatibility and scale with surrounding
4.11 properties.

4.12 (e) This subdivision does not apply to a city of the fourth class.

4.13 Subd. 4. **Parking requirements limited.** A city may not require more than one off-street
4.14 parking space per residential unit, except that additional disability parking spaces may be
4.15 required to meet the requirements of the Americans with Disabilities Act.

4.16 Subd. 5. **Affordable housing development; height and mass requirements.** An
4.17 affordable housing development must be permitted to exceed one or more maximum
4.18 dimensional standards imposed by city official zoning controls as a zoning density bonus.
4.19 A zoning density bonus offered by a city for an affordable housing development may include
4.20 one or more of the following dimensional standards above the maximum base zoning
4.21 regulations:

4.22 (1) a building height increase of at least 35 feet;

4.23 (2) an increased floor area ratio;

4.24 (3) an increased number of units per acre;

4.25 (4) an increased total number of units;

4.26 (5) a higher percentage of lot coverage; or

4.27 (6) other dimensional standards that increase building size by at least 30 percent more
4.28 than what is allowed for market-rate multifamily residential developments.

4.29 Subd. 6. **Administrative review process.** (a) Notwithstanding any law, rule, or ordinance
4.30 to the contrary, a city must establish an administrative review process subject to the

5.1 procedures in section 15.99 for a multifamily residential development meeting the
5.2 requirements of this section.

5.3 (b) An application reviewed through an administrative review process or other process
5.4 may not be approved contingent on factors not related to the protection of public health,
5.5 safety, and welfare; the completion of a study; or the development being a part of a planned
5.6 unit development if the multifamily residential development complies with this section.

5.7 Subd. 7. **Exceptions.** (a) Nothing in this section authorizes a multifamily residential
5.8 development that is prohibited by state or federal law or rule, or is prohibited under an
5.9 ordinance adopted pursuant to such a state or federal law or rule, that protects floodplains,
5.10 areas of critical or historic concern, wild and scenic rivers, shore land, or that otherwise
5.11 restrict residential units to protect and preserve the public health, the environment, or scenic
5.12 areas.

5.13 (b) A multifamily residential development may not be inconsistent with approved plans
5.14 under chapter 103B.

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

5.16 Amend the title accordingly

City of South St. Paul
Dakota County, Minnesota

RESOLUTION NO. 2024-52

A RESOLUTION SUPPORTING RETENTION OF CITY ZONING AUTHORITY

WHEREAS, decisions about local zoning and land use that best fit community needs are best left to city residents and officials; and

WHEREAS, cities use zoning and land use regulations to balance property usage, plan for community growth, dedicate space and capacity for public infrastructure to support development (roads, parks and trails, transportation, sewer, stormwater, water, etc.), promote walkability and connectivity to services and public spaces, advance thoughtful and healthy urban design, mitigate flooding and erosion, and preserve natural resources among other things; and

WHEREAS, the Minnesota State Legislature, in an attempt to address housing availability and affordability challenges, is considering measures that would preempt city authority to regulate land use and zoning and assign that authority to state government; and

WHEREAS, cities require flexibility when developing zoning regulations to address their own unique circumstances and implement their comprehensive plans; and

WHEREAS, most residential land in South St. Paul is zoned R-2 Single-and-Two-Family Residential, a zoning district where single-family homes and duplexes are allowed as permitted uses which can be approved administratively by City Staff via a building permit; and

WHEREAS, the City of South St. Paul adopted a new comprehensive plan in 2020 which calls for amending zoning and subdivision ordinances to allow for the construction of diverse housing types in a wider variety of zoning districts throughout the City; and

WHEREAS, the City of South St. Paul approved a Master Housing Strategy in 2020 which acknowledges that the City Code's performance standards related to multifamily housing are not calibrated correctly and the City Code needs to be updated in regards to lot dimension requirements, setback requirements, and lot coverage regulations; and

WHEREAS, the City of South St. Paul has undertaken numerous zoning studies and ordinance updates since 2020 to refine performance standards to make it easier to build multifamily housing in commercial and mixed-use zoning districts;

WHEREAS, in 2021 the City of South St. Paul used its local zoning authority to establish an innovation district along Concord Street North where parking requirements are relaxed, and new multifamily buildings can be approved administratively by City Staff;

WHEREAS, the City of South St. Paul began an update of its residential zoning district performance standards in early 2024 and this project has been suspended despite strong support from the Planning Commission and City Council because uncertainty surrounding how the State Legislature will act makes it untenable for cities to move forward with local zoning reform; and

WHEREAS, by pre-empting local zoning ordinances with a statewide approach to regulating residential development, the proposed legislation dismisses the efforts of South St. Paul, Richfield, Roseville, Saint Paul, and other Minnesota communities that have pursued zoning reform in recent years by implementing thoughtful context-sensitive solutions that balance the need for more housing units with the needs of existing residents; and

WHEREAS, the City of South St. Paul recognizes that some members of the State Legislature may believe that Minnesota needs zoning reform at a statewide level to promote the Minnesotan values of equity, fair and attainable housing, and social justice. If the State Legislature decides that there must be statewide zoning reform, the proposed bills need to be re-calibrated through a collaborative effort involving planning and zoning professionals that practice in Minnesota cities so that changes are more targeted in scope and do not inadvertently or unduly cause harm to mature, organically mixed-use communities like South St. Paul which are working hard to be part of the solution to the State's housing challenges; and

WHEREAS, higher levels of density can be successfully integrated into established neighborhoods only if the new developments utilize good urban design. Multifamily buildings with large blank walls that face public streets and sidewalks degrade the urban environment, decrease livability, and make neighborhoods less walkable. If cities are stripped of all architectural control, as the preemption bills propose, new multifamily buildings may be built which have inappropriate designs that make neighborhoods less livable. America learned in the 1960's and 1970's that high-density residential buildings with inappropriate scale and poor urban design do not integrate successfully into neighborhoods, that residents living in such buildings are often stigmatized, and both the neighborhoods and the developments themselves suffer from disinvestment and prove to be unsustainable; and

WHEREAS, cities should be allowed to update their zoning codes so that multifamily buildings of an appropriate size and scale can be built as-of-right. The proposed bills would punish cities for setting appropriate performance standards for multifamily buildings by requiring them to allow buildings which the State defines as "affordable housing" to be 30% larger than the building size that has been identified through a public process to be appropriate in a zoning district. This provision will actively discourage cities from updating their zoning codes to make it easier to build multifamily buildings; and

WHEREAS, large multifamily buildings do not belong in all commercial zoning districts. Many communities with traditional walkable neighborhoods, like South St. Paul, have neighborhood commercial zones where small grocery stores and other commercial uses are integrated into low-density neighborhoods. Cities need to have the flexibility to set appropriate zoning standards for neighborhood commercial zones or cities may feel that they need to abolish their neighborhood commercial zoning areas to protect their low-density neighborhoods from inappropriate development; and

WHEREAS, building permit reviews provide value to a builder/developer by ensuring that their project complies with all applicable codes before they begin construction. If building permits are subject to the 60-day rule, there is a high risk that a complicated project that requires thoughtful and comprehensive technical review will be “automatically approved” after 60 days, thereby allowing construction to begin even though the building plans do not comply with the State Building Code and codes governing stormwater management and erosion control. Under these circumstances, Local Building Officials will be forced to correct code issues in the field by failing inspections and requiring developers to stop their project and rework their plans while their building is already under construction. This will ultimately waste money and potentially lead to poorly constructed buildings that involve workarounds that barely comply with the State Building Code; and

WHEREAS, many builders, developers, and homeowners submit building permit applications that are only partially complete and rely upon City Staff for technical assistance in completing their application. Developers often ask Building Officials to begin their building permit review while zoning and platting processes are still taking place, knowing that they cannot actually obtain their building permit until they have complied with the terms of their development agreement and their plat has been recorded. If building permits are subject to the 60-day rule, City Staff will need to discontinue all these informal programs which provide benefit to builders, developers, and homeowners and allow them to get their building permits more quickly. Cities will need to adopt a strict policy of not accepting building permit applications or beginning review until a building permit application is 100% complete and all zoning and platting processes are finalized.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of South St. Paul, Minnesota, as follows:

1. The City of South St. Paul opposes state proposals that seek to preempt local zoning and land use decision-making when it comes to residential development;
2. The City of South St. Paul supports constructive policy alternatives to incentivize and bolster city efforts for addressing housing challenges;

3. The City of South St. Paul advocates for a city-state partnership to consider reforms that are proven to address housing availability and affordability and that ensure efforts can be locally led and shaped;
4. At a minimum, the City of South St. Paul asks the State Legislature to consider the following if they ultimately do move forward with some type of zoning preemption bill:
 - a. Building permits should not be subject to the 60-day rule. The negatives far outweigh the positives when it comes to this change.
 - b. Cities must retain enough architectural control over new multifamily buildings to ensure that they have good urban design and will “fit” in a walkable neighborhood. Cities cannot be forced to accept buildings with giant blank walls that face a public street or sidewalk and degrade the neighborhood.
 - c. Cities should not be required to allow “affordable housing” buildings to be 30% larger than whatever building size has been found appropriate for a zoning district. Density bonuses can be encouraged but should not be required.
 - d. Cities should be given broad authority to determine what type of residential development is appropriate in commercial zoning districts. In low-density neighborhood commercial areas, it may only be appropriate to allow very small multifamily buildings or a couple of dwelling units on the second floor of a shop. In quasi-industrial commercial areas, it may not be appropriate to allow any type of residential development because freight-focused road design, lack of sidewalks, lack of parks and open space, and the industrial character of adjacent uses make it unpleasant and unsafe to have families with children residing in the area.

Adopted this 1st day of April 2024.

Deanna Werner, City Clerk