



“Say Yes to Housing” Legislative Package Overview – March 7, 2025

Unique Aspects:

Minnesota Starter Home — The ostensible goal of this bill is to encourage the construction of “starter homes.” At the press conference yesterday, legislators claimed that the only single-family homes being built in Minnesota are priced at \$400,000 - \$500,000 or more, but this bill will change that. It basically does this by requiring that cities allow duplexes and ADUs in all residential districts, as well as townhomes in newly platted districts and vacant lots.

- The bill contains a variety of guidelines on minimum lot sizes as well as further restrictions on townhomes.

Missing Middle Act — This legislation is designed to increase the number of three and fourplexes throughout a city. In Greater Minnesota, it applies only to cities with a population of 10,000 or more. This bill is written in a very confusing manner, but here are a few things we think it does:

- All affected cities must change their zoning within a certain distance of a municipal state-aid street (MSAS). Cities are given the choice of the following:
 - Mixed-use housing zones that authorize residential or mixed-use development with three residential units on 80% of the land within ½ mile of an MSAS; or
 - Mixed-use housing zones that authorize a residential or mixed-use development containing 4 residential units on 80% of the land within ¼ mile of an MSAS.
- The bill defines all the housing types that must be permitted in these mixed-use housing zones (SFH, townhouses, duplexes, triplexes/fourplexes depending on what you choose, ADUs, and mixed-use development).
- The bill also sets a number of restrictions, such as minimum density at 25 residential units per acre, lot coverage of at least 80% of a lot, front setbacks of 20 feet or less, and a variety of other restrictions.
- Cities cannot impose requirements unless provided for in the state building code related to minimum square footage, side setbacks, and a variety of other aspects.
- These developments must still comply with city requirements, including the adequacy of existing public infrastructure imposed by a city to protect public health, safety, and general welfare.
- These developments are also subject to state or federal law that protects floodplains, areas of critical or historical concern, and other environmental restrictions.
- The bill also requires that any standards placed on housing must relate directly to protecting public health, safety, and general welfare.
- This bill contains a punitive measure in which a city that fails to adopt the new standards must allow up to six residential units within ½ mile of an MSAS.

Housing in Commercial Districts:

- Multifamily residential development is permitted in any zoning district that authorizes commercial use, except where heavy industrial is also permitted.

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- For purposes of this act, public health, safety, and general welfare do NOT include traffic, noise, or nuisance concerns for developments with less than 300 units. (In other words, in most Greater Minnesota Housing developments).
- The bill includes confusing language regarding which types of standards can actually be imposed.
- Municipalities must allow a floor area ratio of 2.5 or greater.
- Height limitations are restricted.
- The required administrative review would be limited to 60 days, but a developer could toll the time period and then restart it whenever it wants.
- Municipalities must permit one or more maximum dimensional standards as a bonus for affordable housing.

For additional information or questions, please contact GMNP Executive Director Darielle Dannen at darielle@gmnp.org.

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