



City Council Memorandum

To: Mayor Fasbender and City Council
From: John Hinzman, Community Development Director
Date: February 22, 2022
Item: Resolution: Support of Housing and Local Decision Making Authority

Council Action Requested:

Adopt the attached resolution supporting housing and local decision making authority. The resolution is based on a draft authored by the League of Minnesota Cities. A simple majority is necessary for action.

Background Information:

The resolution is in response to the proposed “Legalize Affordable Housing Act” [HF 3256](#) which was recently introduced and referred to the State Government Committee (Local Government Division). The bill would have significant impact on our local land use authority. In general the bill would codify certain land use densities within our comprehensive plan and remove local land use authority by establishing areas of significantly higher residential housing densities across the City. The bill would:

- Mandates upzoning in cities across the state
- Establish a minimum 8 dwelling units per acre density for unsubdivided land
- Eliminate planned and staged development within the metro area
- Removed long-standing and important and accountable city planning authorities, effectively privatizing planning functions.
- Codify the Comprehensive Plan giving Metropolitan Council significant authority over local land use authority.
- Change the purpose of the comprehensive plan from an aspirational document to a regulatory document.

The League of Minnesota Cities have mobilized to oppose the Bill and

Attachments:

- Resolution
- Powerpoint - League of MN Cities and Metro Cities

**CITY OF HASTINGS
STATE OF MINNESOTA**

RESOLUTION _____

A RESOLUTION SUPPORTING HOUSING AND LOCAL DECISION-MAKING AUTHORITY

Council member _____ introduced the following Resolution and moved its adoption:

WHEREAS, local elected decision-makers are in the best position to determine the health, safety, and welfare regulations that best serve the unique needs of their constituents; and

WHEREAS, zoning regulation is an important planning tool that benefits communities economically and socially, improves health and wellness, and helps conserve the environment; and

WHEREAS, local zoning regulation allows communities to plan for the use of land transparently, involving residents through public engagement; and

WHEREAS, cities across the state are keenly aware of the distinct housing challenges facing their communities and they target those local housing challenges with available tools; and

WHEREAS, multiple bills restricting local decision-making related to housing have been introduced in the 2021-2022 biennium.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HASTINGS that this Council supports local decision-making authority and opposes legislation that restricts the ability for local elected officials to respond to the needs of their communities.

LET IT ALSO BE RESOLVED that this Council supports housing policy that advances solutions to support full housing spectrum solutions, local innovation, incentives instead of mandates, and community-specific solutions throughout Minnesota.

Council member _____ moved a second to this resolution and upon being put to a vote it was adopted by the Council Members present.

Adopted by the Hastings City Council on February 22, 2022, by the following vote:

Ayes:
Nays:
Absent:

ATTEST:

Mary Fasbender, Mayor

Kelly Murtaugh,
City Clerk

(City Seal)

I HEREBY CERTIFY that the above is a true and correct copy of resolution presented to and adopted by the City of Hastings, County of Dakota, Minnesota, on the 22nd day of February, 2022, as disclosed by the records of the City of Hastings on file and of record in the office.

Kelly Murtaugh, City Clerk

(SEAL)

This instrument drafted by:
City of Hastings (JH)
101 4th St. E.
Hastings, MN 55033

2022 Housing Bills



Charlie Vander Aarde – Metro Cities
Irene Kao – League of Minnesota Cities



91 member cities

Represents the collective interests of cities across the seven-county metro region at legislature, executive branch and Metropolitan Council

Represents shared interests of metropolitan cities at Metropolitan Council across scope of Council functions

Policies are developed by our members and guide our work in St. Paul



837 members (of 854 Minnesota cities)

Mission: The League of Minnesota Cities promotes excellence in local government through effective advocacy, expert analysis, and trusted guidance for all Minnesota cities

Housing Discussions at the Capitol

Single Family Home/Duplex-focused bill from Rep. Steve Elkins

Tenant Protection policy and rental assistance \$\$ bills

New construction \$\$ bills

Housing preservation \$\$ bills

Comprehensive Housing bill – city supported legislation



Housing Policy Should...

1. **Address the full spectrum of housing** from preservation of naturally occurring affordable housing on up to market rate
2. **Support the local innovation** that cities are deploying to address needs and promote development
3. **Provide incentives** to cities that allows for local efforts that meet diverse local needs
4. **Provide community-specific solutions throughout Minnesota** that are sensitive to the different housing needs across cities

Housing Needs in Cities: State Policy Solutions That Work

Cities across the state are keenly aware of the unique housing challenges that face their communities, which can include shortages, high construction costs, and racial disparities. Cities are targeting these local housing needs with the tools available to them. In fact, housing development in cities is ahead of pace to meet a state goal of building 300,000 homes by 2030. Despite that, we can do better.

Legislative action focused on supporting cities must be a part of this solution-oriented approach.

What works:

Full housing spectrum solutions

Each city is sustained by a different mix of housing stock, which may include but is not limited to: affordable housing, market-rate housing, and rental.

WHAT CITIES ARE DOING: Housing rehabilitation programs, tax abatement, inclusionary housing policies, and more.

LEGISLATIVE NEED: Adequately funded state housing programs and policy changes that support construction and preservation of housing across the housing spectrum.

What works:

Local innovation support

Cities create policy and finance solutions to target locally-identified housing needs.

WHAT CITIES ARE DOING: Mixed-use developments, monetary and policy incentives for diverse housing stock, fee waivers, and more.

LEGISLATIVE NEED: More flexibility and more authority to use tools and resources that foster local innovation to address unique, individual community needs.

What works:

Incentives instead of mandates

Market forces such as demand, cost of land, labor shortages, and materials are creating private sector market failures. Partnerships and outside resources can bridge the gap for developers and create more affordability.

WHAT CITIES ARE DOING: Low or no cost city-supplied lots, tax increment finance districts, free electrical service for construction sites, and more.

LEGISLATIVE NEED: Incentives for the private sector to construct less profitable housing statewide, additional flexibility for cities to construct and attract development when the private market won't meet community needs.

What works:

Community-specific solutions throughout Minnesota

From Baudette to Bloomington, housing solutions must be responsive to the circumstances and unique characteristics of each city.

WHAT CITIES ARE DOING: First-time homebuyer down-payment assistance, local housing trust funds, density bonuses, and more.

LEGISLATIVE NEED: Support of city land use decisions that make sense for their communities, infrastructure solutions that protect taxpayers and resident safety.

Zoning Reform Bill

Named the “Legalize Affordable Housing Act”

- Previewed in August, first introduced last week

[HF 3256](#) – Rep. Steve Elkins (DFL-Bloomington), Rep. Mike Howard (DFL-Richfield)

- Referred to State Government committee (Local Gov division)

Senate companion will be introduced by Sen. Rich Draheim (R-Howard Lake), who chairs the Senate Housing committee

Rep. Elkins Zoning Reform Bill

Metro Cities, League of Minnesota Cities, Municipal Legislative Commission, Coalition of Greater MN Cities & MN Association of Small Cities oppose this bill.

- Mandates upzoning in cities across the state.
- Establishes minimum 8u/acre density for unsubdivided land.
- Eliminates planned and staged development in metro area.
- Removes long-standing and important and accountable city planning authorities, effectively privatizing planning functions

Rep. Elkins Zoning Reform Bill

Article 1 – Street Impact Fees

- Differs from city-supported language for infrastructure accountability in [SF 277](#) (Pratt) / [HF 527](#) (Masin)

Article 2 – Street Improvement Districts

- Long-standing LMC, Metro Cities-supported language in [SF 1998](#) (Johnson Stewart) / [HF 1565](#) (Elkins)



Rep. Elkins Zoning Reform Bill

Article 3 – Planning and Zoning Reforms

Preempts interim ordinances

A housing proposal that is consistent with the comprehensive plan on the date of submission and is submitted or pending before the adoption of an interim ordinance is exempt from the regulations, restrictions, or prohibitions in the interim ordinance.



Rep. Elkins Zoning Reform Bill

Article 3 – Planning and Zoning Reforms

Municipal Planning Consistency (M.S. 462.357)

Official Controls: Subdivision Regulation; Dedication: (M.S. 462.358)

Comp Plans for Local Governments (M.S. 473.858)

Adoption; Conflicts, Amendment of Controls, Devices (M.S. 473.865)

Regulations, fiscal devices or official controls do not conflict with a land use plan if they permit all uses that are permitted or required in the land use plan at densities permitted or required by the plan, and they prohibit all uses expressly prohibited by the plan. (allows an exception for C/I uses)

Rep. Elkins Zoning Reform Bill

Article 3 – Planning and Zoning Reforms

Affordable Housing Goals (M.S. 473.254)

Requires that only parcels that are consistent with and promote the policies of the Metropolitan Development Guide and are zoned for multifamily housing at the guided level of density may qualify toward a municipality's affordable and life-cycle housing goals.

Rep. Elkins Zoning Reform Bill



Article 4 – Limiting Regulations on Residential Development

Mandated Statewide
Upzoning (M.S. 462.357)

Duplexes or ADUs
allowed on all parcels
currently zoned for
single family housing

Rep. Elkins Zoning Reform Bill

Article 4 – Limiting Regulations on Residential Development

PUD Restrictions (M.S. 462.3575)

A city can't require a PUD if the proposed residential development complies with existing city zoning ordinances or subdivision regulations, or qualifies as a conditional use.

Establishes limitations on requiring specific materials for aesthetic reasons.

A city can not require more than a one-car garage.

No minimum sq footage for a residential building or accessory structure to a residential building.

Rep. Elkins Zoning Reform Bill

Article 4 – Limiting Regulations on Residential Development

Industrial & Modular Buildings Allowed (M.S. 462.357)

Prohibits city regulations against industrialized/modular buildings for residential use built in conformance with Minnesota Rules, chapter 1361

Rep. Elkins Zoning Reform Bill

Article 5 – Municipal Dedication Fees

- Municipal Dedication Fees (M.S. 462.357)
- The park fee is capped at 10% of the fair market value of the development. Allows land and/or cash to count toward park ded fee. Not-buildable land may be dedicated but is not included in 10% cap. Land for regional trails is included.
- Requires cities to cap land for transpo at MnDOT MSAS admin rules. Prohibits city collecting land wider than 32' that is not a collector or arterial street. Requires city to use guidance from nat'l traffic engineering orgs for non-collector, non-arterial streets.
- Sidewalks included.

Rep. Elkins Zoning Reform Bill

Article 6 – Metro Area Density

Metro Area Density (M.S. 473.859)

Zoning for unsubdivided land for residential use, including areas identified as land that may come within the urban service area for residential development and that is not connected to the metropolitan disposal system, must provide for a density of residential development of no less than 8u/acre or no more than 1u/10 acres for long-term rural land.

Rep. Elkins Zoning Reform Bill

Article 7 – Sewer Availability Charge

Sewer Availability Charge (SAC) (M.S. 473.517)

Development in unsewered areas is assessed at actual density, but no less than four SAC units per acre.

Rep. Elkins Zoning Reform Bill

Article 8 – Building Permit Deadlines

60 Day Rule (M.S. 15.99 and M.S. 473.865)

A building permit application must be processed in accordance with M.S. 15.99

Rep. Elkins Zoning Reform Bill

Article 9 – Building Permit Fees

Building Permit Fees (M.S. 326B.153)

The commissioner shall establish a cost per square foot valuation of new and additions to one- and two-family, townhouse, and accessory utility buildings.

Cities would be allowed to set their own building permit fees.

Rep. Elkins Zoning Reform Bill

Article 10 – Energy Cost Disclosure Requirement

Seller would be required to disclose cost of the usage of electricity, natural gas, and water over the last 12 months

Rep. Elkins Zoning Reform Bill

Article 11 – Construction and Development Fee Report

Increase threshold for full reporting of municipal fee and expense report from currently \$5,000 to \$7,000

However, currently required to send in report attesting to collecting less than \$5,000

Article 12 – Oak Grove and Nowthen Land Use Exception Repealed

City Responses

Preserve Local Decision-Making Authority

Maintain Local Roles in planning, land use, zoning

Support actual policies and programs that address housing affordability and homeownership

LMC bill



Comprehensive Housing Spectrum Act – city supported

Provisions include:

- Assisting cities in addressing the market-based challenges to new construction, which include the rising cost of land, labor, and lumber
- Resources and policy solutions to preserve existing naturally occurring affordable housing (NOAH) in communities
- New Housing Cost Reduction Incentive Program to award cities state grant funding when waiving fees or adopting inclusionary housing policies to support affordable single- or multi-family construction
- Additional authorization of Housing Infrastructure Bonds to support qualified single- and multi-family affordable construction and rehabilitation efforts
- Additional funding for existing programs – Challenge Fund Grant and Local Housing Trust Fund matching grants, and new programs - grant for preservation and rehabilitation of NOAH units
- Broader flexibility to use tax increment financing for qualified housing projects and transfer certain increment to a Local Housing Trust Fund
- State resources to assist cities with cost of public infrastructure necessary for residential development
- Addressing negative impact of corporate investor purchases of single-family, owner-occupied homes that are often transitioned into rental units, which greatly diminishes homeownership opportunities

What Can Cities Do?

Your city can adopt a [model resolution](#) on housing and development:

Please consider personalizing and presenting this resolution to your city council.

You can access this draft template at www.lmc.org/HDresolution

If your city council passes the resolution, please have a copy sent to advocacy@lmc.org so your city can be added to the League's master list and shared with legislators.

RESOLUTION # _____

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ADOPTED by the _____ City Council this ____ day of _____, 2022.

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Questions?

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