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**ZONING CODE TEXT AMENDMENT**

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*Initiator:* Council Member Gordon  
*Introduction Date:* November 8, 2019  
*Prepared By:* Andrew Frenz, Senior City Planner, (612) 673-3790  
*Specific Site:* N/A  
*Ward:* All  
*Neighborhood:* All  
*Intent:* To remove the owner-occupancy requirement for certain accessory dwelling units.

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**APPLICABLE SECTION(S) OF THE ZONING CODE**

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- Chapter 537, Accessory Uses and Structures

The following chapter was also introduced: Chapter 525, Administration and Enforcement. However, staff is not recommending changes to this chapter as part of this amendment and is therefore recommending returning it to the author.

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## BACKGROUND

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On November 8, 2019, Council Member Gordon introduced a text amendment to remove the owner-occupancy requirement for accessory dwelling units (ADUs).

The zoning code currently allows for the establishment of ADUs accessory to conforming owner-occupied single- and two-family dwellings. This requirement is implemented and enforced through the recording of a covenant of owner-occupancy prior to the issuance of a building permit. The intent of the proposed amendment is to remove the owner-occupancy requirement for detached and attached ADUs, allowing their establishment accessory to non-owner-occupied single- and two-family dwellings. Internal ADUs would remain subject to the existing owner-occupancy requirement under the proposed amendment, where not established as a separate unit under the building code.

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## ANALYSIS

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### **What is the reason for the amendment and what public purpose will be served?**

The purpose of the amendment is to allow a greater number of properties in the city the opportunity to establish an ADU. Allowing the establishment of detached and attached ADUs accessory to non-owner-occupied single- and two-family dwellings will increase the number of properties which are eligible to establish an ADU.

The public purpose of the proposed amendment is to increase housing supply and choice throughout the city. ADUs have proven to be a successful strategy to incrementally increase housing supply in low- and medium-density residential neighborhoods while keeping within the scale of existing development. In addition, ADUs are also a successful strategy to increase the variety of housing options available in certain neighborhoods. For example, a neighborhood composed largely of single-family dwellings likely includes very few studio or one bedroom units, and a household looking for a smaller home may have few, if any, options available in the neighborhood. ADUs are typically smaller units and can serve to increase the variety of available housing in neighborhoods where housing is more homogenous. In addition, ADUs can also serve as unique solutions to certain living situations that may not be well-accommodated by traditional dwelling units, such as multi-generational households or a person with disabilities desiring a semi-independent space close to family members or a caregiver. The proposed amendment would allow for greater opportunity to establish ADUs to provide these public benefits.

### **How is the amendment consistent with the purpose of the zoning district(s) or ordinance chapter(s) being amended?**

The amendment is consistent with the purpose of the accessory uses and structures chapter of the zoning ordinance. The proposed amendment is narrow in scope, eliminating the current owner-occupancy requirement for detached and attached ADUs. Existing regulations which allow ADUs only where accessory to a conforming single- or two-family dwelling, and which limit the size of ADUs to ensure that they remain subordinate in size, character, and purpose to the principal dwellings to which they are accessory, would remain. These regulations include requiring that the floor area of ADUs remains less than the floor area of the principal dwelling; limiting the footprint of detached ADUs to the same limits that garages and other accessory structures are held to, 676 square feet or ten percent of the lot area, whichever is greater, not to exceed 1,000 square feet; limiting the total floor area of detached ADUs to 1,300 square feet or 16 percent of the lot area, whichever is greater, not to exceed 1,600 square feet; and limiting the height of detached ADUs to 21 feet.

### **Are there consequences in denying this amendment?**

Denial of the proposed amendment would continue to limit the establishment of ADUs to owner-occupied single- and two-family dwellings. This would very likely result in fewer ADUs being established than if the amendment were adopted, contributing to a persistent lack of housing supply and choice, particularly in neighborhoods which today have relatively homogenous housing types and which have fewer opportunities to add housing supply due to zoning limitations, land value, or other factors.

**What adverse effects may result with the adoption of this amendment?**

The proposed amendment could increase the cost of establishing detached and attached ADUs. Today, due to a building code interpretation made possible by the current owner-occupancy requirement, ADUs in Minneapolis are not regulated as separate dwelling units under the building code, but rather as habitable spaces accessory to and part of the primary dwelling unit to which they are accessory. With the elimination of the owner-occupancy requirement under the proposed amendment, new detached and attached ADUs would be regulated as full dwelling units under the building code. These ADU types will no longer be able to take advantage of certain accommodations in the building code related to nonconformities currently afforded to ADUs. Because the vast majority of detached and attached ADUs are new construction, staff does not anticipate that this change will have an appreciable impact on the number of ADUs established in the future.

Staff and the amendment’s sponsor studied and considered the possibility of removing the current owner-occupancy requirement for internal ADUs as part of the proposed amendment. Because the vast majority of internal ADUs established in Minneapolis are located within pre-existing spaces, most commonly existing basements, many internal ADUs are highly dependent on the building code accommodations for nonconformities to standards such as stairway geometry and ceiling height which are currently afforded to ADUs. These accommodations would be no longer be available were the owner-occupancy requirement for internal ADUs to be eliminated. Staff has concluded that the elimination of the owner-occupancy requirement for internal ADUs would very likely result in a reduction in the number of ADUs being established, and this change is not being pursued as part of this amendment.

Staff has confirmed with Public Works and Construction Code Services staff that under the proposed amendment, new detached ADUs will still be able to utilize the existing water and sewer connections of the primary dwelling in most cases. The exception to this would be in a case where the total demand under the plumbing code of fixtures on the property exceeded the capacity of the existing connection to the water supply.

**How does the amendment relate to other City ordinances?**

As noted above, the proposed amendment would not alter any other regulations in the zoning code which apply to accessory dwelling units.

Also as noted above, the proposed amendment would result in new detached and attached accessory dwelling units being regulated as full dwelling units under the building code.

Since the adoption of the initial ADU ordinance in 2014, the zoning code has been amended to allow two- and three-family dwellings in all low-density residential districts. This amendment has opened new opportunities to incrementally add housing supply and variety to lower-density residential neighborhoods. Many properties for which an ADU was previously the only route to add additional density now also have the option of adding new housing through redevelopment with a two- or three-family dwelling. However, ADUs remain a useful tool for adding housing supply in a detached structure or in space located within an existing dwelling which may not meet building or zoning code requirements for a full dwelling unit.

**What factors are influencing the timing of the proposed amendment? Why?**

The proposed amendment is being brought forward to directly implement a portion of Policy 35, Action Step d. in *Minneapolis 2040*, which was adopted effective January 1, 2020.

**How does the amendment compare to practices in other cities?**

Minneapolis is in the minority in requiring owner-occupancy for properties which include ADUs. The majority of cities which permit and regulate ADUs do not have an owner-occupancy requirement. Denver, Portland, and Seattle are among peer cities which do not have an owner-occupancy requirement for ADUs, Seattle having previously had such a requirement which was removed in 2019. Saint Paul is among the few peer cities which currently restrict the occupancy of properties with ADUs in a similar manner to Minneapolis.

**How will this amendment implement the comprehensive plan?**

The amendment will implement the following applicable goals of *Minneapolis 2040* (2020):

- Goal 1. Eliminate disparities: In 2040, Minneapolis will see all communities fully thrive regardless of race, ethnicity, gender, country of origin, religion, or zip code having eliminated deep-rooted disparities in wealth, opportunity, housing, safety, and health.
- Goal 2. More residents and jobs: In 2040, Minneapolis will have more residents and jobs, and all people will equitably benefit from that growth.
- Goal 3. Affordable and accessible housing: In 2040, all Minneapolis residents will be able to afford and access quality housing throughout the city.

The following policies and action steps from *Minneapolis 2040* (2020) apply to this proposal:

**Policy 1. Access to Housing: Increase the supply of housing and its diversity of location and types.**

- d. In neighborhood interiors that contain a mix of housing types from single family homes to apartments, allow new housing within that existing range.
- e. In neighborhood interiors furthest from downtown that today contain primarily single-family homes, achieve greater housing supply and diversity by allowing small-scale residential structures with up to three dwelling units on an individual lot.

**Policy 33. Affordable Housing Production and Preservation: Produce housing units that meet the changing needs of Minneapolis residents in terms of unit sizes, housing types, levels of affordability, and locations while preserving existing housing using targeted, priority-based strategies.**

- j. Support and promote housing options that allow for aging in place, both within a community and at home.

**Policy 35. Innovating Housing Types: Pursue innovative housing types and creative housing programs to help meet existing and future housing needs.**

- b. Review and revise existing policies, programs, and regulations to remove barriers and support innovative, energy efficient, and creative housing options, such as multi-generational housing that supports large family structures, single room occupancy, shared housing, co-housing, and cooperative-housing.
- d. Allow Accessory Dwelling Units (ADUs) on both owner occupied and non-owner occupied property, develop a set of ADU templates that meet City codes to ease ADU construction and allow the use of tiny homes and other alternative housing as ADUs.

This amendment is consistent with the above policies of the comprehensive plan.

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**RECOMMENDATIONS**

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The Department of Community Planning and Economic Development recommends that the City Planning Commission and City Council adopt staff findings to amend Title 20 of the Minneapolis Code of Ordinances, as follows, and further recommends that Chapter 525 be returned to the author:

**A. Text amendment to Chapter 537.**

Recommended motion: **Approve** the text amendment to amend regulations related to accessory dwelling units.

Chapter 537 related to the Zoning Code: *Accessory Uses and Structures*

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**ATTACHMENTS**

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1. Ordinance amending Chapter 537 related to the Zoning Code: Accessory Uses and Structures
2. Racial Equity Impact Analysis
3. Public Comments

## ORDINANCE

By Gordon

### Amending Title 20, Chapter 537 of the Minneapolis Code of Ordinances relating to Zoning Code: Accessory Uses and Structures.

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That Section 537.110 of the above-entitled ordinance be amended to read as follows:

**537.110. – Allowed accessory uses and structures.** The following accessory uses shall be allowed, subject to the following development standards:

*Accessory dwelling units.* Internal, attached, and detached accessory dwelling units shall be allowed accessory to a principal residential structure, subject to the following:

(1) The principal residential structure shall be a permitted or conditional single-family or two-family dwelling, accessory dwelling units shall be prohibited accessory to all other uses.

(2) No more than one (1) accessory dwelling unit shall be allowed on a zoning lot.

(3) The creation of an accessory dwelling unit shall not create a separate tax parcel.

(4) Balconies and decks shall not face an interior side yard.

(5) Rooftop decks shall not be allowed.

~~(6) An owner of the property must occupy at least one (1) dwelling unit on the zoning lot as their primary place of residence.~~

~~a. If an owner is unable or unwilling to fulfill the requirements of this section, the owner shall remove those features of the accessory dwelling unit that make it a dwelling unit. Failure to do so will constitute a violation of this section.~~

~~b. Prior to issuance of a permit establishing an accessory dwelling unit, the owner(s) shall file with the Hennepin County recorder a covenant by the owner(s) to the City of Minneapolis stating that the owner(s) agree to restrict use of the principal and accessory dwelling units in compliance with the requirements of this section and notify all prospective purchasers of those requirements.~~

~~c. The covenant shall run with the land and be binding upon the property owner, their heirs and assigns, and upon any parties subsequently acquiring any right, title, or interest in the property. The covenant shall be in a form prescribed by the zoning administrator that includes the legal description of the zoning lot. The property owner(s) shall return the original covenant with recording stamp to the zoning administrator before the building permit for the accessory dwelling unit is issued.~~

~~d. At the request of a property owner and upon an inspection finding that an accessory dwelling unit has been removed from the owner's property, the zoning administrator shall record a release of any previously recorded covenant for that accessory dwelling unit.~~

(7 6) Accessory dwelling units that are internal to a principal residential structure shall also comply with the following requirements:

a. Internal accessory dwelling units are limited to eight hundred (800) square feet. The gross floor area of an internal accessory dwelling unit may exceed eight hundred (800) square feet only if the portion of the structure in which the accessory dwelling unit is located was in existence as of January 1, 2015. In no case shall the floor area of the internal accessory dwelling unit exceed the floor area of the first floor of the primary structure.

b. The entire internal accessory dwelling unit shall be located on one (1) level.

c. The creation of the accessory dwelling unit shall not result in additional entrances facing the public street on the primary structure.

d. Stairways leading to an attached accessory dwelling unit located above the ground floor of a principal residential structure shall be enclosed or located entirely to the rear of the principal residential structure.

e. An owner of the property that includes an accessory dwelling unit that is internal to a principal residential structure, and where the accessory dwelling unit is not a separate dwelling unit under the Minnesota State Building Code, must occupy at least one (1) dwelling unit on the zoning lot as their primary place of residence. If an owner is unable or unwilling to fulfill the requirements of this section, the owner shall remove those features of the accessory dwelling unit that make it a dwelling unit. Failure to do so will constitute a violation of this section.

1. Prior to issuance of a permit establishing an accessory dwelling unit, the owner(s) shall file with the Hennepin County recorder a covenant by the owner(s) to the City of Minneapolis stating that the owner(s) agree to restrict use of the principal and accessory dwelling units in compliance with the requirements of this section and notify all prospective purchasers of those requirements.

2. The covenant shall run with the land and be binding upon the property owner, their heirs and assigns, and upon any parties subsequently acquiring any right, title, or interest in the property. The covenant shall be in a form prescribed by the zoning administrator that includes the legal description of the zoning lot. The property owner(s) shall return the original covenant with recording stamp to the zoning administrator before the building permit for the accessory dwelling unit is issued.

3. At the request of a property owner and upon an inspection finding that an accessory dwelling unit has been removed from the owner's property, the zoning administrator shall record a release of any previously recorded covenant for that accessory dwelling unit.

(8 7) Accessory dwelling units that are attached to a principal residential structure shall also comply with the following requirements:

a. The maximum gross floor area for an attached accessory dwelling unit shall be eight hundred (800) square feet.

b. The creation of the accessory dwelling unit shall not result in additional entrances facing the public street on the primary structure.

c. Stairways leading to an internal accessory dwelling unit located above the ground floor of a principal residential structure shall be enclosed or located entirely to the rear of the principal residential structure.

d. The primary exterior materials of an attached accessory dwelling unit shall match the primary exterior materials of the principal structure.

e. Accessory dwelling units that are attached to a principal residential structure and established prior to March 6, 2021, and subject to a covenant of owner-occupancy shall remain subject to such covenant. At the request of the property owner and upon inspection by the building official verifying that the accessory

dwelling unit meets the requirements for a dwelling unit under the Minnesota State Building Code, the zoning administrator shall record a release of such covenant.

(9 8) Detached accessory dwelling units shall also comply with the following requirements:

a. Except as authorized by variance, a detached accessory dwelling unit shall not exceed twenty-one (21) feet in height.

b. The gross floor area of a detached accessory dwelling unit, including any areas designed or intended to be used for the parking of vehicles and habitable floor area on all levels, shall not exceed one thousand three hundred (1,300) square feet or sixteen (16) percent of the lot area, whichever is greater. In no case shall the gross floor area exceed one thousand six hundred (1,600) square feet or exceed the gross floor area of the principal dwelling, whichever is less.

c. When a lot includes a detached accessory dwelling unit, the combined floor area of the footprint of the detached accessory dwelling unit, and all other accessory structures and uses designed or intended to be used for the parking of vehicles, shall not exceed six hundred seventy-six (676) square feet or ten (10) percent of the lot area, whichever is greater, not to exceed one-thousand (1,000) square feet.

d. The minimum interior side yard requirement for a detached accessory dwelling unit shall not be less than three (3) feet.

e. The minimum rear yard requirement for a detached accessory dwelling unit may be reduced to three (3) feet, except where vehicle access doors face the rear lot line, in which case no reduction of the required yard is permitted.

f. A detached accessory dwelling unit on a reverse corner lot shall be no closer to the side lot line adjacent to the street than a distance equal to two-thirds of the depth of the required front yard specified in the yard requirements table of the district of the adjacent property to the rear. Further, a detached accessory dwelling unit shall not be located within five (5) feet of a rear lot line that coincides with the side lot line of a property in a residence or office residence district.

g. The distance between the detached accessory dwelling unit and the habitable portion of the principal residential structure shall be a minimum of twenty (20) feet.

h. The primary exterior materials of the detached accessory structure shall be durable, including but not limited to masonry, brick, stone, wood, cement-based siding, or glass.

i. Not less than five (5) percent of the total area of the façade of a detached accessory dwelling unit facing an alley or public street shall be windows.

j. Exterior stairways shall be allowed, provided that the finish of the railing matches the finish or trim of the detached accessory dwelling unit. Raw or unfinished lumber shall not be permitted on an exterior stairway.

k. Detached accessory dwelling units established prior to March 6, 2020, and subject to a covenant of owner-occupancy shall remain subject to such covenant. At the request of the property owner and upon an inspection by the building official verifying that the accessory dwelling unit meets the requirements for a dwelling unit under the Minnesota State Building Code, the zoning administrator shall record a release of such covenant.

(10 9) The zoning administrator shall conduct the administrative review of all applications for an accessory dwelling unit. All findings and decisions of the zoning administrator shall be final, subject to appeal to the board of adjustment, as specified in Chapter 525, Administration and Enforcement.



# Racial Equity Impact Analysis (REIA)

**PURPOSE OF THIS TOOL:** To facilitate consideration of racial equity and examine how Black, Indigenous, and People of Color (BIPOC) could be affected by a proposed action or decision of the City. The questions are designed to lead to strategies that will prevent or mitigate impacts and unintended consequences on BIPOC communities. For resources and support in completing this analysis, visit the Division of Race & Equity’s SharePoint site at [minneapolis.mn.gov.sharepoint.com/sites/c00003/SREAP/REIA](https://minneapolis.mn.gov/sharepoint/sites/c00003/SREAP/REIA)

## SECTION 1: BACKGROUND

**SUBJECT:**

Owner-Occupancy Requirement for Accessory Dwelling Units Amendment

**WHO PARTICIPATED IN COMPLETING THIS ANALYSIS?**

Andrew Frenz, Jason Wittenberg, Breyonne Golding, and Wes Durham

**IS THIS ANALYSIS FOR A NEW OR UPDATED:** (Select only one per analysis process)

- ORDINANCE
- CHARTER AMENDMENT
- CITY ENTERPRISE POLICY

**DOES THIS IMPACT ONE OF THE [CITY’S GOAL AREAS?](#)** (Select all that apply)

Policy Goals

- Public Safety
- Housing
- Economic Development
- Public Services
- Environmental Justice
- Built Environment & Transportation
- Public Health
- Arts & Culture

Operational Goals

- Workforce
- Spending
- Data
- Community Engagement

**WHAT IS THE DESIRED OUTCOME FOR THIS ORDINANCE, AMENDMENT, OR POLICY?**

The intent of this zoning code text amendment is to remove the owner-occupancy requirement for detached and attached ADUs, allowing their establishment accessory to non-owner-occupied single- and two-family dwellings. ADUs were legalized in Minneapolis in 2014, but have only been permitted on homestead properties. The requirement for owner-occupied internal ADUs will remain as part of the proposed amendment.

Due to a shortage of housing units in the City, the goal is to expand affordable and accessible housing choices to meet changing needs and desires, especially in areas that lack housing supply and options for people looking for smaller affordable homes. The amendment would implement adopted policy in Minneapolis 2040 which calls for allowing the establishment of ADUs accessory to both owner-occupied

and non-owner-occupied single- and two-family dwellings.

## SECTION 2: DATA

### **LIST THE SPECIFIC GEOGRAPHS THAT WILL BE IMPACTED AND THE RACIAL DEMOGRAPHICS OF CONSTITUENTS IN THOSE AREAS:**

The amendment to owner occupancy requirements for accessory dwelling units does not have any specific geographic component, and these units will continued to be allowed where they are currently, which is most of the City.

### **WHAT DOES AVAILABLE DATA TELL YOU ABOUT HOW CONSTITUENTS FROM BIPOC COMMUNITIES CURRENTLY RELATE TO THE DESIRED OUTCOME COMPARED TO WHITE CONSTITUENTS?**

Regarding Housing affordability outcomes generally, in recent times, housing costs have risen relative to incomes for renters in Minneapolis but not for owners. White non-Hispanic residents are the only racial group in the city for which a majority own their own homes, all others are majority renter. Additionally, median white household income has remained significantly higher compared to that of households of color over time. Consequently, the burden of rising housing costs falls directly and disproportionately on BIPOC and immigrant communities in Minneapolis.

Limited access to housing on a geographic basis within Minneapolis is directly related to the issue of housing unaffordability described above. In the 20th century, redlining brought about divestment in BIPOC communities that featured higher densities and a mix of land uses while guiding investment towards farther out white areas with little variety of housing types. At the same time, racial covenants and other formal and informal barriers to relocation prevented BIPOC communities from seeking opportunity to build wealth elsewhere.

The continuing consequences of this discrimination can be seen today in how many of these areas that were designed to be white remain so and often feature higher concentrations of wealth compared to the city generally. While some racial segregation in Minneapolis may be explained by preference, limited housing options, by price, by home size, and by purchase vs rental options perpetuate the effects of legal segregation in the 20th century, and consequently limit access by proximity to important resources in such areas.

### **WHAT DATA IS UNAVAILABLE OR MISSING? HOW CAN YOU OBTAIN ADDITIONAL DATA?**

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As ADUs were only recently legalized in Minneapolis and make up a very small portion of the overall supply of homes in the city, relatively little data exists regarding them beyond basic permitting information, and no formal study of ADU activity to date has been brought together. Information on owners of ADUs is limited publicly available tax payer information, while generally no data currently exists regarding the occupants of ADUs.

### SECTION 3: COMMUNITY ENGAGEMENT

**USING THE INTERNATIONAL ASSOCIATION OF PUBLIC PARTICIPATION (IAP2) [PUBLIC PARTICIPATION SPECTRUM](#), WHICH PARTICIPATION STRATEGY(S) WAS USED WHEN ENGAGING THOSE WHO WOULD BE MOST IMPACTED?**

- INFORM
- CONSULT
- INVOLVE
- COLLABORATE
- EMPOWER

**DESCRIBE THE ENGAGEMENT AND WHAT HAVE YOU LEARNED?**

This zoning code text amendment is a result of engagement from the planning process of the Minneapolis 2040 Comprehensive Plan. From April 2016 – July 2018, staff engaged with the general public from recent immigrants, seniors, college students, homeless, youth and families, to policy advocates, cultural organizations, public agencies, developers, property and small business owners. This included an extensive effort over three years informing, interacting with and collecting feedback from the community; through workshops, large meetings, focus groups, town halls, street festivals, online engagement activities and small cultural dialogues that represented communities of color.

A key element of feedback received from the process was the need for more affordable and accessible quality housing options throughout the City. On November 8, 2019, Council Member Gordon introduced a text amendment to remove the owner-occupancy requirement for detached and attached accessory dwelling units (ADUs) in single- and two-family dwellings. The Owner-Occupancy Requirement for Accessory Dwelling Units amendment is being brought forward to directly implement a portion of Policy 35, Action Step d. in Minneapolis 2040, which was adopted effective January 1, 2020.

### SECTION 4: ANALYSIS

**HOW DOES THE OUTCOME FOR THIS ORDINANCE, AMENDMENT, OR POLICY HELP THE CITY ACHIEVE RACIAL EQUITY?**

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The outcome of this text amendment helping the city achieve racial equity is uncertain since ADUs are a tiny part in the larger goal to address Minneapolis housing crisis. Although this zoning text amendment would encourage a greater number of properties in the city to establish ADUs that can impact individuals from the BIPOC communities, who face the challenge of finding quality housing options and housing stability based on budget, access and other factors. There are many positive impacts and a few counterproductive impacts to consider.

ADUs have proven to be a successful strategy to incrementally increase housing supply in low- and medium-density residential neighborhoods while keeping within the scale of existing development.

In addition, ADUs are also a successful strategy to increase the variety of housing options available in certain neighborhoods. For example, a neighborhood composed largely of single-family dwellings likely includes very few studios or one-bedroom units, and a household looking for a smaller home may have few, if any, options available in the neighborhood.

ADU options can give BIPOC communities the opportunity to live in wealthy neighborhoods that were historically redlined to keep non-whites from living in those areas.

ADUs are typically smaller units and can serve to increase the variety of available housing in neighborhoods where housing is more homogenous.

ADUs' small size can lead to cheaper rent due to having a smaller square footage which can result in more affordable housing options.

ADUs can also serve as unique solutions to certain living situations that may not be well-accommodated by traditional dwelling units, such as multi-generational households or a person with disabilities desiring a semi-independent space close to family members or a caregiver. In addition, to helping the property owner generate wealth over time.

ADUs can be more-easily constructed on single-and two-family sites in close proximity to local amenities compared to a new constructed home.

However, this proposed amendment would result in a building code change that could increase the cost of establishing detached and attached ADUs, which should be considered. Although the owner will be able to recoup the construction cost over time and could charge market-rate for a up-to-date rental unit. ADUs would only be attainable to BIPOC with higher incomes who could afford the cost of rent. Today, due to a building code interpretation made possible by the current owner-occupancy requirement, ADUs in Minneapolis are not regulated as separate dwelling units under the building code, but rather as habitable spaces accessory to and part of the primary dwelling unit to which they are accessory.

With the elimination of the owner-occupancy requirement under the proposed amendment, new detached and attached ADUs would be regulated as full dwelling units under the building code. These ADU types will no longer be able to take advantage of certain accommodations in the building code related to nonconformities currently afforded to ADUs. Because the vast majority of detached and attached ADUs are new construction, staff does not anticipate that this change will have an appreciable impact on the number of ADUs established in the future.

## **SECTION 5: EVALUATION**

### **HOW WILL IMPACTS BE MEASURED? WHAT ARE THE SUCCESS INDICATORS AND PROCESS BENCHMARKS?**

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The primary way in which impacts will be measured is through the tracking of ADU permitting activity under this newer and broader set of conditions in which they may be established. Increased ADU activity generally can be understood to be an indicator of success, with further attention paid to specific trends regarding types, locations, and other relevant context.

As ADU activity potentially becomes more significant over time, their establishment may also become a notable contributor to measures of housing options with the city more generally, potentially making available more rental opportunities, affordable housing, small units, etc. available and a localized neighborhood scale.

In terms of evaluating potential impacts of ADU activity on racial equity in housing, as previously mentioned, existing data sets do not provide useful information. Community oriented outreach conducted by local organizations, could be one means towards understanding how BIPOC community members do or don't relate to ADUs as owners or renters.

**HOW WILL THOSE WHO ARE IMPACTED BE INFORMED OF PROGRESS OVER TIME?**

Staff are in the process of developing means of tracking progress towards the achievement of Minneapolis 2040 goals. That set of products will target relevant information regarding the scale of identified issues in aggregate (e.g. measures of housing variety at city scale) and also more specific information contributing to those high level indicators, such as permitting relevant to Minneapolis 2040 regulatory change.

## Frenz, Andrew

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**From:** James Stolpestad <jastolpestad@gmail.com>  
**Sent:** Tuesday, October 27, 2020 8:23 PM  
**To:** Frenz, Andrew  
**Cc:** Zaffrann, David; GovDelivery; Fletcher, Steve; Gordon, Cam A.; Samuel Rockwell  
**Subject:** [EXTERNAL] ADU policies in the zoning code

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Gentlemen,

I am writing regarding the pending zoning code text amendments presented to the City Planning Commission, Committee of the Whole, on October 22, 2020.

I strongly encourage a complete elimination of all owner-occupancy requirements tied to the opportunity to implement an accessory dwelling unit (ADU) in the City of Minneapolis.

As a resident and also as a business person involved in ADU's ([https://urldefense.com/v3/\\_\\_http://www.YardHomesMN.com\\_\\_;!!EB7VV9psZ\\_sHly7zVFY!H1Jl6R1U1vktkDx7Z7TsiSzIV1TCywdCwo1qNHUL-AI700kNtRjrdaxcCnrAXD1XEGHHXENBZyc\\$](https://urldefense.com/v3/__http://www.YardHomesMN.com__;!!EB7VV9psZ_sHly7zVFY!H1Jl6R1U1vktkDx7Z7TsiSzIV1TCywdCwo1qNHUL-AI700kNtRjrdaxcCnrAXD1XEGHHXENBZyc$)), I feel there are a number of compelling reasons to make this change:

1. Owner-occupancy provisions are a vestige of institutional racism in our land use policies:
  - Patterns of settlement and owner-occupancy vs. renters across Minneapolis are largely the result of racist land use and financing policy over the past 100+ years, including redlining, racial covenants and so forth. By now providing different opportunities for owner-occupants vs. non-owner-occupants reinforces those abhorrent legacies and continues to deny opportunities to communities that have greater proportions of BIPOC residents. I believe owner-occupancy provisions create clear disparate impacts that are prohibited under Federal and State fair housing laws.
  - I see no compelling reason that the imposition of differential policies based on these racially biased underlying factors should exist.
2. Owner-occupancy provisions unduly discriminate against renters, now the majority household sector in the City:
  - According to the Census Bureau, renters comprise the majority of households in Minneapolis, and there is nothing inherently inferior or deficient about renters. To deny opportunities to more than half the households in the city seems patently unfair.
3. Owner-occupancy provisions restrict the creation of ADUs by some of the most ambitious advocates for affordable housing.
  - Many land parcels in the city are owned by the City of Lakes Community Land Trust, Urban HomeWorks, the City of Minneapolis itself, and various other nonprofit housing providers. Implementation of ADU's on parcels owned by them are now constrained by owner-occupancy requirements, inhibiting these and similar parties from advancing the goals of the Minneapolis 2040 Plan.
4. Owner-occupancy provisions are recognized nationally as an outdated constraint, and diminishes our standing and the notable progress being recognized with the Minneapolis 2040 Plan.
  - The Minneapolis 2040 Plan has become recognized nationally as a positive, progressive land use aspiration. But those of us locally appreciate that there are significant differences between the plan and the underlying implementing code language. And one of these is owner-occupancy provisions. In comparison, the State of California has implemented State

Bill 13 to take away local jurisdictions the ability to impose owner-occupancy provisions, in light of the impediment these provisions have on the adoption of ADU's in the state.

- It would be beneficial to our standing nationally to quickly eliminate owner-occupancy provisions.

Thank you for considering my recommendations and these reasons. Happy to discuss.

Jamie

James A. Stolpestad II

203-585-7248

Jastolpestadii@gmail.com

[EXTERNAL] This email originated from outside of the City of Minneapolis. Please exercise caution when opening links or attachments.