



CITY COUNCIL WORK SESSION
City Hall—Shared Vision Room, 3989 Central Ave NE
Monday, July 01, 2024
6:00 PM

Mayor
Amáda Márquez Simula
Councilmembers
Connie Buesgens
Kt Jacobs
Rachel James
Justice Spriggs
City Manager
Aaron Chirpich

AGENDA

ATTENDANCE INFORMATION FOR THE PUBLIC

Members of the public who wish to attend may do so in-person, or by using Microsoft Teams Meeting at columbiaheightsmn.gov/joinameeting: ID 278 254 427 462, Passcode pfepBS . For questions, please contact Administration at 763-706-3610.

Auxiliary aids or other accommodations for individuals with disabilities are available upon request when the request is made at least 72 hours in advance. Please contact Administration at 763-706-3610 to make arrangements.

CALL TO ORDER/ROLL CALL

WORK SESSION ITEMS

- 1. PERA Defined Contribution Plan Changes. (5 Minutes)**
- 2. Liquor Store Anti-Litter Campaign. (15 Minutes)**
- 3. Rainbow Site Redevelopment Updates. (20 Minutes)**
- 4. Cannabis Business Regulations Discussion. (20 Minutes)**
- 5. Discussion on Zoning Updates. (20 Minutes)**
- 6. Discussion on Accessory Dwelling Units. (20 Minutes)**
- 7. Youth Commission Update to City Code. (5 Minutes)**
- 8. Legal Newspaper Information (5 Minutes).**
- 9. Council Corner. (5 Minutes)**
Updates from council regarding schedules, information sharing and priorities for continued education.
- 10. Old Business.**

ADJOURNMENT



CITY COUNCIL MEETING

AGENDA SECTION	WORK SESSION
MEETING DATE	JULY 1, 2024

ITEM:	PERA Defined Contribution Plan Changes		
DEPARTMENT:	Administration	BY/DATE:	HR Director Kelli Wick/June 26, 2024
CORE CITY STRATEGIES: <i>(please indicate areas that apply by adding an "X" in front of the selected text below)</i>			
<input type="checkbox"/> Healthy and Safe Community		<input type="checkbox"/> Thriving and Vibrant Destination Community	
<input type="checkbox"/> Equitable, Diverse, Inclusive, and Friendly		<input type="checkbox"/> Strong Infrastructure and Public Services	
<input checked="" type="checkbox"/> Trusted and Engaged Leadership		<input type="checkbox"/> Sustainable	

BACKGROUND

On June 26, 2024, the city received an email from PERA of upcoming changes to the defined contribution plan.

SUMMARY OF CURRENT STATUS

Individuals who were elected, hired, or appointed before February 1, 2024, and had an unlimited or revocable election period can make a final change to either start or stop DCP Plan participation. A final decision must be made by July 31, 2024, before the new law takes effect. Valid DCP members who want to remain enrolled do not need to take action.

STAFF RECOMMENDATION

Review the attached document regarding the upcoming changes.

RECOMMENDED MOTION(S):
Review attached document.

ATTACHMENT(S):

PERA Document

The PERA Defined Contribution Plan (DCP) was established in 1987 and is a defined contribution plan for local government officials, physicians, city managers, public ambulance service personnel, and other categories of employees listed under Minnesota Statutes Chapter 353D.

The DCP differs from PERA's defined benefit plans in that the employer and employee contributions are deposited in each member's account and invested by the Minnesota State Board of Investment. Accounts are 100% vested and can be distributed as a lump-sum payment following termination of employment. DCP members do not receive monthly pension benefits from this plan.

PERA's tax counsel recently reviewed PERA's DCP for federal compliance and identified areas within the plan that need to be updated to ensure the plan meets federal Internal Revenue Service (IRS) requirements.

WHAT'S CHANGING

» Elected or Hired Before February 1, 2024

Individuals who were elected, hired, or appointed before **February 1, 2024** and had an unlimited or revocable election period can make a final change to either start or stop DCP Plan participation. A final decision must be made by **July 31, 2024**, before the new law takes effect. Valid DCP members who want to remain enrolled do not need to take action.

» Elected or Hired Between February 1, 2024 and July 31, 2024

Individuals who were hired or took office between February 1, 2024 and July 31, 2024 can make a one-time election during October 2024. This includes city managers revoking participation in the PERA Coordinated Plan.

» New Hires

Effective August 1, 2024, all individuals newly hired or elected to a position eligible for DCP participation must make a one-time election within 30 days of hire. All provisions permitting individuals to make election more than 30 days after hire or to revoke election to participate are removed.

THIS CHANGE MAY IMPACT:

- Elected Officials
- City Managers
- Physicians
- Public Ambulance
- Volunteer Firefighters

Please ask your employer (or governmental subdivision) questions related to these changes as soon as possible. They can reach out to PERA's Employer Response Line for more help if needed.



You can call PERA Member Services at 651.296.7460 or 1.800.652.9026 Mon - Fri 8 am - 4:30 pm.



CITY COUNCIL WORK SESSION MEETING

AGENDA SECTION	WORK SESSION ITEM
MEETING DATE	JULY 1, 2024

ITEM:	Liquor Store Anti-Litter Campaign (15 Minutes)	
DEPARTMENT:	Liquor	BY/DATE: Joseph Kloiber, Finance Dir, Jun 25, 2024
<p>CORE CITY STRATEGIES: <i>(please indicate areas that apply by adding an "X" in front of the selected text below)</i></p> <p> <input type="checkbox"/> Healthy and Safe Community <input type="checkbox"/> Thriving and Vibrant Destination Community <input type="checkbox"/> Equitable, Diverse, Inclusive, and Friendly <input type="checkbox"/> Strong Infrastructure and Public Services <input type="checkbox"/> Trusted and Engaged Leadership <input checked="" type="checkbox"/> Sustainable </p>		

BACKGROUND:

In prior work sessions and emails over the past year, council members expressed concern over the volume of small bottle (e.g. 50 ML) litter in the community. In response, there was some initial discussion that simply eliminating that product format was not the preferred solution:

- Community members most inclined to litter would likely just litter an alternate product format.
- Eliminating the small bottle products would not address litter of other store products like cigarettes and lottery tickets.
- Sales of the small bottle product format contribute significantly to the financial resources available for community needs.

Consequently, staff proposes to reduce the volume of store product litter with an anti-litter campaign. The three primary elements of the proposed campaign are:

- On-going communications to increase customer awareness.
- A Fall community participation event with prizes for the greatest participation.
- A Spring clean-up event for store staff and others interested City staff.

SUMMARY OF CURRENT STATUS:

Preliminary concepts above to be discussed at July 1 work session.

STAFF RECOMMENDATION:

TBD

ATTACHMENT(S):

None



CITY COUNCIL WORK SESSION MEETING

AGENDA SECTION	WORK SESSION ITEM
MEETING DATE	JULY 1, 2024

ITEM:	Rainbow Site Redevelopment Updates	
DEPARTMENT:	Community Development	BY/DATE: City Manager / June 27, 2024
<p>CORE CITY STRATEGIES: <i>(please indicate areas that apply by adding an "X" in front of the selected text below)</i></p> <p> <input type="checkbox"/> Healthy and Safe Community <input checked="" type="checkbox"/> Thriving and Vibrant Destination Community <input type="checkbox"/> Equitable, Diverse, Inclusive, and Friendly <input type="checkbox"/> Strong Infrastructure and Public Services <input type="checkbox"/> Trusted and Engaged Leadership <input type="checkbox"/> Sustainable </p>		

BACKGROUND:

In July of 2021, the City partnered with Alatus LLC, to acquire the priority redevelopment site at 4300 Central Avenue NE. To facilitate the acquisition and preparation of the property, the City made a bridge loan that allowed Alatus to purchase the property, demolish the existing buildings, and cover costs associated with environmental testing and clearance. To provide the loan, the City issued Taxable General Obligation Temporary Tax Increment Bonds. The current proposed redevelopment plans for the site include a mix of high density and medium density housing, 75,000 square feet of commercial/retail space, and several civic amenities. The first phase of construction was expected to start in late 2023. However, due to market conditions and high interest rates for borrowing, the project has been delayed.

Of the various potential tenants scheduled to fill the commercial/retails space, there is significant community support to include a small-to-mid size “urban” format grocery store as one of the anchor tenants. Finding a grocery partner to fill this void has proven challenging for Alatus and the City, and Alatus has gone to great lengths to secure a viable grocery partner. Their efforts have included the commissioning of a market study to show market viability to potential tenants, and the results of the study show strong demand. Additionally, Altus has hired brokers that specialize in working with all major grocery chains currently active in the Twin Cities marketplace. This work has paid off and Alatus is in negotiations with a grocery partner that wants to be included in the project. However, there is one significant hurdle to overcome in working with this partner, and that is their need to include a liquor store in their plans, as all their current grocery stores include attached liquor stores, and these attached stores sell some branded products that are aligned with their grocery brand name. Maintaining the relationship between selling their groceries and their branded alcoholic beverages is very important to their business model. Currently, the grocery partner is not prepared to go public with their name.

In the City of Columbia Heights, retail liquor stores are limited to municipality owned and operated stores that must be run under certain State statutory provisions. This means that for the interested grocer partner to have an adjacent liquor store, they will need to partner with the City to create a new municipal liquor store on the site. The important MN liquor statutes to consider are as follows:

- Profits from a municipal liquor store can only be expended for public purposes. This explicit requirement precludes contracting with other parties for store management.
- All transactions, financial activities, and contracts of a municipal liquor store are public information, with financial summaries routinely published.
- If a municipalities liquor stores in the aggregate have a net loss from operations in two out of three consecutive years, a public referendum must be held on the question of whether to continue or cease operations.

Despite these challenges, there is potential to work out an arrangement that meets the needs of all parties. To this end, staff are working with Alatus and the grocery group to develop a plan that will lead to a partnership where the City would operate a new municipal liquor store adjacent to the proposed grocery store. The primary goal posts of this partnership are as follows:

- The liquor store would add a fourth store to the City's current liquor operation. The store would be branded the same as the City's other stores and become Top Value Liquor #4. This store would be staffed with City employees and subject to all statutory restrictions imposed by the State.
- The new store would be leased from the developer/owner of the project. It is common for municipal liquor stores to lease space from private parties. One such example is the city of Savage's municipal liquor store that is attached to a Hy-Vee grocery store.
- The proposed new liquor store would be relatively small, between 2,400 to 3,600 square feet.
- The City would work with the grocery partner to sell products that are consistent with offerings at their other stores. This would ensure that their grocery customers still have access to the liquor products they are used to purchasing at other locations in conjunction with their grocery trips.
- The City would agree to train it's staff in partnership with the grocery partner to ensure that their brand and culture are consistent and integrated into the City's municipal operation.
- Alatus is also interested in a lease agreement that accounts for the high traffic and sales volume that they believe would be driven to the store because of the grocery store's inclusion in the project. In other words, they will want to increase rent based on the performance of the site. To this end, the City cannot pay lease rates that are higher than market rate. However, if the site does prove to be high performing, the City can justify increased rents based on store performance. In contrast, lower lease rates would be expected by the City if performance is not as high as expected.

To reach these goals, there are several considerations that must be analyzed from the perspective of all parties. From a City perspective, staff will need to analyze potential adverse effects on the total liquor operations of the City. The primary business risk the City would assume by adding a liquor store in the proposed development, is the risk that not enough new customers will be drawn to the new store to offset the reduced profitability caused by the new store potentially diverting existing customers from the City's other three stores, spreading its existing customer base over a greater amount of store overhead, i.e. "cannibalizing" its existing three stores. This risk is currently being analyzed by the City's finance director and liquor operations manager. Staff are also considering scenario's where the new partnership could prove to increase the overall profitability of the City's liquor operations, as the City must take into consideration the high

volume of new residents that would be present on the site as potential new customers, and the ability to draw new customers into the City because of the new grocery store's brand recognition.

STAFF RECOMMENDATION:

Staff are seeking feedback from the Council regarding the proposed framework of the partnership outlined above. If the Council is interested in pursuing the concept, staff will move negotiations forward and spend the resources necessary to craft the various agreements needed.



CITY COUNCIL WORK SESSION MEETING

AGENDA SECTION	WORK SESSION ITEM
MEETING DATE	07/01/2024

ITEM:	Cannabis Business Regulations Discussion								
DEPARTMENT:	Community Development	BY/DATE:	Mitchell Forney / 6-27-24						
CORE CITY STRATEGIES:	<table border="0"> <tr> <td><input checked="" type="checkbox"/> Healthy and Safe Community</td> <td><input type="checkbox"/> Thriving and Vibrant Destination Community</td> </tr> <tr> <td><input type="checkbox"/> Equitable, Diverse, Inclusive, and Friendly</td> <td><input type="checkbox"/> Strong Infrastructure and Public Services</td> </tr> <tr> <td><input type="checkbox"/> Trusted and Engaged Leadership</td> <td><input type="checkbox"/> Sustainable</td> </tr> </table>			<input checked="" type="checkbox"/> Healthy and Safe Community	<input type="checkbox"/> Thriving and Vibrant Destination Community	<input type="checkbox"/> Equitable, Diverse, Inclusive, and Friendly	<input type="checkbox"/> Strong Infrastructure and Public Services	<input type="checkbox"/> Trusted and Engaged Leadership	<input type="checkbox"/> Sustainable
<input checked="" type="checkbox"/> Healthy and Safe Community	<input type="checkbox"/> Thriving and Vibrant Destination Community								
<input type="checkbox"/> Equitable, Diverse, Inclusive, and Friendly	<input type="checkbox"/> Strong Infrastructure and Public Services								
<input type="checkbox"/> Trusted and Engaged Leadership	<input type="checkbox"/> Sustainable								

BACKGROUND:

Towards the End of May 2024, the State of Minnesota passed legislation that amended the previous years bill legalizing THC (Chapter 342 in state statute). Now that the Office of Cannabis Management (OCB) is up and running, staff wanted to circle back with the council regarding local regulation of THC related businesses. Attached to this letter is MN OCB’s “Guide for Local Government on Adult Use Cannabis”, which does an amazing job summarizing how the law and its amendments interact with local authority. It even includes an example ordinance which was rummored to have been deleted during the 2024 legislative session. Staff will be utilizing this report to guide the discussion on how the City would like to regulate and register THC Related businesses. Due to a new timeline established by the legislature in May 2024, staff will be splitting registration/regulation and zoning into two separate ordinances and processes.

The full List of license types is highlighted below, but the OCB attachment does a great job of describing them in brief (pg. 5-6).

- cannabis microbusiness;
- (2) cannabis mezzobusiness;
- (3) cannabis cultivator;
- (4) cannabis manufacturer;
- (5) cannabis retailer;
- (6) cannabis wholesaler;
- (7) cannabis transporter;
- (8) cannabis testing facility;
- (9) cannabis event organizer;
- (10) cannabis delivery service;
- (11) lower-potency hemp edible manufacturer;
- (12) lower-potency hemp edible retailer;
- (13) medical cannabis cultivator;
- (14) medical cannabis processor;
- (15) medical cannabis retailer; or
- (16) medical cannabis combination business.

In general, the State severely regulates what municipalities can and cannot regulate. Local regulations are linked to the registration process or zoning limitations. In order to start the creation of the registration ordinance, staff need answers on the items listed below. After this, staff will work with the City Attorney to draft an ordinance based on the response from the Council.

- How Many licesend Cannabis Retailers should be allowed within the city?
- What Type of Buffer should the City have from schools?
- What Type of Buffer should the City have from daycares?
- What Type of Buffer should the City have from residential treatment facilities?
- What Type of Buffer should the City have from an attraction withinga public park that is regularly used by minors?
- What Type of Buffer should the City have from other cannabis businesses?
- What should the hours of opertation be?
- Should the City limit the location or timing of Temporary Cannabis Events?
- Should the City regulate where low potency edibles are sold/storage standards?
- Should the City alter its public places ordinance?

The 2024 amendments to chapter 342 in state code opened the Early Mover Porocess for social equity applicants on July 24th. This allows social equity applicants to apply for a license early even if they will not receive it until OCM finalizes licensing and regulation. Due to this change, staff are looking to get the registration ordinance in place ASAP. Staff have no idea when the OCB will complete their review and begin forwarding applications to the City's for registration. Zoning items will still need to be added but will be a part of a separate process.

Zoning regulations are limited by the state so that cannabis businesses are treated similar to others. For example, cannabis manufacturing with regular mannufaturing, cannabis retail in a retail district, etc. From staffs perspective, the City's current zoning code does a great job limiting uses to certain districts. The Planning Commission may have minor edits but staff would like to hear if the Council has any major concerns.

ATTACHMENT(S):

1. MN OCB Guidebook



A Guide for Local Governments on Adult-Use Cannabis

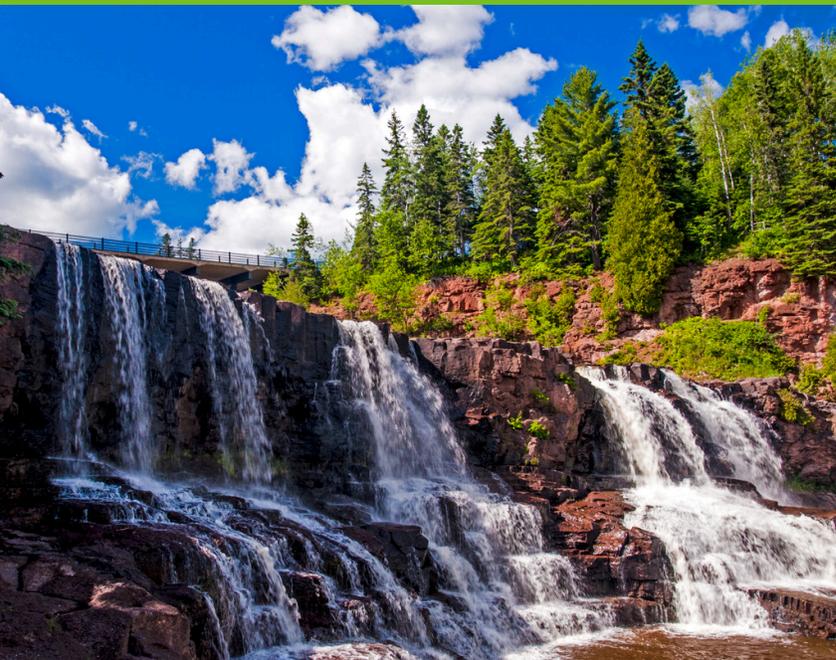


Table of Contents

Introduction 3

About OCM 4

Cannabis License Types 5

Adult-Use Cannabis Law 7

Cannabis Licensing Process..... 8

General Authorities 10

Zoning and Land Use 12

Local Approval Process 15

Inspections and Compliance Checks 18

Municipal Cannabis Stores 19

Creating Your Local Ordinance 20

Additional Resources 21

Introduction

This guide serves as a general overview of **Minnesota’s new adult-use cannabis law**, and how **local governments** can expect to be involved. The guide also provides important information about Minnesota’s new Office of Cannabis Management (OCM), and the office’s structure, roles, and responsibilities. While medical cannabis continues to play an important role in the state’s cannabis environment, this guide is primarily focused on the adult-use cannabis law and marketplace.

The following pages outline the variety of cannabis business licenses that will be issued, provide a broad summary of important aspects of the adult-use cannabis law, and cover a wide range of expectations and authorities that relate to local governments. This guide also provides best practices and important requirements for developing a local cannabis ordinance.

Chapter 342 of Minnesota law was established by the State Legislature in 2023 and was updated in 2024. Mentions of “adult-use cannabis law” or “the law” throughout this guide refer to Chapter 342 and the changes made to it.

As of this guide’s date of publication, state regulations governing the adult-use cannabis market have not yet been published—**this document will be updated** when such regulations become effective.



This guide is not a substitute for legal advice, nor does it seek to provide legal advice. Local governments and municipal officials seeking legal advice should consult an attorney.

About OCM

Minnesota's **Office of Cannabis Management** is the state regulatory office created to oversee the implementation and regulation of the adult-use cannabis market, the medical cannabis market, and the consumer hemp industry. Housed within OCM are the **Division of Medical Cannabis** (effective July 1, 2024), which operates the medical cannabis program, and the **Division of Social Equity**, which promotes development, stability, and safety in communities that have experienced a disproportionate, negative impact from cannabis prohibition and usage.



OCM, through Chapter 342, is tasked with establishing rules and policy and exercising its regulatory authority over the Minnesota cannabis industry. In its duties, OCM is mandated to:

- Promote public health and welfare.
- Protect public safety.
- Eliminate the illicit market for cannabis flower and cannabis products.
- Meet the market demand for cannabis flower and cannabis products.
- Promote a craft industry for cannabis flower and cannabis products.
- Prioritize growth and recovery in communities that have experienced a disproportionate, negative impact from cannabis prohibition.

OCM governs the application and licensing process for cannabis and hemp businesses, specific requirements for each type of license and their respective business activities, and conducts enforcement and inspection activities across the Minnesota cannabis and hemp industries.

License Types

Minnesota law allows for **13** different types of business licenses, each fulfilling a unique role in the cannabis and hemp supply chain. In addition to license types below, OCM will also issue endorsements to license holders to engage in specific activities, including producing, manufacturing, and sale of medical cannabis for patients.

Microbusiness

Microbusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Microbusiness may also operate a single retail location.

Mezzobusiness

Mezzobusinesses may cultivate cannabis and manufacture cannabis products and hemp products, and package such products for sale to customers or another licensed cannabis business. Mezzobusiness may also operate up to three retail locations.

Cultivator

Cultivators may cultivate cannabis and package such cannabis for sale to another licensed cannabis business.

Manufacturer

Manufacturers may manufacture cannabis products and hemp products, and package such products for sale to a licensed cannabis retailer.

Retailer

Retailers may sell immature cannabis plants and seedlings, cannabis, cannabis products, hemp products, and other products authorized by law to customers and patients.

Wholesaler

Wholesalers may purchase and/or sell immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from another licensed cannabis business. Wholesalers may also import hemp-derived consumer products and lower-potency hemp edibles.

License Types (continued)

Transporter

Transporters may transport immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products to licensed cannabis businesses.

Testing Facility

Testing facilities may obtain and test immature cannabis plants and seedlings, cannabis, cannabis products, and hemp products from licensed cannabis businesses.

Event Organizer

Event organizers may organize a temporary cannabis event lasting no more than four days.

Delivery Service

Delivery services may purchase cannabis, cannabis products, and hemp products from retailers or cannabis business with retail endorsements for transport and delivery to customers.

Medical Cannabis Combination Business

Medical cannabis combination businesses may cultivate cannabis and manufacture cannabis and hemp products, and package such products for sale to customers, patients, or another licensed cannabis business. Medical cannabis combination businesses may operate up to one retail location in each congressional district.

Lower-Potency Hemp Edible Manufacturer

Lower-potency hemp edible manufacturers may manufacture and package lower-potency hemp edibles for consumer sale, and sell hemp concentrate and lower-potency hemp edibles to other cannabis and hemp businesses.

Lower-Potency Hemp Edible Retailer

Lower-potency hemp edible retailers may sell lower-potency hemp edibles to customers.

Each license is subject to further restrictions on allowable activities. Maximum cultivation area and manufacturing allowances vary by license type. Allowable product purchase, transfer, and sale between licensees are subject to restrictions in the law.

The Adult-Use Cannabis Law

Minnesota's new adult-use cannabis law permits the personal use, possession, and transportation of cannabis by those 21 years of age and older, and allows licensed businesses to conduct cultivation, manufacturing, transport, delivery, and sale of cannabis and cannabis products.

For Individuals

- **Possession limits:**
 - Flower - 2 oz. in public, 2 lbs. in private residence
 - Concentrate - 8 g
 - Edibles (including lower-potency hemp) - 800 mg THC
- **Consumption** only allowed on private property or at licensed businesses with on-site consumption endorsements. Consumption not allowed in public.
- **Gifting** cannabis to another individual over 21 years old is allowed, subject to possession limits.
- **Home cultivation** is limited to four mature and four immature plants (eight total) in a single residence. Plants must be in an enclosed and locked space.
- **Home extraction** using volatile substances (e.g., butane, ethanol) is not allowed.
- **Unlicensed sales** are not allowed.



For Businesses

- **Advertising:**
 - May not include or appeal to those under 21 years old.
 - Must include proper warning statements.
 - May not include misleading claims or false statements.
 - Billboards are not allowed.
- The flow of all products through the supply chain must be tracked by the state-authorized **tracking system**.
- All products sold to consumers and patients must be **tested for contaminants**.
- **Home delivery** is allowed by licensed businesses.



The Cannabis Licensing Process

An applicant will take the following steps to proceed from application to active licensure. As described, processes vary depending on social equity status and/or whether the type of license being sought is capped or uncapped in the general licensing process.

License Preapproval: Early Mover Process for Social Equity Applicants

The license preapproval process is a one-time application process available for verified social equity applicants. State law requires OCM to open the application window on July 24, 2024, and close the window on August 12, 2024. The preapproval process is available for the following license types, and all are capped in this process: microbusiness, mezzobusiness, cultivator, retailer, wholesaler, transporter, testing facility, and delivery service.

Preapproval steps:

1. Applicant's social equity applicant (SEA) status verified.
2. Complete application and submit application fees.
3. Application vetted for minimum requirements by OCM.
4. Application (if qualified) entered into lottery drawing.
5. If selected in lottery, OCM completes background check of selected applicant and issues license preapproval.
6. Applicant with license preapproval* submits business location and amends application accordingly.
7. OCM forwards completed application to local government.
8. Local government completes certification of zoning compliance.
9. OCM conducts site inspection.
10. When regulations are adopted, license becomes active, operations may commence.

*For social equity applicants with license preapproval for microbusiness, mezzobusiness, or a cultivator license, they may begin growing cannabis plants prior to the adoption of rules if OCM receives approval from local governments in a form and manner determined by the office. This is only applicable to cultivation and does not authorize retail sales or other endorsed activities of the licenses prior to the adoption of rules.

The Cannabis Licensing Process (cont.)

The general licensing process will align with the adoption of rules and OCM will share more information about the timing of general licensing process. The general licensing process includes social equity applicants and non-social equity applicants.

General Licensing: Cultivator, Manufacturer, Retailer, Mezzobusiness

1. Complete application and submit application fees.
2. Application vetted for minimum requirements by OCM.
3. Application (if qualified) entered into lottery drawing.
4. If selected in lottery, OCM completes background check of selected applicant and issues preliminary approval.
5. Applicant with preliminary approval submits business location and amends application accordingly.
6. OCM forwards completed application to local government.
7. Local government completes certification of zoning compliance.
8. OCM conducts site inspection.
9. License becomes active, operations may commence.*

General Licensing: Microbusiness, Wholesaler, Transporter, Testing Facility, Event Organizer

1. Complete application and submit application fees.
2. Application vetted for minimum requirements by OCM.
3. For qualified applicants, OCM completes background check of vetted applicant and issues preliminary approval.
4. Selected applicant submits business location and amends application accordingly.
5. OCM forwards completed application to local government.
6. Local government completes certification of zoning compliance.
7. OCM conducts site inspection.
8. License becomes active, operations may commence.*

*For businesses seeking a retail endorsement (microbusiness, mezzobusiness, and retailer), a valid local retail registration is required prior to the business commencing any retail sales. See Page 16 for information on the local retail registration process.

General Authorities

Local governments in Minnesota have various means of oversight over the cannabis market, as provided by the adult-use cannabis law. Local governments may not issue outright bans on cannabis business, or limit operations in a manner beyond what is provided by state law.

Cannabis Retail Restrictions (342.13)

Local governments may limit the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality, as long as there is **at least one retail location per 12,500 residents**. Local units of government are not obligated to seek out a business to register as cannabis business if they have not been approached by any potential applicants, but cannot prohibit the establishment of a business if this population requirement is not met. Local units of government may also issue more than the minimum number of registrations. Per statutory direction, a municipal cannabis store (Page 19) cannot be included in the minimum number of registrations required. For population counts, the state demographer estimates will likely be utilized.

Tribal Governments (342.13)

OCM is prohibited from and will not issue state licenses to businesses in Indian Country without consent from a tribal nation. Tribal nations hold the authority to license tribal cannabis businesses on tribal lands – this process is separate than OCM’s licensing process and authority. Subject to compacting, Tribal nations may operate cannabis businesses off tribal lands. There will be more information available once the compacting processes are complete.

Taxes (295.81; 295.82)

Retail sales of taxable cannabis products are subject to the state and local sales and use tax and a 10% gross receipts tax. Cannabis gross receipts tax proceeds are allocated as follows: 20% to the local government cannabis aid account and 80% to the state general fund. Local taxes imposed solely on sale of cannabis products are prohibited.

Cannabis retailers will be subject to the same real property tax classification as all other retail businesses. Real property used for raising, cultivating, processing, or storing cannabis plants, cannabis flower, or cannabis products for sale will be classified as commercial and industrial property.

General Authorities (cont.)

Retail Timing Restrictions (342.13)

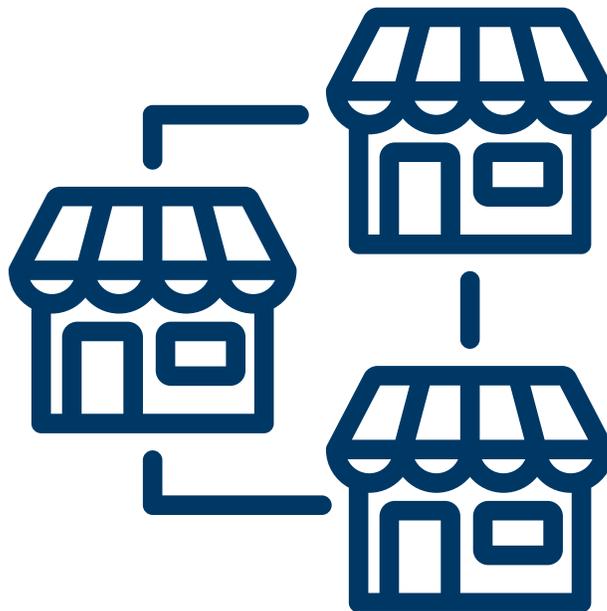
Local governments may prohibit retail sales of cannabis between the hours of 8 a.m. and 10 a.m. Monday-Saturday, and 9 p.m. and 2 a.m. the following day.

Operating Multiple Locations with One License

Certain cannabis licenses allow for multiple retail locations to be operated under a single license, with the following limitations:

- **Retailers:** up to five retail locations.
- **Mezzobusinesses:** up to three retail locations.
- **Microbusinesses:** up to one retail location.
- **Medical cannabis combination businesses:** one retail location per congressional district. Additionally, medical cannabis combination businesses may cultivate at more than one location within other limitations on cultivation.

For all other license types, one license permits the operation of one location. Each retail location requires local certification and/or registration.



Zoning and Land Use

Buffer Guidelines (342.13)

State law does not restrict how a local government conducts its zoning designations for cannabis businesses, except that they may prohibit the operation of a cannabis business within 1,000 feet of a school, or 500 feet of a day care, residential treatment facility, or an attraction within a public park that is regularly used by minors, including playgrounds and athletic fields.

Zoning Guidelines

While each locality conducts its zoning differently, a few themes have emerged across the country. For example, cannabis manufacturing facilities are often placed in industrial zones, while cannabis retailers are typically found in commercial/retail zones. Cannabis retail facilities align with general retail establishments and are prohibited from allowing consumption or use onsite, and are also required to have plans to prevent the visibility of cannabis and hemp-derived products to individuals outside the retail location. Industrial hemp is an agricultural product, and should be zoned as such.

Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business. Note that certain types of licenses may be able to perform multiple activities which may have different zoning analogues. In the same way municipalities may zone a microbrewery that predominately sells directly to onsite consumers differently than a microbrewery that sells packaged beer to retailers and restaurants, so too might a municipality wish to zone two microbusinesses based on the actual activities that each business is undertaking. Table 1, included on Pages 13 and 14, explains the types of activities that cannabis businesses might undertake, as well as, some recommended existing zoning categories.

Zoning and Land Use (cont.)

Table 1: Cannabis and Hemp Business Activities

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cultivation	Cultivator Mezzobusiness Microbusiness Medical Cannabis Combination	"Cultivation" means any activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of cannabis plants, cannabis flower, hemp plants, or hemp plant parts.	Indoor: Industrial, Commercial, Production Outdoor: Agricultural	Odor Potential need for transportation from facility Waste, water, and energy usage Security
Cannabis Manufacturing, Processing, Extraction	Manufacturer Mezzobusiness Microbusiness Medical Cannabis Combination	This group of endorsed activities turn raw, dried cannabis and cannabis parts into other types of cannabis products, e.g. edibles or topicals.	Industrial, Commercial, Production	Odor Potential need for transportation from facility Waste, water, and energy usage Security
Hemp Manufacturing	Lower-Potency Hemp Edible (LPHE) Manufacturing	These business convert hemp into LPHE edible products.	Industrial, Commercial, Production	Odor Waste, water, and energy
Wholesale	Wholesale Cultivator Manufacturer Mezzobusiness Microbusiness Medical Cannabis Combination	This activity and license type allows a business to purchase from a business growing or manufacturing cannabis or cannabis products and sell to a cannabis business engaged in retail.	Industrial, Commercial, Production	Need for transportation from facility Security

Zoning and Land Use (cont.)

Table 1: Cannabis and Hemp Business Activities (continued)

Endorsed Activity	License Type Eligible to Do Endorsed Activity	Description of Activity	Comparable Districts	Municipal Considerations
Cannabis Retail	Retail Mezzobusiness Microbusiness Medical Cannabis Combination	This endorsed activity and license types allow a business to sell cannabis and cannabis products directly to consumers.	Retail, Neighborhood Shopping Districts, Light Industrial, Existing districts where off-sale liquor or tobacco sales are allowed.	Micros may offer onsite consumption, similar to breweries. Micros and Mezzos may include multiple activities: cultivation, manufacture, and/or retail.
Transportation	Cannabis Transporter	This license type allows a company to transport products from one license type to another.		Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Delivery	Cannabis Delivery	This license type allows for transportation to the end consumer.		Fleet based business that will own multiple vehicles, but not necessarily hold a substantial amount of cannabis or cannabis products.
Events	Event Organizer	This license entitles license holder to organizer a temporary event lasting no more than four days.	Anywhere that the city permits events to occur, subject to other restrictions related to cannabis use.	On site consumption. Retail sales by a licensed or endorsed retail business possible.

Local Approval Process

Local governments play a critical role in the licensing process, serving as a near-final approval check on cannabis businesses nearing the awarding of a state license for operations. Once an applicant has been vetted by OCM and is selected for proceeding in the verification process, they are then required to receive the local government's certification of zoning compliance and/or local retail registration before operations may commence.



Local Certification of Zoning Compliance (342.13; 342.14)

Following OCM's vetting process, local governments must **certify** that the applicant with preliminary approval has achieved **compliance with local zoning ordinances** prior to the licensee receiving final approval from OCM to commence operations.

During the application and licensing process for cannabis businesses, OCM will notify a local government when an applicant intends to operate within their jurisdiction and request a certification as to whether a proposed cannabis business complies with local zoning ordinances, and if applicable, whether the proposed business complies with state fire code and building code.

According to Minnesota's cannabis law, a local unit of government has 30 days to respond to this request for certification of compliance. If a local government does not respond to OCM's request for certification of compliance within the 30 days, the cannabis law allows OCM to issue a license. OCM may not issue the final approval for a license if the local government has indicated they are not in compliance.

OCM will work with local governments to access the licensing software system to complete this zoning certification process.

Local Approval Process (cont.)

Local Retail Registration Process (342.22)

Once the licensing process begins, local government registration applies to cannabis retailers or other cannabis/hemp businesses seeking a retail endorsement. Local governments must issue a retail registration after verifying that:

- The business has a valid license or license preapproval issued by OCM.
- The business has paid a registration fee or renewal fee to the local government;
 - Initial registration fees collected by a local government may be \$500 or half the amount of the applicable initial license fee, whichever is less, and renewal registration fees may be \$1,000 or half the amount of the applicable renewal license fee, whichever is less.
- The business is found to be in compliance with Chapter 342 and local ordinances.
- If applicable, the business is current on all property taxes and assessments for the proposed retail location.

Local registrations may also be issued by counties if the respective local government transfers such authorities to the county.

Determining a Process for Limiting Retail Registrations

If a local government wishes to place a limitation on the number of retailers and microbusiness/mezzobusinesses with retail endorsements allowed within their locality (as long as there is at least one retail location per 12,500 residents, see Page 10), state law does not define the process for a local government's selection if there are more applicants than registrations available. A few options for this process include the use of a lottery, a first-come/first-serve model, a rolling basis, and others. Local governments should work with an attorney to determine their specific process for selection if they wish to limit the number of licensed cannabis retailers per 342.13. Local governments are not required to limit the number of licensed cannabis retailers.

Local Approval Process (cont.)

Local governments are permitted specific authorities for registration refusal and registration suspension, in addition to—and not in conflict with—OCM authorities.

Registration and Renewal Refusals

Local governments may refuse the registration and/or certification of a license renewal if the license is associated with an individual who, within five years of the license application, has been convicted of a felony or willful violation of a federal or state law or local ordinance related to the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage.



Local Registration Suspension (342.22)

Local governments may suspend the local retail registration of a cannabis business or hemp business if the business is determined to not be operating in compliance with a local ordinance authorized by 342.13 or if the operation of the business poses an immediate threat to the health and safety of the public. The local government must immediately notify OCM of the suspension if it occurs. OCM will review the suspension and may reinstate the registration or take enforcement action.

Expedited Complaint Process (342.13)

Per state law, OCM will establish an expedited complaint process during the rulemaking process to receive, review, read, and respond to complaints made by a local unit of government about a cannabis business. Upon promulgation of rules, OCM will publish the complaint process.

At a minimum, the expedited complaint process shall require the office to provide an initial response to the complaint within seven days and perform any necessary inspections within 30 days. Within this process, if a local government notifies OCM that a cannabis business poses an immediate threat to the health or safety of the public, the office must respond within one business day.

Inspections & Compliance Checks

Local governments are permitted specific business inspection and compliance check authorities, in addition to—and not in conflict with—OCM authorities.

Inspections and Compliance Checks (342.22)

Local governments must conduct **compliance checks** for cannabis and hemp businesses holding retail registration **at least once per calendar year**. These compliance checks must verify compliance with age verification procedures and compliance with any applicable local ordinance established pursuant to 342.13. OCM maintains inspection authorities for all cannabis licenses to verify compliance with operation requirements, product limits, and other applicable requirements of Chapter 342.



Municipal Cannabis Stores

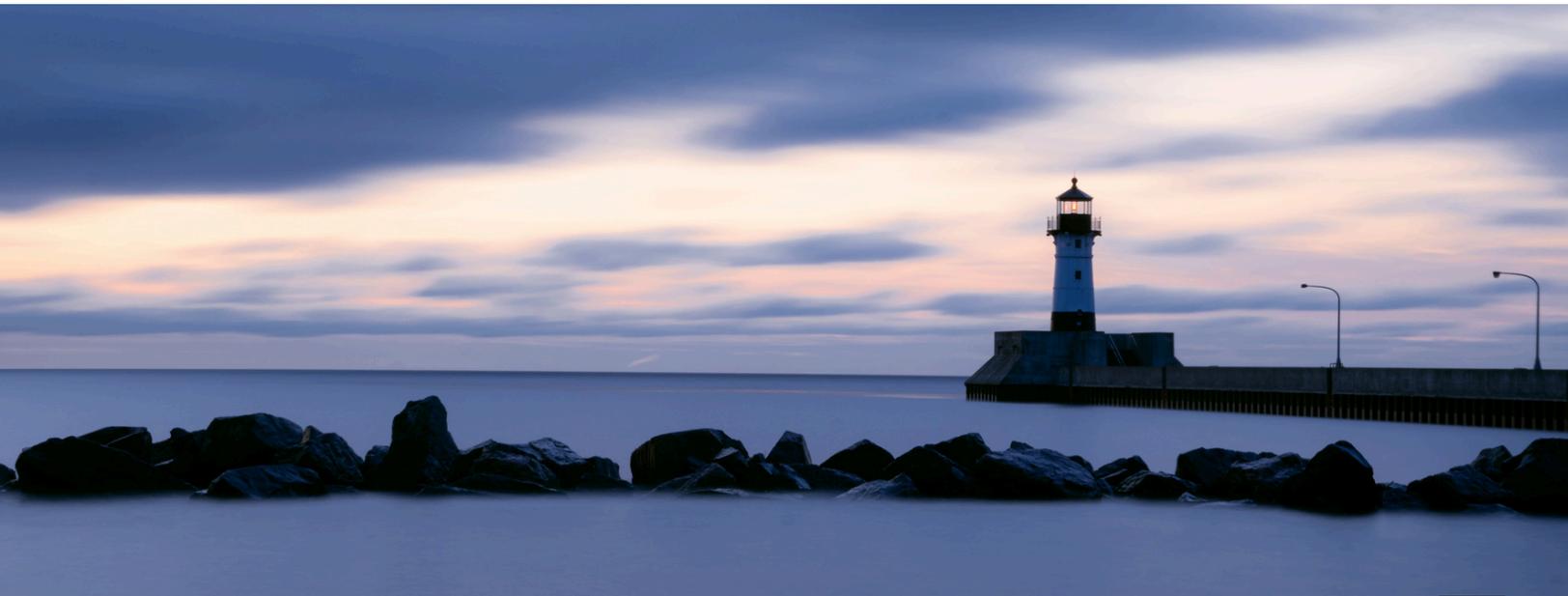
As authorized in Chapter 342.32, local governments are permitted to apply for a cannabis retail license to establish and operate a municipal cannabis store.

State law requires OCM issue a license to a city or county seeking to operate a single municipal cannabis store if the city or county:

- Submits required application information to OCM,
- Meets minimum requirements for licensure, and
- Pays applicable application and license fee.

A municipal cannabis store will not be included in the total count of retail licenses issued by the state under Chapter 342.

A municipal cannabis store cannot be counted as retail registration for purposes of determining whether a municipality's cap on retail registrations imposed by ordinance.



Creating Your Local Ordinance

As authorized in 342.13, a local government may adopt a local ordinance regarding cannabis businesses. Establishing local governments' ordinances on cannabis businesses in a timely manner is critical for the ability for local cities or towns to establish local control as described in the law, and is necessary for the success of the statewide industry and the ability of local governments to protect public health and safety. The cannabis market's potential to create jobs, generate revenue, and contribute to economic development at the local and state level is supported through local ordinance work. The issuance of local certifications and registrations to prospective cannabis businesses is also dependent on local ordinances.

- Local governments may not prohibit the possession, transportation, or use of cannabis, or the establishment or operation of a cannabis business licensed under state law.
- Local governments may adopt reasonable restrictions on the time, place, and manner of cannabis business operations (see Page 8).
- Local governments may adopt interim ordinances to protect public safety and welfare, as any studies and/or further considerations on local cannabis activities are being conducted, until January 1, 2025. A public hearing must be held prior to adoption of an interim ordinance.
- If your local government wishes to operate a municipal cannabis store, the establishment and operation of such a facility must be considered in a local ordinance.



Model Ordinance

For additional guidance regarding the creation of a cannabis related ordinance, please reference the addendum in this packet.

Additional Resources

OCM Toolkit for Local Partners

Please visit OCM webpage (mn.gov/ocm/local-governments/) for additional information, including a toolkit of resources developed specifically for local government partners. The webpage will be updated as additional information becomes available and as state regulations are adopted.

These resources are also included in the addendum of this packet.

Toolkit resources include:

- Appendix A: Model Ordinance
- Appendix B: Hemp Flower and Hemp-Derived Cannabinoid Product Checklist
- Appendix C: Enforcement Notice from the Office of Cannabis Management
- Appendix D: Notice to Unlawful Cannabis Sellers

Local Organizations

There are several organizations who also have developed resources to support local governments regarding the cannabis industry. Please feel free to contact the following for additional resources:

- League of Minnesota Cities
- Association of Minnesota Counties
- Minnesota Public Health Law Center

Appendix A: Model Ordinance

Cannabis Model Ordinance

The following model ordinance is meant to be used as a resource for cities, counties, and townships within Minnesota. The italicized text in red is meant to provide commentary and notes to jurisdictions considering using this ordinance and should be removed from any ordinance formally adopted by said jurisdiction. Certain items are not required to be included in the adopted ordinance: ‘OR’ and (optional) are placed throughout for areas where a jurisdiction may want to consider one or more choices on language.

Section 1	Administration
Section 2	Registration of Cannabis Business
Section 3	Requirements for a Cannabis Business (Time, Place, Manner)
Section 4	Temporary Cannabis Events
Section 5	Lower Potency Hemp Edibles
Section 6	Local Government as a Retailer
Section 7	Use of Cannabis in Public

AN ORDINANCE OF THE (CITY/COUNTY OF _____) TO REGULATE CANNABIS BUSINESSES

The (city council/town board/county board) of (city/town/county) hereby ordains:

Section 1. Administration

1.1 Findings and Purpose

(insert local authority) makes the following legislative findings:

The purpose of this ordinance is to implement the provisions of Minnesota Statutes, chapter 342, which authorizes (insert local authority) to protect the public health, safety, welfare of (insert local here) residents by regulating cannabis businesses within the legal boundaries of (insert local here).

(insert local authority) finds and concludes that the proposed provisions are appropriate and lawful land use regulations for (insert local here), that the proposed amendments will promote the community's interest in reasonable stability in zoning for now and in the future, and that the proposed provisions are in the public interest and for the public good.

1.2 Authority & Jurisdiction

A county can adopt an ordinance that applies to unincorporated areas and cities that have delegated authority to impose local zoning controls.

(insert local authority) has the authority to adopt this ordinance pursuant to:

- a) Minn. Stat. 342.13(c), regarding the authority of a local unit of government to adopt reasonable restrictions of the time, place, and manner of the operation of

a cannabis business provided that such restrictions do not prohibit the establishment or operation of cannabis businesses.

- b) Minn. Stat. 342.22, regarding the local registration and enforcement requirements of state-licensed cannabis retail businesses and lower-potency hemp edible retail businesses.
- c) Minn. Stat. 152.0263, Subd. 5, regarding the use of cannabis in public places.
- d) Minn. Stat. 462.357, regarding the authority of a local authority to adopt zoning ordinances.

Ordinance shall be applicable to the legal boundaries of (insert local here).

(Optional) (insert city here) has delegated cannabis retail registration authority to (insert county here). However, (insert city here) may adopt ordinances under Sections (2.6, 3 and 4) if (insert county here) has not adopted conflicting provisions.

1.3 Severability

If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of this ordinance shall not be affected thereby.

1.4 Enforcement

The elected body of a jurisdiction can choose to designate an official to administer and enforce this ordinance.

The (insert name of local government or designated official) is responsible for the administration and enforcement of this ordinance. Any violation of the provisions of this ordinance or failure to comply with any of its requirements constitutes a misdemeanor and is punishable as defined by law. Violations of this ordinance can occur regardless of whether or not a permit is required for a regulated activity listed in this ordinance.

1.5 Definitions

1. Unless otherwise noted in this section, words and phrases contained in Minn. Stat. 342.01 and the rules promulgated pursuant to any of these acts, shall have the same meanings in this ordinance.
2. Cannabis Cultivation: A cannabis business licensed to grow cannabis plants within the approved amount of space from seed or immature plant to mature plant. harvest cannabis flower from mature plant, package and label immature plants and seedlings and cannabis flower for sale to other cannabis businesses, transport cannabis flower to a cannabis manufacturer located on the same premises, and perform other actions approved by the office.
3. Cannabis Retail Businesses: A retail location and the retail location(s) of a mezzobusinesses with a retail operations endorsement, microbusinesses with a retail operations endorsement, medical combination businesses operating a retail location, (and/excluding) lower-potency hemp edible retailers.

4. Cannabis Retailer: Any person, partnership, firm, corporation, or association, foreign or domestic, selling cannabis product to a consumer and not for the purpose of resale in any form.
5. Daycare: A location licensed with the Minnesota Department of Human Services to provide the care of a child in a residence outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.
6. Lower-potency Hemp Edible: As defined under Minn. Stat. 342.01 subd. 50.
7. Office of Cannabis Management: Minnesota Office of Cannabis Management, referred to as "OCM" in this ordinance.
8. Place of Public Accommodation: A business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages or accommodations are extended, offered, sold, or otherwise made available to the public.
9. Preliminary License Approval: OCM pre-approval for a cannabis business license for applicants who qualify under Minn. Stat. 342.17.
10. Public Place: A public park or trail, public street or sidewalk; any enclosed, indoor area used by the general public, including, but not limited to, restaurants; bars; any other food or liquor establishment; hospitals; nursing homes; auditoriums; arenas; gyms; meeting rooms; common areas of rental apartment buildings, and other places of public accommodation.
11. Residential Treatment Facility: As defined under Minn. Stat. 245.462 subd. 23.
12. Retail Registration: An approved registration issued by the (insert local here) to a state-licensed cannabis retail business.
13. School: A public school as defined under Minn. Stat. 120A.05 or a nonpublic school that must meet the reporting requirements under Minn. Stat. 120A.24.
14. State License: An approved license issued by the State of Minnesota's Office of Cannabis Management to a cannabis retail business.

Section 2. Registration of Cannabis Businesses

A city or town can delegate authority for registration to the County. A city or town can still adopt specific requirement regarding zoning, buffers, and use in public places, provided said requirements are not in conflict with an ordinance adopted under the delegated authority granted to the County.

2.1 Consent to registering of Cannabis Businesses

No individual or entity may operate a state-licensed cannabis retail business within (insert local here) without first registering with (insert local here).

Any state-licensed cannabis retail business that sells to a customer or patient without valid retail registration shall incur a civil penalty of (up to \$2,000) for each violation.

Notwithstanding the foregoing provisions, the state shall not issue a license to any cannabis business to operate in Indian country, as defined in United States Code, title 18, section 1151, of a Minnesota Tribal government without the consent of the Tribal government.

2.2 Compliance Checks Prior to Retail Registration

A jurisdiction can choose to conduct a preliminary compliance check prior to issuance of retail registration.

Prior to issuance of a cannabis retail business registration, (insert local here) (shall/shall not) conduct a preliminary compliance check to ensure compliance with local ordinances.

Pursuant to Minn. Stat. 342, within 30 days of receiving a copy of a state license application from OCM, (insert local here) shall certify on a form provided by OCM whether a proposed cannabis retail business complies with local zoning ordinances and, if applicable, whether the proposed business complies with the state fire code and building code.

2.3 Registration & Application Procedure

2.3.1 Fees.

(insert local here) shall not charge an application fee.

A registration fee, as established in (insert local here)'s fee schedule, shall be charged to applicants depending on the type of retail business license applied for.

An initial retail registration fee shall not exceed \$500 or half the amount of an initial state license fee under Minn. Stat. 342.11, whichever is less. The initial registration fee shall include the initial retail registration fee and the first annual renewal fee.

Any renewal retail registration fee imposed by (insert local here) shall be charged at the time of the second renewal and each subsequent renewal thereafter.

A renewal retail registration fee shall not exceed \$1,000 or half the amount of a renewal state license fee under Minn. Stat. 342.11, whichever is less.

A medical combination business operating an adult-use retail location may only be charged a single registration fee, not to exceed the lesser of a single retail registration fee, defined under this section, of the adult-use retail business.

2.3.2 Application Submittal.

The (insert local here) shall issue a retail registration to a state-licensed cannabis retail business that adheres to the requirements of Minn. Stat. 342.22.

(A) An applicant for a retail registration shall fill out an application form, as provided by the (insert local here). Said form shall include, but is not limited to:

- i. Full name of the property owner and applicant;
- ii. Address, email address, and telephone number of the applicant;
- iii. The address and parcel ID for the property which the retail registration is sought;
- iv. Certification that the applicant complies with the requirements of local ordinances established pursuant to Minn. Stat. 342.13.
- v. (Insert additional standards here)

(B) The applicant shall include with the form:

- i. the application fee as required in [Section 2.3.1];
 - ii. a copy of a valid state license or written notice of OCM license preapproval;
 - iii. (Insert additional standards here)
- (C) Once an application is considered complete, the (insert local government designee) shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.
- (D) The application fee shall be non-refundable once processed.

2.3.3 Application Approval

- (A) (Optional) A state-licensed cannabis retail business application shall not be approved if the cannabis retail business would exceed the maximum number of registered cannabis retail businesses permitted under Section 2.6.
- (B) A state-licensed cannabis retail business application shall not be approved or renewed if the applicant is unable to meet the requirements of this ordinance.
- (C) A state-licensed cannabis retail business application that meets the requirements of this ordinance shall be approved.

2.3.4 Annual Compliance Checks.

The (insert local here) shall complete at minimum one compliance check per calendar year of every cannabis business to assess if the business meets age verification requirements, as required under [Minn. Stat. 342.22 Subd. 4(b) and Minn. Stat. 342.24] and this/these [chapter/section/ordinances].

The (insert local here) shall conduct at minimum one unannounced age verification compliance check at least once per calendar year.

Age verification compliance checks shall involve persons at least 17 years of age but under the age of 21 who, with the prior written consent of a parent or guardian if the person is under the age of 18, attempt to purchase adult-use cannabis flower, adult-use cannabis products, lower-potency hemp edibles, or hemp-derived consumer products under the direct supervision of a law enforcement officer or an employee of the local unit of government.

Any failures under this section must be reported to the Office of Cannabis Management.

2.3.5 Location Change

A jurisdiction may decide to treat location changes as a new registration, or alternatively treat a location change as allowable subject to compliance with the rest of the registration process.

A state-licensed cannabis retail business shall be required to submit a new application for registration under Section 2.3.2 if it seeks to move to a new location still within the legal boundaries of (insert local here).

or

If a state-licensed cannabis retail business seeks to move to a new location still within the legal boundaries of (insert local here), it shall notify (insert local here) of the proposed location change, and submit necessary information to meet all the criteria in this paragraph.

2.4 Renewal of Registration

The (insert local here) shall renew an annual registration of a state-licensed cannabis retail business at the same time OCM renews the cannabis retail business' license.

A state-licensed cannabis retail business shall apply to renew registration on a form established by (insert local here).

A cannabis retail registration issued under this ordinance shall not be transferred.

2.4.1 Renewal Fees.

The (insert local here) may charge a renewal fee for the registration starting at the second renewal, as established in (insert local here)'s fee schedule.

2.4.2 Renewal Application.

The application for renewal of a retail registration shall include, but is not limited to:

- Items required under Section 2.3.2 of this Ordinance.
- Insert additional items here

2.5 Suspension of Registration

2.5.1 When Suspension is Warranted.

The (insert local here) may suspend a cannabis retail business's registration if it violates the ordinance of (insert local here) or poses an immediate threat to the health or safety of the public. The (insert local here) shall immediately notify the cannabis retail business in writing the grounds for the suspension.

2.5.2 Notification to OCM.

The (insert local here) shall immediately notify the OCM in writing the grounds for the suspension. OCM will provide (insert local here) and cannabis business retailer a response to the complaint within seven calendar days and perform any necessary inspections within 30 calendar days.

2.5.3 Length of Suspension.

A jurisdiction can wait for a determination from the OCM before reinstating a registration.

The suspension of a cannabis retail business registration may be for up to 30 calendar days, unless OCM suspends the license for a longer period. The business may not make sales to customers if their registration is suspended.

The (insert local here) may reinstate a registration if it determines that the violations have been resolved.

The (insert local here) shall reinstate a registration if OCM determines that the violation(s) have been resolved.

2.5.4 Civil Penalties.

Subject to Minn. Stat. 342.22, subd. 5(e) the (insert local here) may impose a civil penalty, as specified in the (insert local here)'s Fee Schedule, for registration violations, not to exceed \$2,000.

2.6 Limiting of Registrations

A jurisdiction may choose to set a limit on the number of retail registrations within its boundaries. The jurisdiction may not however, limit the number of registrations to fewer than one per 12,500 residents.

(Optional) The (insert local here) shall limit the number of cannabis retail businesses to no fewer than one registration for every 12,500 residents within (insert local legal boundaries here).

(Optional) If (insert county here) has one active cannabis retail businesses registration for every 12,500 residents, the (insert local here) shall not be required to register additional state-licensed cannabis retail businesses.

(Optional) The (insert local here) shall limit the number of cannabis retail businesses to (insert number <= minimum required).

Section 3. Requirements for Cannabis Businesses

State Statutes note that jurisdictions may “adopt reasonable restrictions on the time, place, and manner of the operation of a cannabis business.” A jurisdiction considering other siting requirements (such as a buffer between cannabis businesses, or a buffer from churches) should consider whether there is a basis to adopt such restrictions.

3.1 Minimum Buffer Requirements

A jurisdiction can adopt buffer requirements that prohibit the operation of a cannabis business within a certain distance of schools, daycares, residential treatment facilities, or from an attraction within a public park that is regularly used by minors, including a playground or athletic field. Buffer requirements are optional. A jurisdiction cannot adopt larger buffer requirements than the requirements here in Section 3.1. A jurisdiction should use a measuring system consistent with the rest of its ordinances, e.g. from lot line or center point of lot.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-1,000] feet of a school.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of a day care.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of a residential treatment facility.

(Optional) The (insert local here) shall prohibit the operation of a cannabis business within [0-500] feet of an attraction within a public park that is regularly used by minors, including a playground or athletic field.

(Optional) The (insert local here) shall prohibit the operation of a cannabis retail business within [X] feet of another cannabis retail business.

Pursuant to Minn. Stat. 462.367 subd. 14, nothing in Section 3.1 shall prohibit an active cannabis business or a cannabis business seeking registration from continuing operation at the same site if a (school/daycare/residential treatment facility/attraction within a public park that is regularly used by minors) moves within the minimum buffer zone.

3.2 Zoning and Land Use

For jurisdictions with zoning, said jurisdiction can limit what zone(s) Cannabis businesses can operate in. As with other uses in a Zoning Ordinance, a jurisdiction can also determine if such use requires a Conditional or Interim Use permit. A jurisdiction cannot outright prohibit a cannabis business. A jurisdiction should amend their Zoning Ordinance and list what zone(s) Cannabis businesses are permitted in, and whether they are permitted, conditional, or interim uses. While each locality conducts its zoning differently, a few themes have emerged across the country. For example, cannabis manufacturing facilities are often placed in industrial zones, while cannabis retailers are typically found in commercial/retail zones. Cannabis retail facilities align with general retail establishments and are prohibited from allowing consumption or use onsite and are also required to have plans to prevent the visibility of cannabis and hemp-derived products to individuals outside the retail location. Cannabis businesses should be zoned under existing zoning ordinances in accordance with the license type or endorsed activities held by the cannabis business.

3.2.1. Cultivation.

Cannabis businesses licensed or endorsed for cultivation are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Manufacturer.

Cannabis businesses licensed or endorsed for cannabis manufacturer are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Hemp Manufacturer.

Businesses licensed or endorsed for low-potency hemp edible manufacturers permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Wholesale.

Cannabis businesses licensed or endorsed for wholesale are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Retail.

Cannabis businesses licensed or endorsed for cannabis retail are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Transportation.

Cannabis businesses licensed or endorsed for transportation are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.2.1. Cannabis Delivery.

Cannabis businesses licensed or endorsed for delivery are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

3.3 Hours of Operation

A jurisdiction may adopt an ordinance limiting hours of operation between 10 a.m. and 9 p.m., seven days a week, and that State statute prohibits the sale of cannabis between 2 a.m. and 8 a.m., Monday through Saturday, and between 2 a.m. and 10 a.m. on Sundays.

(Optional) Cannabis businesses are limited to retail sale of cannabis, cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products between the hours of (insert time here) and (insert time here).

3.4 (Optional) Advertising

Cannabis businesses are permitted to erect up to two fixed signs on the exterior of the building or property of the business, unless otherwise limited by (insert local here)'s sign ordinances.

Section 4. Temporary Cannabis Events

Any individual or business seeking to obtain a cannabis event license must provide OCM information about the time, location, layout, number of business participants, and hours of operation. A cannabis event organizer must receive local approval, including obtaining any necessary permits or licenses issued by a local unit of government before holding a cannabis event.

4.1 License or Permit Required for Temporary Cannabis Events

4.1.1 License Required.

A cannabis event organizer license entitles the license holder to organize a temporary cannabis event lasting no more than four days. A jurisdiction should determine what type of approval is consistent with their existing ordinances for events.

A license or permit is required to be issued and approved by (insert local here) prior to holding a Temporary Cannabis Event.

4.1.2 Registration & Application Procedure

A registration fee, as established in (insert local here)'s fee schedule, shall be charged to applicants for Temporary Cannabis Events.

4.1.3 Application Submittal & Review.

The (insert local here) shall require an application for Temporary Cannabis Events.

- (A) An applicant for a retail registration shall fill out an application form, as provided by the (insert local here). Said form shall include, but is not limited to:
 - i. Full name of the property owner and applicant;
 - ii. Address, email address, and telephone number of the applicant;
 - iii. (Insert additional standards here)
- (B) The applicant shall include with the form:
 - i. the application fee as required in (Section 4.1.2);
 - ii. a copy of the OCM cannabis event license application, submitted pursuant to 342.39 subd. 2.

The application shall be submitted to the (insert local authority), or other designee for review. If the designee determines that a submitted application is incomplete, they shall return the application to the applicant with the notice of deficiencies.

- (C) Once an application is considered complete, the designee shall inform the applicant as such, process the application fees, and forward the application to the (insert staff/department, or elected body that will approve or deny the request) for approval or denial.
- (D) The application fee shall be non-refundable once processed.
- (E) The application for a license for a Temporary Cannabis Event shall meet the following standards:

A jurisdiction may establish standards for Temporary cannabis events which the event organizer must meet, including restricting or prohibiting any on-site consumption. If there are public health, safety, or welfare concerns associated with a proposed cannabis event, a jurisdiction would presumably be authorized to deny approval of that event.

- **Insert standards here**

(G) A request for a Temporary Cannabis Event that meets the requirements of this Section shall be approved.

(H) A request for a Temporary Cannabis Event that does not meet the requirements of this Section shall be denied. The (insert city/town/county) shall notify the applicant of the standards not met and basis for denial.

(Optional) Temporary cannabis events shall only be held at **(insert local place)**.

(Optional) Temporary cannabis events shall only be held between the hours of **(insert start time)** and **(insert stop time)**.

Section 5. (Optional) Lower-Potency Hemp Edibles

A jurisdiction can establish different standards or requirements regarding Low-Potency Edibles. A jurisdiction can consider including the following section and subsections in their cannabis ordinance.

5.1 Sale of Low-Potency Hemp Edibles

The sale of Low-Potency Edibles is permitted, subject to the conditions within this Section.

5.2 Zoning Districts

If sales are permitted, a jurisdiction can limit what zone(s) the sales of Low-Potency Edibles can take place in. A jurisdiction can also determine if such activity requires a Conditional or Interim Use permit.

Low-Potency Edibles businesses are permitted as a (type of use) in the following zoning districts:

- (Insert zoning districts use is permitted in here)
- (Insert zoning districts use is permitted in here)

5.3 (Optional) Additional Standards

5.3.1 Sales within Municipal Liquor Store.

A jurisdiction that already operates a Municipal Liquor Store may sell Low-Potency Edibles within the same store.

The sale of Low-Potency Edibles is permitted in a Municipal Liquor Store.

5.3.2 Age Requirements.

A jurisdiction is able to restrict the sale of Low-Potency Edibles to locations such as bars.

The sale of Low-Potency Edibles is permitted only in places that admit persons 21 years of age or older.

5.3.3 Beverages.

The sale of Low-Potency Hemp Beverages is permitted in places that meet requirements of this Section.

5.3.4 Storage of Product.

A jurisdiction is able to set requirements on storage and sales of Low-Potency Edibles.

Low-Potency Edibles shall be sold behind a counter, and stored in a locked case.

Section 6. (Optional) Local Government as a Cannabis Retailer

(insert local here) may establish, own, and operate one municipal cannabis retail business subject to the restrictions in this chapter.

The municipal cannabis retail store shall not be included in any limitation of the number of registered cannabis retail businesses under Section 2.6.

(insert local here) shall be subject to all same rental license requirements and procedures applicable to all other applicants.

Section 7 Use in Public Places

No person shall use cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products in a public place or a place of public accommodation unless the premises is an establishment or an event licensed to permit on-site consumption of adult-use.

Appendix B: Hemp Flower and Hemp-Derived Cannabinoid Product Checklist



Office of Cannabis Management
 Department of Health

Hemp Flower and Hemp-Derived Cannabinoid Product Checklist

Minnesota Statute 18K.02, Definitions
 Minnesota Statute 152.01, Subdivision 9
 Minnesota Statute 151.72, Sale of Certain Cannabinoid Products

Minnesota Statute 152.0264, Cannabis Sale Crimes
 Minnesota Statute 342.09, Personal Adult Use of Cannabis

Question	Yes	No	Comments	Additional Information
Business License and Registration Compliance				
Is the business registered with the Minnesota Department of Health?				All businesses selling hemp-derived cannabinoid products must be registered. See Hemp-Derived Cannabinoid Products (www.health.state.mn.us/people/cannabis/edibles/index.html)
If the business offers on-site consumption, do they have a liquor license?				Local authorities issue on-site consumption licenses. These are required for all businesses permitting on-site consumption of THC.
Product Compliance – All Products				
Does the business ensure that all sales are made to persons 21 years old or older?				Only persons 21 years of age or older may purchase hemp-derived cannabinoid products, with the exception of topicals. These products may be sold to anyone.
Does the business have all edible cannabinoid products, except beverages, behind the counter or in a locked cabinet?				Businesses must ensure all edible cannabinoid products are secure and inaccessible to customers.

Question	Yes	No	Comments	Additional Information
Only delta-8 and delta-9 are allowed for human consumption. Does the business sell edibles or beverages with any other intoxicating cannabinoids?				MDH has identified products containing many different intoxicating cannabinoids, such as HHC, THC-O, THC-P, PHC, delta-10, delta-11, delta-8p, delta-9p, etc. The product must contain only delta-8 and/or delta-9.
Does the business sell any edible products that are similar to a product marketed to or consumed by children?				Edible products that appear similar to candy or snacks marketed toward or consumed by children are not allowed.
Does the label on the edible or beverage state “Keep out of reach of children”?				All products must include the warning label “Keep out of reach of children.”
Is the manufacturer’s name, address, website, and contact phone number included on the label or provided through a QR code?				If not, the product is not in compliance.
Does the QR code on the product bring the user to a Certificate of Analysis on the website, which includes the name of the independent testing laboratory, cannabinoid profile, and product batch number?				All products must be tested by batch in an independent, accredited laboratory. The results must include the cannabinoid profile.
Does the label on the product indicate the cannabinoids by serving and in total?				The label must indicate the potency by individual serving as well as in total.

Question	Yes	No	Comments	Additional Information
Does the label on the product make any claim the product offers any kind of health benefit?				Health claims are not permitted on hemp or cannabis products unless approved by the FDA. At this time, there is not an approved statement.
Does the label on the product state that the product does not claim to diagnose, treat, cure or prevent any disease?				The manufacturer cannot claim the product will provide any health benefit unless the product has been formally approved by the FDA.
Does the business sell CBD (or other forms of cannabidiol) in the form of a softgel, tablet, or tincture?				Non-intoxicating cannabinoids may only be sold in the form of an edible, beverage, or topical. Therefore, softgels and tablets cannot be sold. Tinctures must be labeled as either an edible or beverage and comply with the edible or beverage requirements.
Product Compliance – Edibles				
Does the edible product contain more than 5 mg delta-8 and/or delta-9 per serving?				Edibles may not exceed 5 mg delta-8 and/or delta-9 per serving.
Does the edible product package/container contain more than 50 mg total THC (delta-8 and/or delta-9)?				Edibles may not exceed 50 mg total delta-8 or delta-9 per package. The edible cannot contain any other form of THC or intoxicating cannabinoid.
Are all the edible product’s servings clearly marked, wrapped, or scored <u>on</u> the product?				Edible product servings must be clearly distinguished on the product. Bulk products that require the consumer to measure are not allowed.

Question	Yes	No	Comments	Additional Information
Does the business sell any edible products in the shape of bears, worms, fruits, rings, ribbons?				Edibles in shapes that appeal to children are not allowed.
Is the edible product in a child-proof, tamper-evident, opaque container?				All edibles must be in a container that is child-resistant and tamper evident. If the container is clear, the business must place the edible into an opaque bag at the point of sale. Clear bags are not allowed.
Product Compliance - Beverages				
Does the beverage product contain more than 5 mg delta-8 or delta-9 per serving?				Beverages may not exceed 5 mg delta-8 and/or delta-9 per serving.
Does the beverage product contain more than 2 servings?				Beverages cannot exceed two servings, regardless of the THC potency.
Is the beverage product in an opaque container?				If the beverage is in a clear container, the business must place the beverage in an opaque bag at the point of sale.
Product Compliance – Smokables (non-flower)				
Does the business sell vapes, pre-rolls, dabs, or other smokable products which contain more than 0.3% THC?				<p>A product’s certificate of analysis will show the concentration of THC the product contains. The certificate typically is found through the QR code on the product package. In MDH’s experience, most vapes contain 50% - 90%+ THC.</p> <p>Pre-rolls may consist of raw hemp flower. These products are not regulated by 151.72. However, if a pre-roll is labeled as “infused” or “coated” have additional cannabinoids applied to the material, of which the product typically exceeds the 0.3% THC limit.</p>

Question	Yes	No	Comments	Additional Information
Does the business sell vapes, pre-rolls, dabs, or other smokeable products that contain other intoxicating cannabinoids, such as HHC?				MN Statutes do not allow any cannabinoid, other than delta-8 or delta-9, to be sold if the cannabinoid is intended to alter the structure or function of the body. HHC is a cannabinoid known to have potency greater than THC.
Does the business sell vapes, pre-rolls, dabs, or other smokable products which contain CBD?				Non-intoxicating cannabinoids cannot be smoked, vaped, or inhaled.
Product Compliance – Flower				
Does the business sell raw hemp flower?				<p>Raw hemp flower must contain 0.3% or less of delta-9 on a dry weight basis. Products exceeding 0.3% delta-9 dry weight are marijuana, and are illegal for sale.</p> <p>THC-A is the non psychoactive precursor to delta-9. Once heated THC-A converts to delta-9. In that process some amount of THC-A is lost.</p> <p>To determine whether, once heated, the hemp flower will exceed the allowable 0.3% of delta-9, one can use a decarboxylation formula which takes into account the conversion of THC-A into delta-9.</p> <p>That formula is as follows: $\text{Total THC} = (0.877 \times \text{THC-A}) + \text{d-9 THC}$</p> <p>Raw flower must include a certificate of analysis to show testing below 0.3% delta-9.</p> <ul style="list-style-type: none"> • A lack of a certificate of analysis would constitute an illegal sale.

Question	Yes	No	Comments	Additional Information
				<ul style="list-style-type: none"> A certificate of analysis showing that under the decarboxylation formula that delta-9 would exceed the 0.3% threshold would also indicate the flower is cannabis and not hemp and therefore being sold illegally.
Product Compliance – On-Site Consumption				
If the business offers on-site consumption, do they serve the edible or beverage in its original packaging?				The business may not pour out or remove an edible from its original packaging.
If the business offers on-site consumption, do they mix a cannabis-infused beverage with alcohol?				The business may not mix cannabis-infused products with alcohol.
If the business offers on-site consumption, do they permit customers to remove from the premises products which have been removed from their original packaging?				Products which have been removed from their original packaging cannot be removed from the premises by the customer.

NOTE: If a person suspects that a hemp-derived cannabinoid product is being sold in violation of Minnesota law, they can use the complaint form at [Submitting Hemp-Derived Cannabinoid Product Complaints \(www.health.state.mn.us/people/cannabis/edibles/complaints.html\)](http://www.health.state.mn.us/people/cannabis/edibles/complaints.html).

Appendix C: Enforcement Notice from the Office of Cannabis Management



Enforcement Notice from the Office of Cannabis Management

Dear Registered Hemp Derived Cannabinoid Business:

The Office of Cannabis Management (OCM), established in 2023, is charged with developing and implementing the operational and regulatory systems to oversee the cannabis industry in Minnesota as provided in Minnesota Statutes Chapter 342.

When Minnesota legalized the sale of adult-use of cannabis flower, cannabis products, and lower-potency hemp edibles/ hemp-derived consumer products, the Minnesota Legislature included statutory provisions, [Minnesota Statutes, chapter 152.0264](#), making the sale of cannabis illegal until a business is licensed by OCM. The Office of Cannabis Management has not yet issued licenses for the cultivation, manufacture, wholesale, transportation or retail sale of cannabis, therefore any retail sales of cannabis products, including cannabis flower, are illegal.

The Office of Cannabis Management has received complaints of retailers selling cannabis flower under the label of hemp flower. Under an agreement between The Minnesota Department of Health (MDH) and OCM, inspectors from MDH will begin to examine any flower products being sold during their regular inspections to determine whether they are indeed hemp flower or cannabis flower.

In distinguishing between hemp and cannabis flower, OCM, consistent with federal rules and regulations related to hemp under 7 CFR 990.1, will consider the total concentration of THC post- decarboxylation, which is the process by which THC-A is converted into Delta-9 to produce an intoxicating effect. The examination of raw flower products will include reviewing the certificate of analysis for compliance in several areas, including:

Compliance with the requirement that raw flower listed for sale includes a Certificate of Analysis (COA). Products for sale without a COA will constitute an illegal sale.

A COA that affirms concentrations of 0.3% or less of Delta-9 on a dry weight basis. Products exceeding 0.3% Delta-9 dry weight are considered marijuana and are therefore illegal to sell.

A COA that confirms that the total levels of Delta-9 and THC-A after the decarboxylation process do not exceed 0.3%. A COA that indicates the raw flower will exceed 0.3 percent Delta-9 post-decarboxylation, or a subsequent test conducted by an independent laboratory utilized by OCM that confirms Delta-9 in excess of 0.3 percent will be considered illegal.

[Minnesota Statutes, Chapter 342](#) governs Minnesota’s cannabis market, and empowers OCM to ensure regulatory compliance. [Minnesota Statutes, chapter 342.09, subdivision 4](#) prohibits the retail sale of cannabis flower and cannabis products “without a license issued under this chapter that authorizes the sale.”

To date, the Office of Cannabis Management has not issued any cannabis licenses, applications for licenses are expected to be available in the first half of 2025. As such, selling cannabis is a clear violation of law. Be aware that under [Minnesota Statutes, 342.09, subdivision 6](#), OCM may assess fines in excess of a \$1 million for violations of this law. Likewise, under [Minnesota Statutes, chapter 342.19](#), OCM is empowered to embargo any product that it has “probable cause to believe . . . is being distributed in violation of this chapter or rules adopted under this chapter[.]” Furthermore, violations of law may be considered in future licensing decisions made by OCM.

As inspectors enter the field, we encourage you to review the products you are currently selling to ensure they fall within the thresholds outlined above. If you have any questions related to the products you are selling, please send an email to cannabis.info@state.mn.us.

Thank you for your attention to this matter.

A handwritten signature in black ink, appearing to read "Charlene Briner", with a long horizontal flourish extending to the right.

Charlene Briner
Interim Director
Office of Cannabis Management

Appendix D: Notice to Unlawful Cannabis Sellers

Notice to Unlawful Cannabis Sellers

This notice is to inform you that your current course of action may run afoul of Minnesota law, and continuing this course of action may result in civil actions and potential criminal prosecution. To avoid such outcomes, you should immediately cease and desist any plans to engage in the unlicensed sale of cannabis and cannabis products.

[Minnesota Statutes, Chapter 342 \(www.revisor.mn.gov/statutes/cite/342\)](http://www.revisor.mn.gov/statutes/cite/342) governs Minnesota’s cannabis market, and empowers OCM to ensure regulatory compliance. [Minnesota Statutes, chapter 342.09, subdivision 4 \(www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.4\)](http://www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.4) prohibits the retail sale of cannabis flower and cannabis products “without a license issued under this chapter that authorizes the sale.” To date the Office of Cannabis Management has not issued any retail, or other, cannabis licenses. As such, your plan to sell cannabis in a retail setting at this date would be in flagrant violation of the law. Be aware that under [Minnesota Statutes, 342.09, subdivision 6 \(www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.6\)](http://www.revisor.mn.gov/statutes/cite/342.09#stat.342.09.6), OCM may assess fines in excess of a \$1,000,000 for violations of this law.

Likewise, under [Minnesota Statutes, chapter 342.19 \(www.revisor.mn.gov/statutes/cite/342.19\)](http://www.revisor.mn.gov/statutes/cite/342.19), OCM is empowered to embargo any product that it has “probable cause to believe . . . is being distributed in violation of this chapter or rules adopted under this chapter[.]” It is believed that products attempted to be sold at your retail location might be distributed in violation of the law, and would therefore be subject to embargo by OCM. Under [Minnesota Statutes, chapter 342.19, subd. 2 \(www.revisor.mn.gov/statutes/cite/342.19#stat.342.19.2\)](http://www.revisor.mn.gov/statutes/cite/342.19#stat.342.19.2), once embargoed OCM “shall release the cannabis plant, cannabis flower, cannabis product, artificially derived cannabinoid, lower-potency hemp edible, or hemp-derived consumer product when this chapter and rules adopted under this chapter have been complied with or the item is found not to be in violation of this chapter or rules adopted under this chapter.”

While Minnesota has legalized the sale of adult-use of cannabis flower, cannabis products, lower-potency hemp edibles, or hemp-derived consumer products, the legislature did add new statutory provisions, [Minnesota Statutes, chapter 152.0264 \(www.revisor.mn.gov/statutes/cite/152.0264\)](http://www.revisor.mn.gov/statutes/cite/152.0264), making illegal the unlawful sale of cannabis. As there are not yet any licenses issued by OCM for the cultivation, manufacture, wholesale, transportation, or retail of cannabis, any sales of cannabis products in excess of the limits in 152.0264 is illegal.

If you are only planning to sell cannabinoid products that are derived from hemp, you should ensure that the sale of those products is consistent with [Minnesota Statutes, chapter 151.72 \(www.revisor.mn.gov/statutes/cite/151.72\)](http://www.revisor.mn.gov/statutes/cite/151.72), including but not limited to the requirement that your business be registered with the Commissioner of Health, and that all products are in compliance with the relevant statutes.

Finally, in addition to the state laws outlined above, please be aware that any retail location must be in compliance with local government ordinances and zoning requirements.

OCM takes seriously its charge to enforce Minnesota Statutes, Chapter 342, and its responsibility to ensure a safe and legal cannabis market. In order to avoid the above-described actions, all attempts to open a cannabis retail dispensary in Minnesota without the appropriate license should be ceased.



CITY COUNCIL WORK SESSION MEETING

AGENDA SECTION	WORK SESSION ITEM
MEETING DATE	JULY 1, 2024

ITEM:	Discussion on Zoning Updates							
DEPARTMENT:	Community Development	BY/DATE: Andrew Boucher, City Planner; June 27, 2024						
CORE CITY STRATEGIES: <i>(please indicate areas that apply by adding an "X" in front of the selected text below)</i>								
<table> <tr> <td><input checked="" type="checkbox"/> Healthy and Safe Community</td> <td><input type="checkbox"/> Thriving and Vibrant Destination Community</td> </tr> <tr> <td><input type="checkbox"/> Equitable, Diverse, Inclusive, and Friendly</td> <td><input checked="" type="checkbox"/> Strong Infrastructure and Public Services</td> </tr> <tr> <td><input type="checkbox"/> Trusted and Engaged Leadership</td> <td><input checked="" type="checkbox"/> Sustainable</td> </tr> </table>			<input checked="" type="checkbox"/> Healthy and Safe Community	<input type="checkbox"/> Thriving and Vibrant Destination Community	<input type="checkbox"/> Equitable, Diverse, Inclusive, and Friendly	<input checked="" type="checkbox"/> Strong Infrastructure and Public Services	<input type="checkbox"/> Trusted and Engaged Leadership	<input checked="" type="checkbox"/> Sustainable
<input checked="" type="checkbox"/> Healthy and Safe Community	<input type="checkbox"/> Thriving and Vibrant Destination Community							
<input type="checkbox"/> Equitable, Diverse, Inclusive, and Friendly	<input checked="" type="checkbox"/> Strong Infrastructure and Public Services							
<input type="checkbox"/> Trusted and Engaged Leadership	<input checked="" type="checkbox"/> Sustainable							

BACKGROUND:

Staff has been tracking opportunities to update the City Zoning Code based on observations, feedback, and recommendations from staff and community members to provide more flexibility in the Zoning Code that reflect the needs of the community while encouraging future development.

Some of these updates include providing definitions in code for uses that are presently allowed in residential, commercial, and industrial districts and have specific development standards but are not currently defined in code. Examples of these include *concrete, asphalt, rock crushing operations; consignment/secondhand stores, currency exchange, etc.* These definitions will more accurately reflect housing and family trends as currently there are no definitions for single-family dwelling, two-family dwellings, and rental unit. Other changes will include an amendment to the existing definition of "Family" to remove unrelated occupancy maximums, new definitions for "Dwelling Unit, Accessory" and "Family, Shared Living Arrangement" to reflect current housing trends and a growing need to reduce housing expenses while encouraging social contact, mutual support, and assistance amongst diverse communities.

Other focus areas will include examining the current General and Specific Development Standards with consideration to off-street parking and loading requirements, building design standards to allow for painted murals on existing buildings as well as providing guidance for other forms of public art, and creating a more streamlined sign code.

STAFF RECOMMENDATION:

Staff recommends bringing zoning code updates to the next Planning Commission meeting on August 7, 2024.



CITY COUNCIL WORK SESSION MEETING

AGENDA SECTION	WORK SESSION ITEM
MEETING DATE	JULY 1, 2024

ITEM:	Discussion on Accessory Dwelling Units										
DEPARTMENT:	Community Development	BY/DATE: Andrew Boucher, City Planner; June 26, 2024									
CORE CITY STRATEGIES: <i>(please indicate areas that apply by adding an "X" in front of the selected text below)</i>											
<table border="0"> <tr> <td>X Healthy and Safe Community</td> <td></td> <td>_ Thriving and Vibrant Destination Community</td> </tr> <tr> <td>_ Equitable, Diverse, Inclusive, and Friendly</td> <td></td> <td>X Strong Infrastructure and Public Services</td> </tr> <tr> <td>_ Trusted and Engaged Leadership</td> <td></td> <td>X Sustainable</td> </tr> </table>			X Healthy and Safe Community		_ Thriving and Vibrant Destination Community	_ Equitable, Diverse, Inclusive, and Friendly		X Strong Infrastructure and Public Services	_ Trusted and Engaged Leadership		X Sustainable
X Healthy and Safe Community		_ Thriving and Vibrant Destination Community									
_ Equitable, Diverse, Inclusive, and Friendly		X Strong Infrastructure and Public Services									
_ Trusted and Engaged Leadership		X Sustainable									

BACKGROUND:

Staff received interest from community members and Planning Commissioners regarding accessory dwelling units and identifying code restrictions limiting the number of unrelated occupants in a dwelling unit. The Family Housing Fund has been tracking accessory dwelling unit (otherwise known as granny flats or backyard cottages) ordinances across municipalities in the seven-county Metro area since 2019 and provides informational resources to homeowners interested in building ADUs through a guidebook as well as how municipalities can make it easier for homeowners to build ADUs.

Staff prepared an up-to-date spreadsheet of local cities' ADU ordinances using the cities that Family Housing Fund identified as having an ADU policy, in addition to other cities that were recommended for review. These cities' ADU ordinances are included in the attached spreadsheet. The key components an ADU ordinance will need to address are as follows:

- Where are ADUs allowed?
- Is special permitting required?
- What are the parking requirements?
- Is there an owner occupancy requirement?
- Are there zoning restrictions such as minimum lot sizes and lot coverage maximum?
- Are there minimum and maximum sizes on ADUs?

Staff reviewed the other cities' ordinances and consulted with those cities' planning staff to gauge the effectiveness of the ordinances as well as identifying any common themes amongst cities to guide staff recommendations. One common trend across all municipalities that have implemented ADU ordinances is that the cost of construction tends to limit the number of accessory dwelling units that have been built across municipalities and that this is more of a tool to encourage multi-generational housing.

SUMMARY OF CURRENT STATUS:

Current city code does not allow for Accessory Dwelling Units and through Chapter 9 – Land Use establishes unrelated occupancy maximums of no more than three unrelated adults that may be tenants in any single

dwelling unit. Staff received correspondence from Pastor Jin S. Kim, Church of All Nations, who represents an extremely diverse, multi-cultural and multi-generational congregation that has experienced difficulties in obtaining housing in the City of Columbia Heights because of rising costs and the aforementioned code restriction preventing more than three (3) unrelated adults from sharing a single dwelling unit and caused these community members to seek housing outside of Columbia Heights where municipalities have less restriction on unrelated occupancy.

STAFF RECOMMENDATION:

Staff recommends the following code amendments to Chapter 9 – Land Use through 9.103 Definitions, 9.106 General Development Standards (D) Dwellings and 9.109 Residential Districts (E)(5), (F)(5), (G)(5), (H)(5):

1. 9.103 Definitions to amend the existing definition of **FAMILY** and include new definitions for:
 - DWELLING UNIT, ACCESSORY.** A separate, complete housekeeping unit with a separate entrance, kitchen, sleeping area, and full bathroom facilities, which is an internal, attached or detached extension to an existing single-family structure.
 - FAMILY, SHARED LIVING ARRANGEMENT.** The occupancy of a dwelling unit by persons of more than one family in order to reduce housing expenses and to provide social contact, mutual support, and assistance.
 - FAMILY.** ~~An individual, or two or more persons each related by blood, marriage or adoption, living together as a single housekeeping unit; or a group of not more than four persons not so related, maintaining a common household and using common cooking and kitchen facilities.~~ Any number of persons living together as a single housekeeping unit under a common housekeeping management plan.

2. 9.106 General Development Standards (D) Dwellings should be amended to remove the following standards and add an additional section for Accessory Dwelling Units to the Dwellings language:
 - ~~(b) No accessory building or recreational vehicle shall be used at any time as a dwelling unit~~
 - ~~(d) No more than three unrelated adults shall be tenants in any single dwelling unit~~

(3) Accessory Dwelling Units

 - (a) An accessory dwelling unit shall only be a permitted accessory use to any lot with a detached single-family dwelling.
 - (b) No accessory dwelling unit shall be permitted upon a lot on which more than one residential dwelling is located and no more than one accessory dwelling unit shall be permitted per lot.
 - (c) The accessory dwelling unit shall not be sold or conveyed independently of the principal residential dwelling and may not be on a separate tax parcel or subdivided through any means.
 - (d) Either the ADU or the principal dwelling shall be occupied by the property owner and a restriction shall be recorded against the property requiring owner occupancy for at least one of the units; a rental license for the non-owner-occupied unit is required.
 - (e) Both the single-family dwelling and the accessory dwelling unit, together, shall provide adequate off-street parking on the lot; parking spaces may be garage spaces or paved outside parking spaces.
 - (f) Accessory dwelling units must be a minimum of 250 square feet.
 - (g) ADUs in Minnesota must adhere to the Minnesota State Building Code, which includes fire separation for attached units, safe egress and entrances, and proper water and sewer connections.

(h) Accessory dwelling units within or attached to the principal structure shall conform to Zoning Code standards for single family dwellings, including but not limited to setback, height, impervious surface, curb cut and driveway, and accessory structure standards if the unit is detached. The accessory dwelling unit is subject to current Building, Plumbing, Electrical, Mechanical, and Fire Code provisions including maintaining emergency access to both units.

3. 9.109 Residential Districts should be amended to include accessory dwelling units and shared family living arrangements to be permitted accessory uses to any zone that permits detached single-family dwelling units:

R-1, Single-Family Residential District; R-2A and R-2B, Two-Family Residential District; R-3, Limited Multiple-Family Residential District; R-4, Multiple-Family Residential District

(5) *Permitted accessory uses.* Except as specifically limited herein, the following accessory uses shall be permitted in ____ Residential District:

- i. Accessory dwelling units
- j. Shared family living arrangements

Other items that may need to be clarified are whether there is an off-street parking requirement in addition to what is required for the single-family dwelling units. Copies of the specific cities referenced on the spreadsheet are available by request.

ATTACHMENT(S):

- Correspondence from Pastor Jin S. Kim to Planning Commissioners Denen, Gianoulis, and Moses
- Family Housing Fund ADU Info by City 2019
- ADU Guidebook
- ADU Research Including Model ADU Standards

Local Cities	Where are ADUs allowed?	Special Permit	Parking	Owner Occupancy	Water/Sewer	Min. Lot Size	Lot Coverage	Min. ADU size	Max. ADU size	Type	Ordinance Section	Notes	# built or legalized	Unrelated Occupancy?
Columbia Heights	In Residential Zoning Districts where detached single-family dwellings are on a lot as a permitted accessory use	Administrative residential building permit	One additional off-street parking space, but may be a parking pad contingent with a driveway or if located on an alley, then a standalone pad is allowed	Yes, owner occupancy requirement; restriction recorded on the property with the owner residing in one of the two units; rental license required	Defer to Engineering/Building Code requirements	Defer to zoning district minimums; cannot intensify a nonconforming use, structure or lot.	Subject to building coverage outside the Shoreland Overlay District and impervious surface maximums within.	250 sq. ft.	1,000- sq. ft.	Attached, detached, internal				
Apple Valley	In R-1 district only	CUP	2 off-street for the ADU and 2 off-street for the main home	Yes	Must connect to main house	40,000 sf	Cannot exceed 35%	300 sq. ft.	Shall be no larger than 40% of the main home's footprint	Attached, internal	155.382	ADU occupancy limited to 3 people; ADUs must be two bedrooms or fewer and may not be used as a rental for less than 30 days	2	No
Blaine (applicable to all ADUs unless distinguished between attached and detached)	Attached ADUs are allowed through administrative review when accessory to a single family home in the R-1, R-1A, R-1AA, R-1B, RE, FR, RF, and DF districts; Detached ADUs are allowed administratively in the RE and FR districts, but require a CUP in the R-1, R-1A, and R-1AA districts	CUP in R-1, R-1A, and R-1AA districts	Home and ADU together must have at least 3 off street parking spaces that can be directly accessed; a parking space located on a driveway in front of a garage cannot meet the requirement	Yes (owner occupancy is recorded to the property)	Shall not be separately metered and water and sewer shall be connected to the same lines as the home	No	Defers to zoning standards	Minimum of 150 sq. ft. per person	Lesser of 50% of the finished sq. ft. of the primary residence or 960 sq. ft. in the R-1, R-1A, R-1AA, R-1B, RE, and DF districts; lesser of 50% of the finished sq. ft. of the primary residence or 1200 sq. ft. in the RE and FR districts.	Attached, detached, internal	33.25	No more than two bedrooms; limited to two adult individuals and the parents and children if each, if any, residing in the same dwelling unit and maintaining a common residence with no more than one person per 150 sq. ft.	0	Rental license required if occupied by someone other than owner or family of owner
Bloomington	In R-1 and RS-1 zoning districts	Administrative review districts	Must meet the minimum parking standards for a single-family unit and the total number of vehicles must conform with zoning standards	Yes	ADUs are prohibited on sites not served by municipal sewer and water; separate metering for a detached accessory dwelling unit is required except by special permission of the Utility Division and City Engineer	11,000 sq. ft.	Defers to zoning standards	300 sq. ft.	960 sq. ft.; four season living area may not exceed 33% of the combined four season living area of accessory dwelling unit and single family home	Attached, detached, internal	21.302.03	Only one rental license can be issued to either the ADU or the single family home	1 permitted and constructed	No
Burnsville	In R-1 or R-1A zoning district	Permitted accessory use	One off-street parking space (enclosed or on a driveway) is required for the ADU; a minimum garage of 440 sq. ft. must be maintained for the primary residence	Yes	Primary residence and ADU shall be served by one shared municipal water, sanitary, sewer, gas, and electric service; except in R-1A zone, the ADU shall meet private well and septic requirements if not serviced by municipal services	10,000 sq. ft.	Defers to zoning standards	300 sq. ft.	No more than 50% of the primary dwelling unit footprint or total floor area	Attached, detached, internal	10.7.52	ADUs must be two bedrooms or fewer; require park dedication and utility fees	0	
Chaska	Allowed in PUDs	-	-	-	-	-	-	-	-	-	-	-	10	
Crystal	In R-1 or R-2 Zoning Districts	Permitted accessory use	One space in addition to the two required spaces for the home	No	Interior/attached is the same as home; detached requires a connection to the utility main or to the existing connection at a point on the private property	6,000 sq. ft.	Defers to zoning standards		Shall not exceed 50% of the finished floor area of the main home	Attached, detached, internal	515.23		12	No
Eagan	In Estate and R-1 zoning districts	Annual registration	2 off-street for the ADU and 2 off-street for the main home	Yes	Must connect to main house	-	Cannot exceed 20%	300 sq. ft.	960 sq. ft. or 33% of the 4-season living area of the main home	Attached, internal	11.7		3	N/A
Edina	In R-1 Zoning	Building Permit and Rental License for one of the units	Additional parking is not required; however, on-street parking restrictions require any needed parking to be provided on the property	Yes	Must be connected to municipal sewer and water through service lines shared with the principal dwelling unless otherwise approved	No	50% impervious surface coverage in R-1; lots over 9,000 sq. ft. are limited to 25% building coverage; lots under 9,000 sq. ft. are limited to 30% or 2,250 sq. ft. of building coverage whichever is less.	None	1,000 sq. ft.	Attached, detached, internal	36-439	Only one unit can be rented	N/A	
Farmington	Accessory apartment are allowed	Permitted accessory use	N/A	N/A	N/A	Defers to zoning standards for accessory structures	Defers to zoning standards	N/A	1,800 sq. ft.	Detached; potentially attached and internal	10.50	Not addressed in code beyond being allowed as an accessory apartment		
Fridley	Allowed in R-1, R-2, R-3, and S-1 districts	Attached accessory dwelling units are permitted accessory uses; detached accessory dwelling units require a Special Use permit	The home and ADU together must have adequate off-street parking and may be garage spaces or paved outside parking spaces.	Yes	Detached unit shall have a water and sewer connection to directly to the respective utility main within the public right of way, or if direct connection is impractical, to the existing water and sewer connection.	Defers to zoning standards	Defers to zoning standards	250 sq. ft.	Shall be no more than 50% of the finished square footage of the principal structure	Attached, internal, and detached	205.04	Rental license required for one of the units if rented; restriction recorded against the property requiring owner occupancy with respect to at least one of the units	1 permitted and another going through the permit process	No more than five unrelated people can live together
Golden Valley	In R-1 and R-2 zoning	Detached accessory dwelling units require a CUP	A minimum of one additional off-street parking space shall be provided for the accessory dwelling unit in addition to those required for the principal dwelling	Yes	Utility connections for the accessory dwelling unit shall be provided from the existing principal structure so long as adequate capacity exists or can be provided.	For detached, a minimum of 10,000 sq. ft.	Defers to zoning standards	250 sq. ft.	No more than 35% of the home's gross living area or 950 sq. ft.	Attached, internal, and detached	113.159	Rental license required		
Hastings	Not allowed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Hopkins	ADU/Backyard cottages/secondary suites are allowed in residential districts; some are only allowed on lots with one house occupied by one household	No	No additional parking is required for the ADU but all off-street parking requirements for principal dwelling must be provided	Yes	Must connect to the principal building; separate connections are prohibited	N/A	Defers to zoning standards	N/A	800 sq. ft.	Attached, detached, internal	102-620 through 102-640	Requires deed restriction to be filed with the zoning administrator and recorded with the County	0	4
Inver Grove Heights	Permitted accessory uses in A, E-1, E-2, R-1A, R-1B and R-1C	N/A	Required to provide at least 2 off-street parking spaces	Yes	Must connect to the principal building	One acre for detached accessory dwelling unit within accessory structure	Defers to zoning standards	250 sq. ft.	1,000 sq. ft.	Attached, detached, internal	10.18.1	Requires city registration and rental licensing as required by code		
Lakeville	In RS-1, RS-2, RS-3, and RS-4 zoning districts and PUDs	N/A	3 garage stalls for the ADU and main home	No	Must share with main house	Defers to zoning standards	Defers to zoning standards	N/A	30% of the gross floor area of the principal building	Attached, internal	11.50.11F; 11.51.11F; 11.52.11F; 11.53.11F	Must be accessed from inside the main house		
Long Lake	In the R-1, R-1A, R-2, R-3, and R-4 Zoning Districts	Conditional Use Permit	2 for the ADU	Yes	Must be connected to municipal utilities	Double the minimum lot size required by zoning districts	Defers to zoning standards	N/A	900 sq. ft.	Attached, detached, internal	19.6	Ability to increase maximum size through separate CUP		

Minneapolis	As an accessory to a permitted or conditional single-family or two family dwelling	Administrative permit	There is not a minimum or maximum parking requirement for the principal structure or for the accessory dwelling unit.	Yes	Connect to the main home or street	Defers to zoning standards	Defers to zoning standards	300 sq. ft.	Internal: 800 SF not to exceed the first floor of the main home; attached: 800 SF; detached: 1,300 SF including parking areas or 30% of the lot area; footprint not to exceed 67% SF or 10% of the lot area, not to exceed 1,000 sq. ft.	Attached, detached, internal	537.11	Deed restriction on internal ADUs	Approximately 200 since 2014	Eliminated maximum dwelling unit occupancy limits from the zoning code; amended ADU language to remove certain restrictions
Minnetonka	In R-1 and R-2 zoning districts	Conditional Use Permit	Determined on a case by case basis	Yes	Must connect to the main house	Defers to zoning standards	Defers to zoning standards	N/A	No more than 35% of the gross living area of the home, including the ADU or 950 SF, whichever is smaller	Attached, internal	300.16.3.d		68	N/A
Plymouth	Within residential subdivisions in RSF-R, RSF-1, RSF-2, and PUD zoning districts that have received preliminary plat approval on or after June 1, 2003 and that include 10 or more single-family lots	Administrative permit	1 off-street for the ADU	Yes	Detached must connect to utility main	Defers to zoning standards	Defers to zoning standards	200 sq. ft.	Shall not exceed the gross floor area of the main home or 1,000 sq. ft., whichever is less	Attached, detached, internal	21190.04	Can only be constructed at the same time as the primary home, as part of a subdivision of 10 or more homes	5 ADUs	Includes definitions of "family" and "functional family"; family is considered an individual or two or more persons related by blood, marriage, adoption or a functional family as defined as a group of no more than 6 people plus their offspring
Richfield	In R and R-1 zoning districts	N/A	3 off-street spaces are required	Yes	Attached and internal may connect to home	Defers to zoning standards	Defers to zoning standards	300 sq. ft.	800 SF or the gross floor area of the principal dwelling, whichever is less	Attached, detached, internal	514.05 Subd. 8; 518.05 Subd. 8	Detached units are only allowed as part of a garage; has a Fix Up Fund Loan or Transformation Home Loan Program	2 existing	"Family" definition is limited to three unrelated adults
Roseville	Lot occupied by a one-family dwelling	Lifetime, non-transferable ADU occupancy permit required	1 additional off-street space for the ADU	Yes	Attached and internal may connect to home	Defers to zoning standards	Defers to zoning standards	300 sq. ft.	650 SF or 75% of the 4-season living area of the main home	Attached, detached, internal	11.011.12.B.1	ADU occupancy limited to 2 people; ADUs must be one bedroom or fewer	4 since 2009	"Family" definition for principal dwellings is four unrelated adults; ADUs limited to two people
Shoreview	In RE and R-1 zoning district	Accessory apartment permit	3 off-street spaces are required	Yes	Must share with main house	Defers to zoning standards	Defers to zoning standards	500 sq. ft.	No more than 30% of the building's total floor area nor greater than 800 SF	Attached, internal	207.01	ADUs must be two bedrooms or fewer		
St. Louis Park	Only on single-family lots in R-1, R-2, and R3 districts	Administrative permit	No	Yes to establish a legal ADU, but not once it is sold	N/A	Defers to zoning standards	Defers to zoning standards	200 sq. ft.	40% of the gross floor area of the single-family dwelling; defers to zoning maximums	Attached, detached, internal	36-162	Owner does not have to reside on the property if an ADU is established/sold		
St. Paul	R-1 - R-4, RT1, RT2, RM1, RM2	Annual affidavit of owner-occupancy	No additional spaces if principal home meets minimum parking requirements	Yes	Must connect to principal home	5,000 sq. ft.	Defers to zoning standards		800 SF; if interior to the principal structure, the principal structure must be at least 1,000 sq. ft. and the ADU must not exceed 1/3 of the total floor area	Attached, detached, internal	Chapters 61, 63, 65, and 66			
Stillwater	Accessory dwellings allowed as permitted uses in RR and TR districts and conditional uses in CTR and RB districts	CUP in CTR and RB districts; CUP for duplex accessory unit	Off-street parking for the single family residence and apartment/accessory unit are required	No	Can be connected to property or utility main	TR and RB 10,000 sq. ft.; CTR: 15,000 sq. ft.	Defers to zoning standards	N/A	CTR:	Attached, internal, and detached	28.323	Must not result in the loss of significant trees or require major site alteration	N/A	N/A
Wayzata	Accessory/Permitted uses in R-1A, R-1, R-2A, R-2, R-3A, R-3, and conditionally in INS	CUP in INS district	One off-street parking space is required for the ADU exclusively in addition to the two off-street parking spaces required for the primary residence.	Yes	N/A	Minimum lot area of 11,000 sq. ft. in R-3A and R-3	Defers to zoning standards	300 sq. ft.	960 sq. ft.	Attached, internal, and detached	937.03	Requires rental license		
White Bear Lake	Applies to any zoning district where a single family home is a permitted use	Requires a CUP; and Certificate of Occupancy every year	Additional parking may be required; off-street parking is required for all vehicles	Yes	N/A	Defers to zoning standards	Defers to zoning standards	200 sq. ft.	800 sq. ft. or 40% of the habitable area whichever is less	Attached, internal, and detached	1302.125	Requires a CUP; and Certificate of Occupancy every year		



Local Cities	Where are ADUs allowed?	Special Permit Required?	Parking for ADU	Owner Occupancy	Water/ Sewer	Min. Lot Size	Lot Coverage	Min. ADU Size	Max. ADU Size	Type	Ordinance Section	Notes	# Built or legalized
Apple Valley	In R-1 zoning district	Conditional Use Permit	2 off-street for the ADU and 2 off-street for the main home	Yes	Must connect to main house	40,000 SF	Cannot exceed 35%	300 SF	Shall be no larger than 40% of the main home's footprint	Attached, Internal	155.382	ADU occupancy limited to 3 people; ADUs must be two bedrooms or fewer	2
Bloomington*	In R-1 and RS-1 zoning districts		Primary home must have 4 off-street parking spaces	Yes	Must connect to main house	11,000 SF		300 SF	960 SF or 33% of the 4-season living area of the main home	Attached, Internal	§ 21.302.03	ADU occupancy limited to 2 people; ADUs must be two bedrooms or fewer	1 permitted and constructed
Burnsville	In R-1 and R-1A zoning districts		1 off-street for the ADU and 2 off-street for the main home	Yes	Must connect to main house. If not on municipal lines, must meet private well and septic standards	10,000 SF for attached 1 acre for detached		300 SF	960 SF or 33% of the footprint of the main home	Attached, Detached, Internal	10.7.52	ADUs must be two bedrooms or fewer; require park dedication and utility fees	0
Chaska	In Planned Unit Developments			Yes					768 SF	Detached, above garage with alley access	Ord. #708		10
Crystal	In R-1 and R-2 zoning districts		1 additional for the ADU	No	Can be connected to property or utility main	6,000 SF			Shall not exceed 50% of the finished floor area of the primary home	Attached, Detached, Internal	Chapter V, Subsection 515.23, Subdivision 3		1 permitted
Eagan	In Estate and R-1 zoning districts	Annual Registration	2 off-street for the ADU and 2 off-street for the main home	Yes	Must connect to main house		Cannot exceed 20%	300 SF	960 SF or 33% of the 4-season living area of the main home	Attached, Internal	Section 11.70, subdivision 32	ADU occupancy limited to 2 people; ADUs must be two bedrooms or fewer	1 constructed and 1 legalized
Inver Grove Heights	In the A, E-1, E-2, R-1A, R-1B, and R-1C zoning districts		2 off-street for the ADU and 1 off-street for the main home	Yes	Must share with main house	1 acre for detached		250 SF	1,000 SF	Attached, Detached, Internal	10.18.1	ADU occupancy limited to 3 people	5 registered
Lakeville	In RS-1, RS-2, RS-3, and RS-4 zoning districts and Planned Unit Developments		3 garage stalls for the ADU and main home		Must share with main house					Attached, Internal	11.50.11.F, 11.51.11.F, 11.52.11.F, 11.53.11.F	Must be accessed from inside the main home	2 permitted
Long Lake	In the R-1, R-1A, R-2, R-3, and R-4 zoning districts	Conditional Use Permit	2 for the ADU	Yes		x2 the minimum lot size required by the zoning district			900 SF			Cannot be rented to non-family members	



Local Cities	Where are ADUs allowed?	Special Permit Required?	Parking for ADU	Owner Occupancy	Water/ Sewer	Min. Lot Size	Lot Coverage	Min. ADU Size	Max. ADU Size	Type	Ordinance Section	Notes	# Built or legalized
Minneapolis	As an accessory to a permitted or conditional single-family or two-family dwelling.		0 for the ADU, 1 space each for other units	Yes	Connect to main home or the street			300 SF	Internal: 800 SF not to exceed the first floor of the main home. Attached: 800 SF Detached: 1,300 SF (incl. parking areas) or 16% of the lot area. Footprint not to exceed 676 SF or 10% of the lot area, not to exceed 1,000 SF	Attached, Detached, Internal	537.11		~120 permitted and built
Minnetonka	In R-1 and R-2 zoning districts	Conditional Use Permit	Determined on a case by case basis	Yes	Must connect to main home				No more than 35% of the gross living area of the home, including the ADU or 950 SF, whichever is smaller.	Attached, Internal	Section 300.16.3.d		30
Plymouth	Within residential subdivisions in RSF-R, RSF-1, RSF-2, and PUD zoning districts, that have received preliminary plat approval on or after June 1, 2001 and that include 10 or more single-family lots		2 off-street for the ADU	Yes	Detached must connect to utility main				Shall not exceed the gross floor area of the main home or 1,000 SF, whichever is less	Attached, Detached	21190.04	Can only be constructed at the same time as the primary home, as part of a subdivision of 10 or more homes	0
Richfield	In R and R-1 zoning districts		3 off-street spaces are required	Yes	Attached and Internal may connect to home			300 SF	800 SF or the gross floor area of the principal dwelling, whichever is less	Attached, Detached, Internal	514.05 Subd. 8, 518.05 Subd. 8	Detached units are only allowed as part of a garage.	2 existing
Roseville	In the LDR-1 zoning district		1 additional off-street space for the ADU	Yes	Attached and Internal may connect to home			300 SF	650 SF or 75% of the 4-season living area of the main home	Attached, Detached, Internal	11.011.12.B.1	ADU occupancy limited to 2 people; ADUs must be one bedroom or fewer	5, 2 of which were legalized; 1 in processing
Shoreview	In RE and R-1 zoning districts	Accessory Apartment Permit	3 off-street spaces are required	Yes	Must share with main house			500 SF	No more than 30% of the building's total floor area nor greater than 800 SF	Attached, Internal	207.01	ADUs must be two bedrooms or fewer	
St. Paul	R1-R4, RT1, RT2, RM1, RM2	Annual affidavit of owner-occupancy	No additional spaces if principal home meets minimum parking requirement	Yes	Must connect to principal home	5,000 SF			800 SF; if interior to the principal structure, the principal structure must be at least 1,000 SF and the ADU must not exceed 1/3 of the total floor area	Attached, Detached, Internal	Chapters 61, 63, 65, and 66		1



Local Cities	Where are ADUs allowed?	Special Permit Required?	Parking for ADU	Owner Occupancy	Water/ Sewer	Min. Lot Size	Lot Coverage	Min. ADU Size	Max. ADU Size	Type	Ordinance Section	Notes	# Built or legalized
Stillwater	In TR, CTR, and RB zoning districts	In CTR and RB: Special Use Permit	4 off-street for the ADU and main house	No	Can be connected to property or utility main	TR and RB: 10,000 SF CTR: 15,000 SF			CTR: 500 SF, one story attached or 720 SF above a detached garage RB: 800 SF	TR and CTR: Attached, Detached, Internal RB: Detached, above garage	Sec. 31-501		16 approved, but likely more that were permitted by right in RB
White Bear Lake	Where single-family homes are permitted	Conditional Use Permit Annual Certificate of Occupancy renewal	Determined on a case by case basis	Yes	Can be connected to property or utility main			200 SF for the first occupant plus 100 SF for each additional occupant	880 SF or 40% of the habitable area of the main home	Attached, Detached	Section 1302.125	Maximum of 4 occupants	10 permitted
* Updated policy is currently under consideration as of February 2019													

From: [Jin S. Kim](#)
To: [Laurel Deneen](#)
Cc: [John Gianoulis](#); [Paul Moses](#)
Subject: Re: Multi Generational Housing
Date: Saturday, May 4, 2024 10:32:00 PM

Hi Laurel,

Thank you again for reaching out regarding this matter. As pastor to a multicultural and multigenerational church, these concerns hit close to home for my congregants. After discussing with a number of them, they shared their concerns which I outline below.

A number of my congregants who are under 40 years old are still single and don't live near family. However, there is a strong desire for them to share housing. With current occupancy limits, it makes it difficult for them to live together here in Columbia Heights. This trend seems to be backed up by the Pew Research Center ([link](#)) where today only 53% of U.S. adults ages 18 and older are married, down from 58% in 1995.

Of course, housing prices have increased dramatically over the past few decades ([link](#)). It has become increasingly difficult to qualify for a mortgage and be able to purchase a home. Many of my members would love to buy a home but with the current economy, are unable to afford a house. They do want to live in Columbia Heights, but some cannot afford to buy a home nor an apartment lease on their own. Dispensing with unrelated occupancy limits entirely will be one helpful solution. Allowing Accessory Dwelling Units will be even more critical.

My congregation is made up of people from over 25 countries and cultures around the world. With such diversity, there are different perspectives on what a constructive household can look like. A number of my congregants moved from CH to Minneapolis because it got rid of unrelated occupancy limits. As pastor of a diverse church I strongly favor ending the unrelated occupancy limit. After all, it was a policy that emerged as a substitute for redlining, which was part and parcel of the Jim Crow Laws, which replaced chattel slavery. I think we can move forward into a diverse and beautifully integrated future in our beloved Columbia Heights.

Regarding Accessory Dwelling Units (ADUs), a number of my congregants have described a desire to have separate dwelling for some of their aging parents. They want to help care for their aging parents, and for the sake of their grandchildren, while still having their own space. I believe an ADU will be a helpful and practical in-between to have some privacy and integration of a multigenerational family unit. Another advantage of ADUs is that they are more cost effective, promote healthier and tighter-knit communities, and are better for the environment. [Research](#) shows that the small size of the ADUs leads to lower consumption of utilities like water, gas and electricity than traditional single-family homes.

ADUs can also make our city more beautiful by building on land that is already developed, rather than tear down greenery and woods to build new rental properties. This also translates to rental income for the owner and an increased tax base. The average rental apartment in Columbia Heights is \$1,313/mth with an average of 843 sqft ([Link](#)). Allowing an ADU has already proven beneficial to neighboring cities Minneapolis, St. Paul, Fridley, Blaine, Roseville and many others ([Link](#) to Fridley). I believe that opening up options for ADUs will make our city more attractive to young people with a bright future.

Thank you again, Laurel, for your initiative and leadership. Please feel free to contact me anytime. And I'm copying John G and Paul M since they are on the committee with you.

Sincerely,

Pastor Jin S. Kim

Church of All Nations
www.cando.org

On Thu, Apr 25, 2024 at 7:32 AM Laurel Deneen <laureldeneenforcouncil@gmail.com> wrote:

Hello Pastor Jin,

No rush at all! I brought the issue to the last City Council meeting and will be doing more research of my own as well. Please just forward me your thoughts when you have time. I would love to get the points of view of our community members to share with city staff and others.

Thank you,
Laurel Deneen

On Thu, Apr 25, 2024 at 5:38 AM Jin S. Kim <jin@cando.org> wrote:

Hi Laurel,

Thanks for reaching out to me on this matter. Can you give me a few more days to respond to this? I am so glad you are taking the initiative on this, and collaborating w John & Paul. This will be a most welcome change in the way our city conceives of housing.

On Mon, Apr 22, 2024, 9:18 AM Laurel Deneen <laureldeneenforcouncil@gmail.com> wrote:

Good Morning Pastor Jin,

I'm collaborating with John Gianoulis and Paul Moses to gather information about Accessory Dwelling Units and multi-generational housing in the city. I recall from our conversation last winter that you expressed specific desires for changes in these areas. Would you be open to emailing me additional details about the changes you'd like to see and your reasons for them? This information would be invaluable as I work to bring attention to these matters in upcoming city council meetings and advocate for our community's needs.

Thank you,
Laurel Deneen



Home + home
Twin Cities
ADU Guidebook

FOR HOMEOWNERS

**ADU:
ACCESSORY
DWELLING
UNIT**



PHOTO CREDIT Jill Greer photography

Contents

- INTRODUCTION 2**
- How to Use this Guidebook..... 4
- What is an Accessory Dwelling Unit (ADU)?..... 4
- Frequently Asked Questions..... 9
- GET INSPIRED: WHY BUILD AN ADU? 10**
- ADU Stories 12
- Case Studies 14
- GET EDUCATED: HOW TO BUILD AN ADU 24**
- 1. Research..... 28
- 2. Design Ideas..... 32
- 3. Team Selection 34
- 4. Finances 36
- 5. Permits..... 38
- 6. Construction 40
- 7. Move-In..... 42
- REFERENCES 44**
- Additional Resources 44
- Twin Cities Planning Departments Contact Information 45
- Acknowledgements 46



Introduction

In this section you will...

- Learn how to use this guidebook.
- Learn what an ADU is.
- Discover the different types of ADUs.
- Find answers to common questions.



Home + home: Are you interested in building an Accessory Dwelling Unit (ADU) and creating another home in your little corner of the world? ADUs have existed historically throughout the Twin Cities, providing important space to rent out for extra income or to meet other household needs. As the metropolitan region grows and changes, homeowners and city planners alike are rediscovering the benefits of ADUs and the role they play in meeting our housing needs. Still, a homeowner thinking about building an ADU can be uncertain about where to start. This guidebook can help make your ADU dreams a reality.

How to Use this Guidebook

This guidebook is organized in two sections:

A. GET INSPIRED. Learn about the benefits of ADUs and see the ADU experiences of real Twin Cities families.

B. HOW TO BUILD AN ADU. Learn the basics of ADU development, from start to finish.

This guidebook is a resource to help you get started, but it cannot replace the knowledge and experience of local designers, builders and planners. The size and shape of your property, the rules of the city you live in, your budget and your own design needs and preferences will make your ADU-building experience unique.

What is an Accessory Dwelling Unit?

An ADU is a self-contained residential unit with its own living room, kitchen and bathroom.

ADUs are known by many names: carriage or coach houses, accessory apartments, garden apartments, mother-in-law suites, granny flats, backyard cottages and secondary dwelling units. Whatever it is called, an ADU is smaller than the primary or main house on the same lot.



An ADU is a self-contained residential unit with its own living room, kitchen and bathroom.

PHOTO CREDIT Jill Greer photography

ADUs ARE ALSO KNOWN AS:

Backyard Cottages

Garden Apartments

Accessory Apartments

Mother-in-law suites

Granny Flats

Secondary Dwelling Units

Carriage Houses

A historic form of housing

Although there is a recent resurgence of interest in ADUs, they are actually a historic form of housing that was common in the Twin Cities before World War II. For example, in the Frogtown neighborhood of St. Paul, new immigrants would commonly build an alley house in the back of their lot while saving to build a larger home in the front (McClure 2018). Many carriage houses (living quarters located above garages) were built alongside larger homes and are still used for housing today. Some modest single-family homes included attic or basement apartments that helped to house larger city populations in the early- and mid-20th century.



Coach house at Minnesota Governor's Residence.

PHOTO CREDIT Minnesota Department of Administration

How are ADUs different from duplexes?

While they share some similarities, ADUs are generally differentiated from duplexes (two-family houses) in their size, construction timing and use. City building and zoning laws often treat the two housing forms differently.

- An ADU is smaller than the main home. Units in duplexes are usually about the same size.
- Duplexes are usually in the same building, but ADUs can be located within, attached to or detached from the main home.
- Duplexes are usually built as one construction process; ADUs are often built after the main home is completed.
- ADUs are designed as flexible housing and can generate rental income, house multigenerational families or serve other uses.

Could a tiny house be an ADU?

Most tiny houses on the market are set on trailers and have wheels. These are categorized as Recreational Vehicles (RVs) and are usually not allowed as a permanent living space. However, if a tiny house meets residential building standards, is placed on a permanent foundation and is connected to utilities, it could be considered an ADU. Ask your city's building department to learn more.

Is the usable space above my garage, in my basement, or in my attic an ADU?

If the space has a living area, a kitchen, a bathroom and its own entrance, it may be an ADU. ADUs must also meet certain residential building code requirements, so check with your local planning office. See also Legalizing an Existing ADU on page 38.

Is a granny pod an ADU?

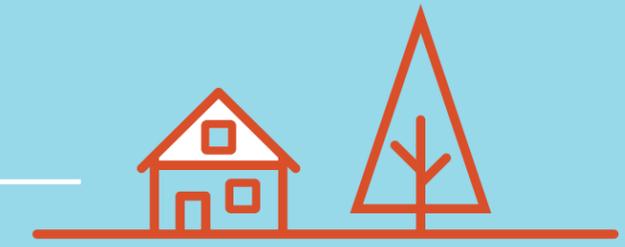
In 2016, the Minnesota Legislature approved a definition of "Temporary Family Health Care Dwellings," the backyard dwellings sometimes called "granny pods." [The statute](#) defines them as mobile residential dwellings or providing care for a mentally or physically impaired family member. Most Minnesota cities do not allow these temporary care dwellings, and they are treated differently from ADUs in local code (Bekker 2016).

Types of ADUs

There are three basic types of ADUs:

Internal

ADUs are located within the structure of the main house, for example, a converted basement or attic. These are generally the least expensive to build.



Attached

ADUs share one or more walls with the primary house. These ADUs are commonly constructed as additions or conversions of attached garages.



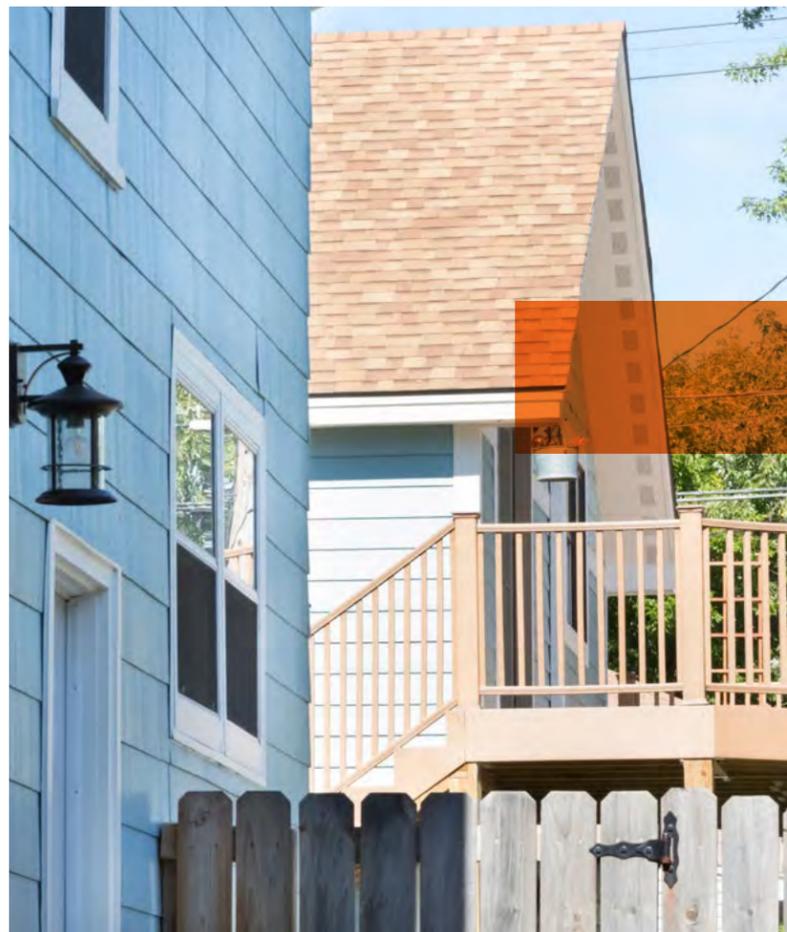
Detached

ADUs are the most visible type of ADU. They are typically the most expensive to build and include freestanding backyard structures, detached garage conversions, same-level additions to a detached garage or above-garage units.



What type of ADU works best for you?

As you go through this guidebook, return to this question and consider which type of ADU best fits your goals and budget. Local regulations may limit which type you can build.



Am I allowed to build an ADU? **28**

How do I legalize an existing ADU? **38**

How do I pay for it? **36**

How long does it take? **26**

FREQUENTLY ASKED QUESTIONS

How do I get started? **28**

How do I find an architect and contractor? **34**

How do I become a landlord? **42**

Where can I learn more? **44**



GET INSPIRED: ADU Stories

In this section you will...

- Learn about the benefits of ADUs.
- Read the stories of other local homeowners who have built them.



Benefits of ADUs Building an ADU offers many benefits for you and your neighborhood. ADUs are flexible and can serve many purposes over time. While every home's story is unique, here a few examples.

ADU Benefits



EXPANDING HOUSING OPTIONS

An ADU can have a positive effect on your community. ADUs provide more housing options in neighborhoods that are already built out, which can help relieve the growing demand for housing in a way that does not alter the character of existing neighborhoods.



EARNING INCOME

Depending on the circumstances, rental income may make it possible to cover the cost of monthly loan payments and, over a number of years, pay back the initial cost of the ADU's construction. Even when financial returns are not a primary motivation, earning rental income might make it possible to work part-time, stay home with a child or save for a major expense.



AGING IN PLACE AND DOWNSIZING

Some people move into the ADU while their adult children move into the main house, or they rent out the main house for extra revenue in retirement.



HOUSING FRIENDS, FAMILY AND CAREGIVERS

ADUs can provide important independent living space for friends, family members and caregivers. Many homeowners are motivated to build their ADU to provide a combination of in-home care and independent living for a family member. The cost of ADU construction and maintenance may be comparable or less expensive than some assisted-living or skilled-nursing facilities, with the added benefit of keeping a loved one close by.



REDUCING ENVIRONMENTAL IMPACTS

ADUs tend to be environmentally-friendly simply because they are smaller and use less energy for heating, cooling and light (Stephan and Crawford 2016). Energy-saving designs can be incorporated into an ADU, further lowering its environmental impact. ADUs may help reduce transportation-related environmental impacts when they are located near employment centers and established public transit routes.

A 2014 study found that ADU residents in Portland were less likely than other residents to own cars (Brown and Palmeri 2014).

The case studies that follow profile real Twin Cities residents at different points along their ADU journeys—from initial planning and visioning, to construction, to completion.

ADU Under Consideration

Getting Started



TYPE

Detached

STATUS

Early planning

SIZE

TBD

BEDROOMS

TBD

BUDGET

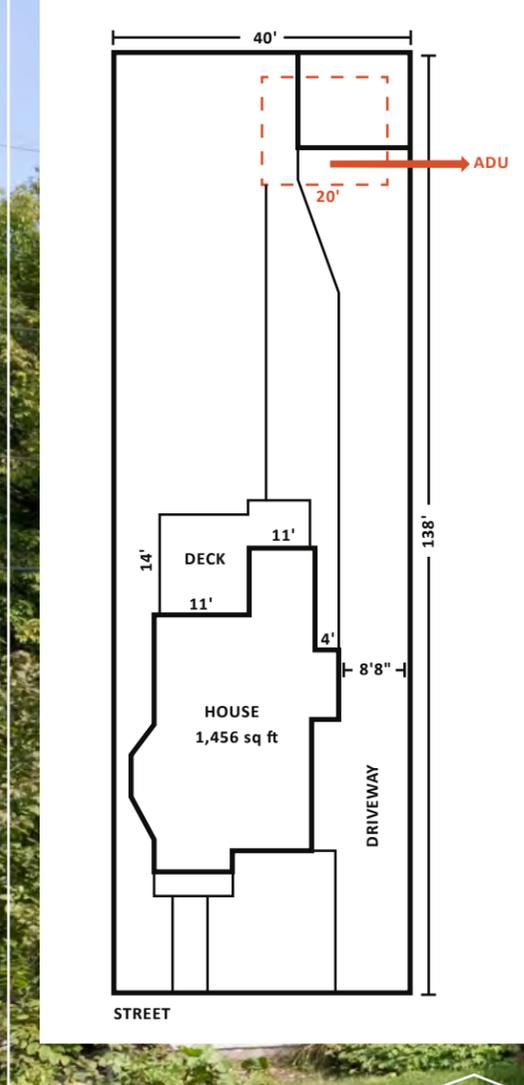
TBD

The old garage in Megan and Rob’s backyard had seen better days. With no need for enclosed parking, they were hoping to put it to better use. Inspired by the tiny-house movement, Megan and Rob started looking into the possibility of building a detached backyard ADU on their roughly 5,000-square-foot lot. Not only could an ADU replace their old garage, but it could add a needed home in the popular Kingfield neighborhood. An ADU could generate rental income or give the homeowners the option to downsize.



Megan and Rob had many questions at the beginning, including what information they would need to get started. After doing some research online and sketching out a few layout ideas for the ADU, Megan and Rob scheduled a pre-application meeting with Minneapolis city planning staff. This free service allows city residents to ask planning staff questions and learn about applicable regulations and the permitting process.

After going over the general permitting process, planning staff members answered some of Megan and Rob’s questions about their specific property, helping them think through how height limits and parking requirements would apply to their project. With this initial information in hand, Megan and Rob are starting to save for their project and preparing to take the next steps toward their ADU.



Not only could an ADU replace their old garage, but it could add a needed home in the popular Kingfield neighborhood. An ADU could generate rental income or give the homeowners the option to downsize.

The case studies that follow profile real Twin Cities residents at different points along their ADU journeys—from initial planning and visioning, to construction, to completion.

DIY ADU



TYPE

Interior,
basement

STATUS

Under
construction

SIZE

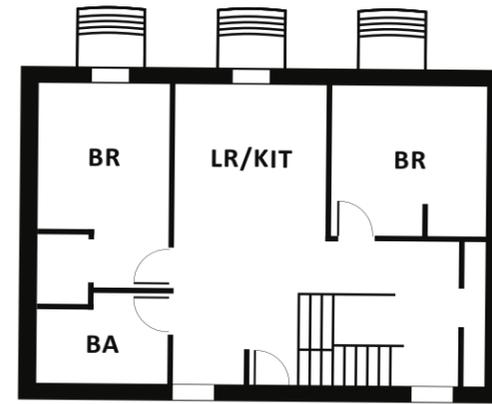
702 sq. ft.

BEDROOMS

2

BUDGET

\$80,000



Mike started his ADU journey when his father, Dallas, decided to downsize and sell his home in St. Paul. Mike researched multigenerational living options and decided to build an internal ADU by converting the basement in his south Minneapolis home into an apartment for Dallas.

Mike took on the work of being the designer and general contractor for the ADU. He used software to model the design and then drafted plans to submit for the city permit application. Mike’s design features a spacious two-bedroom unit with lots of natural light. This arrangement will allow Mike and Dallas to stay close while maintaining their own personal space.

After a few rounds of revisions, Mike’s plans were approved and, with building permit in hand, he quickly got started on construction. Mike hired subcontractors to help with specialized work but



did most of the project himself. Dallas and Mike’s brother have pitched in, too. While self-managing the project has extended the timeline, it has also saved money, and the new ADU is starting to take shape.

Once completed, their DIY ADU will serve as a place for Mike and Dallas to call home for years to come. Dallas says, “We’ve always been close, but working on this project has brought us even closer together.”

Item 6.



“We’ve always been close, but working on this project has brought us even closer together.”

The case studies that follow profile real Twin Cities residents at different points along their ADU journeys—from initial planning and visioning, to construction, to completion.

A Dream to Downsize



TYPE

Detached, above garage

STATUS

Complete

SIZE

528 sq. ft.

BEDROOMS

Studio

BUDGET

\$225,000

BUILDER

White Crane Construction

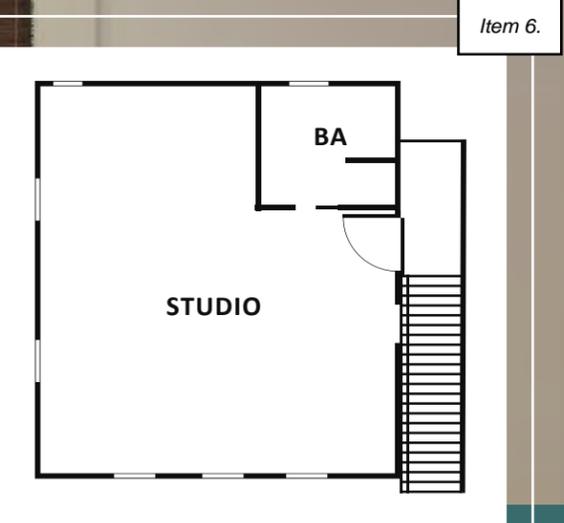
Cate and Jason loved their neighborhood near Minnehaha Creek in Minneapolis but yearned to downsize when their kids left for college. They initially planned to sell their home and move, but then they came up with a better solution: building a new unit in the backyard that they could live in while renting out their main house.

After looking into various options, including prefabricated modular designs, Cate and Jason decided to pursue a traditional site-built ADU above a two-car garage.

Cate and Jason hired a design-build firm that took them through the process from initial design to city permitting and construction. They learned that they would have to tear down their existing garage and build a new structure with frost footings in order to meet the building code. Still, they were able to cut costs by reusing their old garage door and performing some work themselves, such as ordering the appliances and painting the interior.



The completed ADU, sitting in a shaded backyard, features an open layout with new appliances and an in-unit washer and dryer. Cate and Jason plan to rent it for a few years until they are ready to move in and fulfill their dream of downsizing.



Item 6.

Curious about the difference between prefabricated and traditional construction? See page 32.

PHOTO CREDIT Jill Greer photography (all photos on this spread)

The case studies that follow profile real Twin Cities residents at different points along their ADU journeys—from initial planning and visioning, to construction, to completion.

ADU in the Family



TYPE

Attached

STATUS

Complete

SIZE

540 sq. ft.

BEDROOMS

1

BUDGET

\$40,000
part of total
development cost

Fue Lee's family had always envisioned multigenerational living when they were on the hunt for their first house.

Working with the City of Lakes Community Land Trust (CLCLT), the Lee family had the opportunity to buy one of the very first homes in Minneapolis developed with an attached ADU.

The brand new home they purchased in the Lind-Bohanon neighborhood has the perfect layout for their close-knit family. Fue and two of his adult siblings live in the main house. His parents have their own private space in the first-floor ADU.

The house is designed for flexibility. While the Lees have no plans to move, any family that buys the house in the future could choose to rent out the attached unit for extra income.



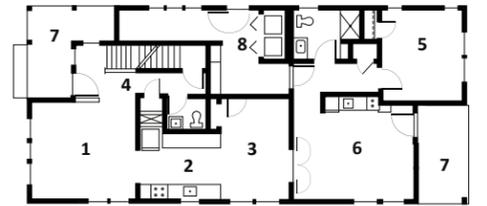
Responding to demand from its members, the nonprofit CLCLT has recently built two more multigenerational homes with ADUs. Thanks to the community land trust model, all of these homes will remain affordable for future generations of new homebuyers.

Thanks to the community land trust model, all of these homes will remain affordable for future generations of new homebuyers.

CREDIT Marnie Peichel Architecture and Design, LLC



SECOND FLOOR PLAN



FIRST FLOOR PLAN

The case studies that follow profile real Twin Cities residents at different points along their ADU journeys—from initial planning and visioning, to construction, to completion.

Flexible for the Future



TYPE

Detached, above garage

STATUS

Complete

SIZE

624 sq. ft.

BEDROOMS

1

BUDGET

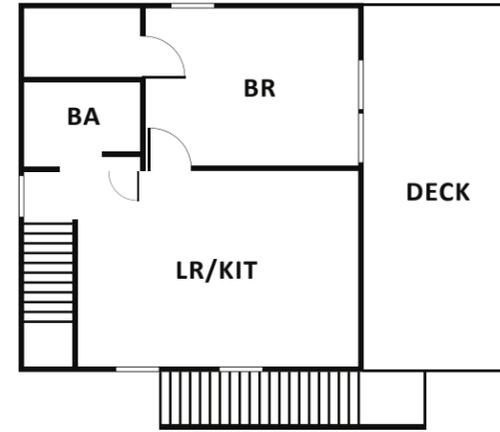
\$125,000

When Eric & Chrissi

purchased their home near a Green Line station in the Hamline-Midway neighborhood of St. Paul, they knew from the start that the house’s detached garage didn’t meet their needs. As they made plans to replace it, they heard from a friend about a new ordinance that gave them the option to build an ADU. Eric and Chrissi started to envision all the ways an ADU could benefit them in the future and met with a designer to develop a plan for a one-bedroom unit above a new two-car garage.

Eric and Chrissi liked the idea of having a flexible space to support more community-oriented living while still maintaining the privacy of their main home. Their ADU could be a place to host friends and family, and it could potentially generate rental revenue that would make it possible for one of them to stay home with a future child.

With experience in home remodeling, Eric decided to become the general contractor for the project. He worked full-time for six to seven months to



complete the construction of the ADU, hiring subcontractors for electrical and plumbing work. Chrissi led the interior design work, and friends and family members also helped.

Eric is pleased with the solution they arrived at for connecting water and sewer lines from the ADU to the main lines in the street. Instead of the traditional method of digging an open trench, the lines were installed through an underground, lateral drilling process that preserved more of their existing landscaping and was about one-third less expensive than trenching. Eric and Chrissi also designed the ADU for energy efficiency and for compatibility with photovoltaic panels, so that it can run mostly on solar energy.

Now that the ADU is complete, Eric and Chrissi’s friends and family tell them it does not look at all like what they imagined as a “garage apartment”—the unit is spacious and feels like a home. Eric and Chrissi rent their bright, modern ADU at an affordable price to a student at a nearby university.

Item 6.



Eric and Chrissi’s friends and family tell them it does not look at all like what they imagined as a “garage apartment”—the unit is spacious and feels like a home.

23



GET EDUCATED: How to Build an ADU

In this section you will...

- Learn the basics of ADU development, from start to finish.



Inspired? The following pages will walk you through the basics of getting started and what to expect as you explore an ADU project.

- 1. Research..... p28
- 2. Design ideas p32
- 3. Team selection p34
- 4. Finances p36
- 5. Permits p38
- 6. Construction p40
- 7. Move-in p42

1 RESEARCH



- Clarify your goals.
- Determine if an ADU is allowed on your property.

 There are printable worksheets for this step.

2 DESIGN IDEAS



- Consider your goals and design options together.
- Work on your own or with a designer to sketch out your ADU.

 There are printable worksheets for this step.

3 TEAM SELECTION



- Learn about types of development teams.
- Find out what information to prepare when contacting a company.
- Review suggested considerations for hiring a company and signing a contract.

4 FINANCES



- Learn about resources to help you make an informed decision.
- Learn about potential financing options.

Process Overview

From Point A to Point ADU

 Print out the included worksheets along the way, and start putting pencil to paper.

5 PERMITS



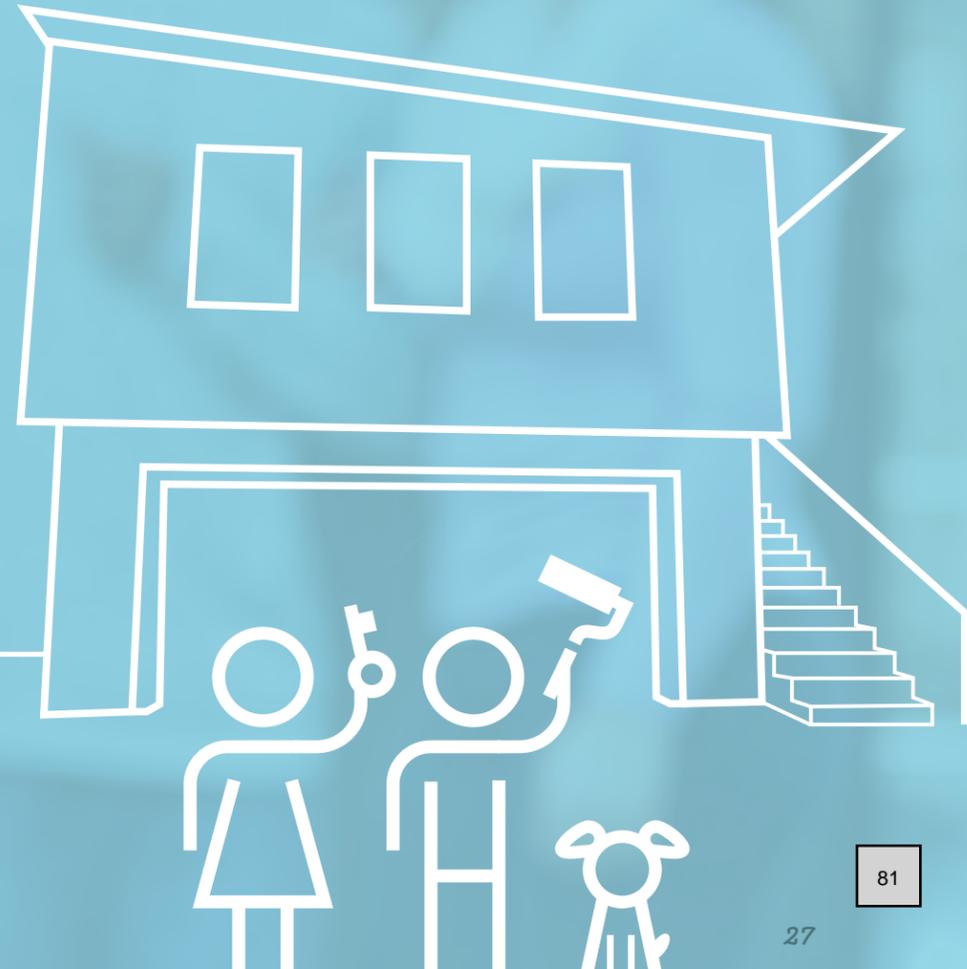
- Review the steps involved in a typical permitting process.
- Learn why it's important to permit an existing ADU.

6 CONSTRUCTION



- Learn what to expect during construction.
- Understand your responsibilities.

7 MOVE IN!



- Find resources on how to be a landlord.

My Property Information

ADDRESS:

PROPERTY IDENTIFICATION (PID) NUMBER:

ZONING:

BUILDING TYPE:

single-family, duplex, other

YEAR BUILT:

LOT SIZE:

LOT COVERAGE:

GROSS FLOOR AREA:

UNIQUE CHARACTERISTICS, IF ANY, OF YOUR LOT:

LOT COVERAGE CALCULATION

$$5,000 \text{ sq. ft.} \times 45\% = 2,250 \text{ sq. ft.} - 1,500 \text{ sq. ft.} = 750 \text{ sq. ft.}$$

LOT SIZE	MAX. ALLOWED LOT COVERAGE %	MAX. BUILDING FOOTPRINT ALLOWED	EXISTING BUILDING FOOTPRINT	POTENTIAL FOOTPRINT FOR ADU (if not otherwise restricted)
----------	--------------------------------	------------------------------------	--------------------------------	---

In this step you will...

- Clarify your goals.
- Determine if an ADU is allowed on your property.



Print these pages and use the worksheets to determine what's allowed on your property.

Suggested Questions

Is an ADU permitted on my property?

What types of ADUs are allowed? (attached, detached, internal)

Where can it be located? (required setbacks)

A setback, or required yard, is an amount of space required between two structures, or between a structure and a property line or utility line.

ADU design constraints:

How big can it be?

How small can it be?

How tall can it be?

What is the required ceiling height?

Where can the entrance be located?

If an internal ADU, are the existing stairs and windows adequate?

Is owner-occupancy required? If so, how is it defined and enforced?

Owner-occupancy: Many cities in the region require you to live in either the main house or the ADU and will require filing a covenant with the county recorder. Some, but not all, cities further define owner-occupancy to say how many days out of the year the owner must reside there. If you think you might live somewhere else temporarily, be sure to ask about these requirements and any associated fees.

What will be the address of the ADU?

Some cities require the ADU to have a separate address while others forbid it. Be sure to understand your city's rules.

What are the parking requirements?

What are the requirements for water and sewer hook-ups?

What fees should I expect?

How much work am I permitted to do and what is required to be done by a licensed subcontractor?

How does the permitting process for ADUs work? (see also Permitting on page 38)

TIP Take photos of the exterior of the house and of the site where you want to locate your ADU.

Considerations

While you may already have a vision of what your ADU will look like, it is important to spend some time thinking about function. How will the design of the ADU meet your short-term and long-term objectives?

Bedrooms

The number of bedrooms should reflect who you think will spend time there. Studios are attractive for their open and flexible space, but designated bedrooms offer more privacy. Units with designated bedrooms usually rent at a higher price, but they could be more expensive to build.

Universal design & accessibility

A home built with universal design means that anyone, regardless of age or ability, can live there comfortably. In addition to ensuring that there is easy access to the unit without stairs, universal design features include pull-out lower drawers, level-entry showers, lower countertops and raised electrical outlets. Building to universal design standards is a smart way to ensure the ADU will meet your needs over time.

Traditional or prefabricated construction

In addition to the many design choices you have for your ADU, you also can choose whether to build your ADU using traditional “stick-built,” on-site construction or some form of prefabricated assembly. Factory-built, modular, panelized and other newer construction technologies are increasingly available, and in some situations can reduce your costs or the time it takes to build. You might also be surprised by the high quality. If you are interested in a prefabricated method, consider how the building will be delivered to your lot, the delivery costs and what site-preparation work will be required.

Access

Think about how ADU residents will get to their front door. At a minimum, you’ll need to provide them a stable, well-lit path. Your city may have regulations that specify where you can place the ADU entrance.

Finished materials

While you don’t need to make decisions yet, keep in mind that the materials you use will affect your budget. A designer can provide cost estimates. You might also be able to save money by reusing some materials. Be aware that some selections, like doors and appliances, might affect the design of the ADU.

Environmental

You can reduce environmental impacts and save on energy costs through the layout and materials that you choose for your ADU. For instance, you can use recycled materials, insulate well and place windows in locations that will take advantage of the sun’s location throughout the year. You can also incorporate solar panels so that the ADU can generate its own energy. Work with your development team to understand what’s possible.



Print this page and sketch your ADU floor and site plans.

In this step you will...

- Consider your goals and design options together.
- Work on your own or with a designer to sketch out your ADU.

TIP Chances are you’ve already come across many inspiring designs either online or perhaps in your own neighborhood. Use an old-fashioned scrapbook or an online service to help organize these inspirations so you can refer to them later or use them to convey to your designer what resonates with you.

Building a team

ADU it yourself? This section is primarily aimed at homeowners with little or no experience in construction or construction management. Homeowners who feel comfortable managing the development of their ADU may still find some helpful tips to keep in mind when hiring subcontractors.



Types of Companies and Their Roles

There are a number of ways homeowners can get the help they need to design and build their ADU. Most homeowners choose one of three types of development teams:

ARCHITECT + CONTRACTOR/BUILDER: The homeowner hires an architect to complete the design of the ADU and then hires a contractor/builder to construct it.

DESIGN-BUILD FIRM: The homeowner hires a design-build firm that will, as the name implies, design and build the ADU.

DIY: The homeowner acts as the general contractor, coordinating the overall project and hiring subcontractors for specialized work. Remember, while being your own designer and/or general contractor can save money, it is an involved process and will likely add to your overall timeline, especially if you cannot devote yourself to it full time. Consider, too, that professionals often bring problem-solving skills that save time and money.

A homeowner may also specifically look for designers and builders who specialize in modular or prefabricated-construction methods. A homeowner typically works with an architect to revise an existing ADU design template and the builder arranges for shipment of the building components, prepares the site for delivery and completes finishing touches.

What to Prepare

There are a few basics you'll want to prepare before contacting designers and builders.

GOALS: First, go back to Step 1 to review your goals. Understanding your goals will help your architect create a design that's right for you.

BUDGET: Next, you'll want an initial budget. The cost of ADU construction can vary dramatically (for example, from \$10,000 to \$350,000) depending on ADU type, site and finishes. Your builder or architect can help narrow the price range. The financing available to you will also help determine what you can afford (See Step 4).

SUPPORTING INFORMATION: Bring along your property information, a survey and any sketches you made in Step 2 to share with potential architects or builders.

Hiring a Team

An ADU is a long-term personal investment for most homeowners, so it is important to have a development team that understands your vision and with whom you can communicate well. Below are key questions to help you choose a design and development team. Be sure to get bids from multiple designers and builders.

COST AND SERVICES: What will the firm charge and what services are included?

CREDENTIALS: Has the firm built other ADUs, or completed remodels or new construction at a similar scale? Does it have experience with your municipality's permitting process? Always verify professional licenses and business addresses:

- for contractors
- for architects, designers and engineers

COMMUNICATION AND PROCESS: Do you feel that you are being heard and are you receiving responses in a timely manner?

Signing a Contract

When you've decided which firm(s) you want to hire, a final contract should detail the work they will do and all costs. The contract is a legal promise by both you and the company to complete the tasks outlined within it. The contract is a foundation for good communication between you and your team.

Make sure everything that you discussed is included in the contract. For example, if you are building an above-garage ADU and want to reuse your old garage door, make sure that's noted. You have the right to add or modify elements of the contract, even after it is signed, by using a change order.

TIP The following is a helpful list of what your contract should include:

- contractor's license number, name and address
- total project cost and payment schedule
- start date and timeline
- list of work to be accomplished and materials to be used
- work (if any) to be subcontracted
- specific terms about what constitutes substantial "completion of work"
- the terms of warranties
- a provision requiring the contractor to obtain lien releases from all subcontractors and suppliers (to protect the homeowner if a subcontractor claims they were not paid)
- a cancellation penalty (if any)
- plan for cleanup and removal of material and debris
- any special requests (such as saving scrap lumber or bricks)
- requirements for protecting property and landscaping
- areas where materials may or may not be stored
- any instructions regarding children or pets

In this step you will...

- Learn about types of development teams.
- Find out what information to prepare when contacting a company.
- Review suggested considerations for hiring a company and signing a contract.

Financing Considerations

In this step you will...

- Learn about resources to help you make an informed decision.
- Learn about potential financing options.

Obtaining financing is often the greatest challenge homeowners face in trying to build an ADU. That's because the upfront cost can be large and there are not many financial options specifically tailored to this type of development yet. Typically, homeowners use their own savings, a loan or some combination of those sources to finance their ADU.

Here is an overview of some basic considerations and available resources to help you manage or lower your costs.

Making an informed decision

Before making big financial decisions, it's a good idea to seek advice from an independent homeownership expert. One option in Minnesota is to contact a member of the non-profit [Homeownership Advisors Network](#). Advisory services are available to households of all income levels.

Remember that you don't have to get a loan from the first lender you meet. Be prepared to seek quotes from several different lenders to see which can offer you the best rate and/or terms.

Building an ADU may raise your property taxes because it will add value to your home, and rental income may affect your income taxes. The specific impacts will be unique to your home and circumstances. Be sure to consult with a qualified professional tax advisor.

Financing Sources & Resources

SPECIALIZED PROGRAMS

The Minnesota Homeownership Center offers a Rehab and Repair Program Matrix that outlines renovation loan programs available by region in the state, some of which may be targeted to specific household income levels:

www.hocmn.org/resources-for-homeowners/

Minnesota Housing, a state agency, offers home-improvement loans that could be used for ADU projects, in partnership with lenders throughout the state:

www.mnhousing.gov

TIP If you are applying for a loan, secure your financing about one month before you're ready to apply for permits.

RENTING

Renting out your ADU may earn back some of your construction costs over time. Be aware that lender guidelines may not allow consideration of your future rental income when determining your eligibility for a loan.

SWEAT EQUITY

Find opportunities to do some of the work yourself, depending on your skills. Some ideas include installing cabinets, ordering appliances, painting and landscaping.

Permitting Process Overview

In this step you will...

- Review the steps involved in a typical permitting process.
- Learn why it's important to permit an existing ADU.

Prepare and Submit Your Application

Once all your application materials are ready, submit them to the appropriate department (usually the planning department) and, if applicable, pay the application fee. After receiving the application and payment, city staff will conduct an initial review to make sure your application is complete before sending it forward for review.

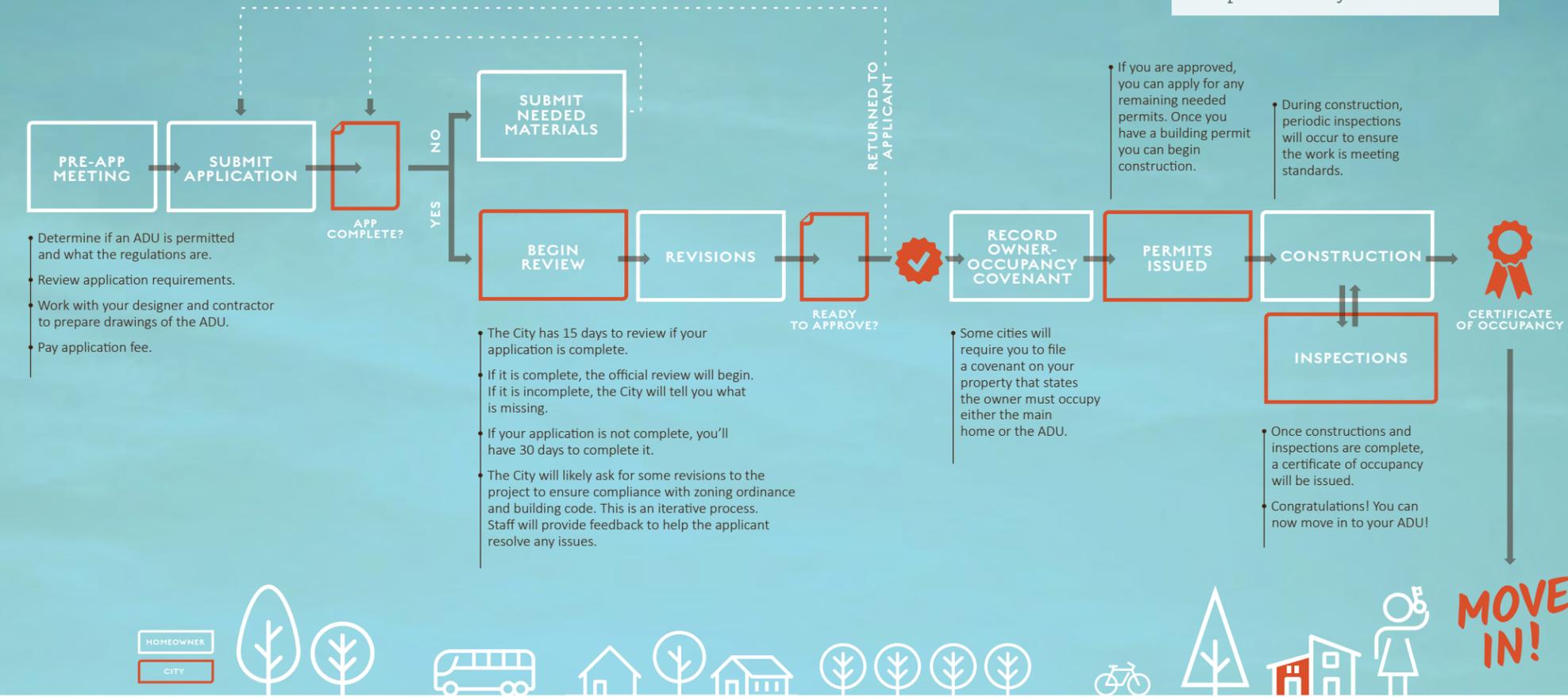
Revisions

One or more of the city departments reviewing your application will likely request revisions. Revisions are a normal and expected part of the permitting process. There may be several rounds of revisions before your application is approved.

Permitting an Existing ADU

The easiest way to add an ADU to your property is to get a permit for the one you already have! If you're lucky enough to already have an ADU in your home, or a space that could be converted to an ADU (for example, a basement suite with a mini-bar), find out if you're legally required to have a permit for it. In some jurisdictions, an unpermitted ADU is illegal. Expect that you may need to upgrade some safety measures, such as smoke detectors, or make other improvements to bring your ADU up to code. Check with your city staff to determine what you need to do.

TIP After meeting with the relevant city staff, create a checklist of requirements and due dates for each permit to stay on track.



This diagram illustrates a typical permitting process in Minneapolis, where permits are approved by staff in the planning department. Some municipalities require the permit to be approved by a body such as a planning commission or city council. Use this diagram as an example when visiting the planning counter to gain a better understanding of how your city's permitting process works and how long each step usually takes. Be sure to clarify with your development team which steps in the process they will lead on your behalf.

Permit in hand you're ready to build!

In this step you will...

- Learn what to expect during construction.
- Understand your responsibilities.

Preparing for disruption

Part of the process of building an ADU is preparing yourself mentally for the disruption that occurs during any construction project. Construction typically lasts from a few months to a full year, during which time workers will have access to your property. There will likely be instances where the construction will reach into places that you use on a normal basis, such as a driveway, yard or basement. Talk about these details with your builder to understand what to expect.

Your responsibilities

While it may feel as though you're in the backseat during construction while working with a contractor, there are many important responsibilities that you need to fulfill. You'll need to:

- Monitor the work to make certain it's progressing according to schedule and that the work quality is high.
- Make decisions in a timely manner when questions arise.
- Ensure that required inspections are occurring.

NOTE: Inspections are usually coordinated by the builder, but it is still your responsibility to confirm that they are performed.



TIP

Refer back to p.35 for more information about working with contractors.

TIP

Remember to update your property insurance to include the completed ADU.

Move in!

Construction is complete!

In this step you will...

- Learn what you must do before renting out your ADU.
- Find resources on how to be a landlord.
- Consider hiring property management assistance.

NOTE

This section presumes that the ADU is being rented out, but everything discussed also applies if you want to move into your ADU and rent out your main home.

After construction is complete and the final inspections are done, your ADU will be ready for you or someone else to call home. This section will provide a handful of resources for renting out your ADU, should you choose to do so.

License and Registration

Before you can rent out your ADU you'll need to know whether your city requires you to apply for a rental license or to register your unit. Typically, a short application and fee are required. These applications are managed by different departments depending on the city. Call the city's general line and asked to be directed to the right department, or ask city staff members for more information during the permitting process.

Becoming a Landlord

If you decide to rent out your ADU, you should brush up on important landlord-tenant and fair housing laws to know your legal obligations and how to resolve any issues that might arise. Having this information can help you and your tenant maintain a positive relationship. A few resources are highlighted on the next page.

If becoming a landlord isn't for you, look into hiring a property management company to take care of the details.



Landlord Resources

The Office of the Minnesota Attorney General provides a handbook that contains a thorough overview of landlord-tenant laws.

[Landlords and Tenants: Rights and Responsibilities](#)

HousingLink is a nonprofit organization with a mission of expanding housing and neighborhood choices for renters. HousingLink offers landlords the chance to advertise their rental-housing openings for free.

[List a Property](#)

The Minnesota Multihousing Association promotes high standards in the development, management and maintenance of rental and owner-occupied multi housing and offers educational programming for landlords.

[MHA Industry Education](#)

HOME Line is a Minnesota tenant advocacy organization that offers publications and trainings to help landlords and tenants understand the laws that govern their relationship

[The Landlord's Guide to Minnesota Law](#)

[Trainings](#)

Many cities offer support and training for new landlords. Check with city staff to learn what your city offers.

References

Bekker, Jessie. 2016. "Despite new law, 'granny flats' are a no-go in east metro." *Pioneer Press*, Dec. 2, 2016. www.twincities.com/2016/12/02/despite-new-law-granny-flats-are-a-no-go-in-east-metro/.

McClure, Jane. 2018. "Alley House," Saint Paul Historical, accessed August 9, 2018, saintpaulhistorical.com/items/show/273.

Brown, M. and Palmeri, J. 2014. "Accessory Dwelling Units in Portland, Oregon: Evaluation and Interpretation of a Survey of ADU Owners." Oregon Department of Environmental Quality. www.oregon.gov/deq/FilterDocs/ADU-surveyinterpret.pdf.

San Mateo County. 2018. "Second Unit Workbook." secondunitcentersmc.org/wp-content/uploads/Second-Unit-Workbook-FINAL-ONLINE.pdf.

Stephan, A. and R.H. Crawford. 2016. "The relationship between house size and life cycle energy demand: implications for energy efficiency regulations for buildings." *Energy* 116 (Part 1), 1158–1171. dx.doi.org/10.1016/j.energy.2016.10.038.

Additional Resources

BOOK

Peterson, Kol. 2018. *Backdoor Revolution: The Definitive Guide to ADU Development*. Accessory Dwelling Strategies, LLC.

WEBSITES

Accessory Dwellings: "A one-stop source about accessory dwelling units, multigenerational homes, laneway houses, ADUs, granny flats, in-law units..." www.accessorydwellings.org

Building an ADU: "THE site for those interested in planning, designing, and building accessory dwelling units (aka ADUs)." www.buildinganadu.com

American Planning Association KnowledgeBase - Accessory Dwelling Units: "This collection catalogs resources that provide background, policy guidance, and examples of local plan recommendations and zoning standards for accessory dwelling units from across the country." www.planning.org/knowledgebase/accessorydwellings

Terner Center for Housing Innovation ternercenter.berkeley.edu

Second Unit Center San Mateo www.secondunitcentersmc.org

OTHER GUIDEBOOKS

Los Angeles, California | Building an ADU: Guidebook to Accessory Dwelling Units in the City of Los Angeles citylab.ucla.edu/adu-guidebook/

Honolulu County, Hawaii | Accessory Dwelling Unit Homeowners' Handbook: A Guide for Homeowners on Oahu Interested in Building an Accessory Dwelling Unit hawaiiadu.org/wp-content/uploads/2016/07/ADU-Manual-ver-1-FINAL-Web.pdf

San Mateo County, California | Second Unit Inspiration secondunitcentersmc.org/wp-content/uploads/ADU-Idea-Book-FINAL-ONLINE-VERSION.pdf

San Mateo County, California | Second Unit Workbook secondunitcentersmc.org/wp-content/uploads/Second-Unit-Workbook-FINAL-ONLINE.pdf

Santa Cruz, California | Accessory Dwelling Unit Manual: Growing Santa Cruz's Neighborhoods from the Inside www.cityofsantacruz.com/home/showdocument?id=8875

Santa Cruz County, California | ADU Basics www.sccoplanning.com/Portals/2/County/adu/ADU%20Basics.pdf?ver=2018-06-07-110146-073

Santa Cruz County, California | ADU Financing Guide www.sccoplanning.com/Portals/2/County/adu/ADU%20Financing%20Guide.pdf?ver=2018-06-07-110307-117

San Francisco, California | sf-ADU sfplanning.org/plans-and-programs/planning-for-the-city/accessory-dwelling-units/2015-ADU-Handbook-web.pdf

Seattle, Washington | A Guide to Building a Backyard Cottage www.seattle.gov/Documents/Departments/SeattlePlanningCommission/BackyardCottages/BackyardCottagesGuide-final.pdf

Twin Cities Planning Departments Contact Information

Contact information for cities that permit Accessory Dwelling Units (ADUs) as of 2018.

CITY OF APPLE VALLEY

Community Development/Planning
7100 147th St. W.
Apple Valley, MN 55124
952-953-2575
commdev@ci.apple-valley.mn.us
www.ci.apple-valley.mn.us/index.aspx?nid=83

CITY OF BLOOMINGTON

Planning Division
1800 West Old Shakopee Road
Bloomington, MN 55431-3027
952-563-8920
planning@BloomingtonMN.gov
www.bloomingtonmn.gov/plan/planning-division

CITY OF BURNSVILLE

Planning Department
100 Civic Center Parkway
Burnsville, MN 55337
952-895-4455
www.ci.burnsville.mn.us/index.aspx?nid=139

CITY OF CHASKA

Planning Department
One City Hall Plaza
Chaska, MN 55318
952-448-9200
www.chaskamn.com/148/Planning-Department

CITY OF CRYSTAL

Planning and Zoning
4141 Douglas Dr. N.
Crystal, MN 55422
763-531-1142
www.crystalmn.gov/resident/community-development/planning_and_zoning/

CITY OF EAGAN

Planning Division
3830 Pilot Knob Road
Eagan, MN 55122
651-675-5685
planning@cityofeagan.com
www.cityofeagan.com/accessory-dwelling-unit-registration

CITY OF INVER GROVE HEIGHTS

Community Development Department
8150 Barbara Ave.
Inver Grove Heights, MN 55077
651-450-2545
www.ci.inver-grove-heights.mn.us/55/Community-Development

CITY OF LAKEVILLE

Planning Department
20195 Holyoke Avenue
Lakeville, MN 55044
952-985-4420
planninginfo@lakevillemn.gov
lakevillemn.gov/342/Planning-Department

CITY OF LONG LAKE

City Clerk
450 Virginia Ave.
Long Lake, MN 55356
952-473-6961 x1
www.longlakemn.gov/index.asp?Type=B_BASIC&SEC={885FA881-1825-4CE7-9338-B6EBB7AB1836}

CITY OF MINNEAPOLIS

Community Planning & Economic Development
Public Service Center
250 South Fourth Street (Room 300)
Minneapolis, MN 55415
612-673-5095
www.ci.minneapolis.mn.us/cped/projects/ADU

CITY OF MINNETONKA

Planning Division
14600 Minnetonka Blvd.
Minnetonka, MN 55345
952-939-8290
eminnetonka.com/planning

CITY OF PLYMOUTH

Planning Division
3400 Plymouth Blvd.
Plymouth, MN 55447-1482
763-509-5450
planning@plymouthmn.gov
www.plymouthmn.gov/departments/community-development/planning

CITY OF RICHFIELD

Planning and Zoning
Richfield Municipal Center
6700 Portland Avenue
Richfield, MN 55423
612-861-9760
com_dev@richfieldmn.gov
www.richfieldmn.gov/departments/community-development

CITY OF ROSEVILLE

Planning and Zoning
2660 Civic Center Dr.
Roseville, MN 55113
651-792-7005
www.cityofroseville.com/307/Planning-and-Zoning

CITY OF SHOREVIEW

Planning and Zoning
4600 Victoria Street North
Shoreview, MN 55126
651-490-4680
www.shoreviewmn.gov/government/departments/community-development/planning-and-zoning

CITY OF SAINT PAUL

Safety & Inspections
375 Jackson Street Suite 220
Saint Paul, MN 55101
651-266-9008
www.stpaul.gov/departments/safety-inspections/accessory-dwelling-units

CITY OF STILLWATER

Planning and Zoning
216 North Fourth Street
Stillwater, MN 55082
651-430-8818
www.ci.stillwater.mn.us/communitydevelopment

CITY OF WHITE BEAR LAKE

Planning and Zoning
4701 Highway 61
White Bear Lake, MN 55110
651-429-8534
www.whitebearlake.org/communitydevelopment/page/planning-zoning

About the Family Housing Fund

The Family Housing Fund believes it takes all of us working together to build a strong system that supports access to decent, affordable homes for everyone. Established in 1980, we support the Cities of Minneapolis and Saint Paul, the Metropolitan Council, and Minnesota Housing in their efforts to meet the seven-county metropolitan region’s affordable housing needs. We are unique in focusing on all facets of the housing system and working across sectors to ensure real change.

ACKNOWLEDGEMENTS

Family Housing Fund thanks the following people for making this guidebook possible:

Betsy Gabler, Austin Young | *Alchemy Architects*
Jason Rysavy and Cate Christenson
Chris Strom | *Christopher Strom Architects*
Andrew Frenz, Shanna Sether | *City of Minneapolis*
Josh Abrams | *Community Planning Collaborative/ Second Unit Center San Mateo*
Laurie and Larry Demos
Jeff Washburne, Staci Horwitz | *City of Lakes Community Land Trust*
Eric and Chrissi Larsen
Fue Lee
Marnie Peichel | *Marnie Peichel Architecture and Design, LLC*

Eric Meyers | *Minneapolis Area Association of Realtors*
Mariia Zimmerman | *MZ Strategies*
Faith Cable Kumon, Chris Wilson | *Project for Pride in Living, Inc.*
Mike Radel and Dallas Radel
Megan and Rob Seeds
Gary Findell | *Smart Home Construction*
Karen Chapple, David Garcia | *Terner Center for Housing Innovation at UC Berkeley*
Cathy Bennett | *Urban Land Institute Minnesota*
Renee Martinez-Stone | *West Denver Renaissance Collaborative*
Nancy Sparrow | *White Crane Design:Build*

Homeowners, architects, and contractors who responded to a survey on ADU development
Planners and other public officials from around the Twin Cities region who helped provide information

The Family Housing Fund would also like to acknowledge the many other resources used in creating this guidebook, all of which are listed under Additional Resources.

CREDITS

WRITING: Casey Lauderdale
EDITING: Sarah Berke, Julie Jensen
GRAPHIC DESIGN: Ladywithafan Design, LLC
PHOTOGRAPHY: Min Enterprises Photography, LLC (unless otherwise noted)



**FAMILY HOUSING
FUND**

310 4th Ave South / Minneapolis, MN 55415
Suite 9000 MAIN 612.375.9644



CITY COUNCIL WORK SESSION MEETING

AGENDA SECTION	WORK SESSION ITEM
MEETING DATE	JULY 1, 2024

ITEM:	Youth Commission Update to City Code.		
DEPARTMENT:	Administration	BY/DATE:	Aaron Chirpich / June 25, 2024
CORE CITY STRATEGIES: <i>(please indicate areas that apply by adding an "X" in front of the selected text below)</i>			
X Healthy and Safe Community		X Thriving and Vibrant Destination Community	
X Equitable, Diverse, Inclusive, and Friendly		X Strong Infrastructure and Public Services	
_ Trusted and Engaged Leadership		_ Sustainable	

BACKGROUND:

On Oct 25, 2021, the Columbia Heights City Council approved amending the City Code to create a Youth Commission. The first of its kind in Columbia Heights. The purpose of the Columbia Heights Youth Commission was to serve as an advisory body to the Columbia Heights City Council, and other boards and commissions as appropriate, inspire and bring to light new ideas from a youth perspective, create an educational environment for youth looking to expand their knowledge of government and leadership functions, and provide experience-building opportunities for area youth seeking increased community and government engagement.

SUMMARY OF CURRENT STATUS:

At the City Council Work Session on May 6, 2024 Youth Commission Staff Liaison Will Rottler addressed concerns staff has with maintaining membership on the Youth Commission and sought feedback from the Council. Suggestions were made to amend the code to appoint Youth Commission Members to the Library Board, Park and Recreation Board, Planning Commission and Sustainability Commission instead of having a dedicated Youth Commission.

STAFF RECOMMENDATION:

Boards and Commissions would have at least one and no more than two Youth Commission Member(s) to provide insight and give feedback from Columbia Heights residents who are currently enrolled in high school or a home school program educational program. These appointments would be non-voting positions, would not impact the quorum, and the terms would be one year each from October to May of the following year. Re-appointment would be required for the students if they would like to serve in the program the following year. Preference would be given to previous appointments.

Staff has prepared a draft ordinance reflecting these changes for review.

ATTACHMENT(S):

Draft Ordinance 1699

ORDINANCE NO. 1699

AN ORDINANCE AMENDING CHAPTER 3.315 OF THE CITY CODE OF RELATING TO THE YOUTH COMMISSION

The City of Columbia Heights does ordain:

Section 1

Chapter 3.315 of the Columbia Heights City Code as currently read is amended as follows:

§ 3.315 YOUTH COMMISSION.

(A) *Establishment.* A Youth Commission is hereby established to serve as an advisory body to the Columbia Heights City Council, and other Boards and Commissions as appropriate, inspire and bring to light new ideas from a youth perspective, create an educational environment for youth looking to expand their knowledge of government and leadership functions, and provide experience-building opportunities for area youth seeking increased community and local government engagement.

(1) The Youth Commission shall confer with and advise ~~the Council, and other~~ Boards and Commissions as appropriate, on matters concerning youth within the city. Youth Commission members are non-voting members and act in an advisory capacity.

(2) The Commission shall execute its duties and authority in accordance with the ~~Youth Commission~~ respective Board and Commission by-laws.

(B) *Membership.* ~~The Youth Commission shall be composed of no less than seven members and no more than 20 members.~~ Youth Commission Members will be appointed to a respective Boards and Commissions and must be within the age range of 14-18 years old and residents of the City of Columbia Heights and/or Attend Independent School District 13. ~~Youth Commission members serve two-year, staggered terms. Terms run from October 1 to September~~ May 31. ~~Youth Commission members are not subject to term limits as they are limited by age requirements. Youth Commission members are allowed three absences per term. A staff member from the Administration Department shall serve as a non-voting ex-officio member of the Commission.~~

Section 2

This Ordinance shall be in full force and effect from and after 30 days after its passage.

First Reading:

Offered by:

Seconded by:

Roll Call:

Second Reading:

Offered by:

Seconded by:

Roll Call:

Date of Passage:

Amáda Márquez Simula, Mayor

Attest:

Sara Ion, City Clerk/Council Secretary



CITY COUNCIL WORK SESSION MEETING

AGENDA SECTION	WORK SESSION ITEM
MEETING DATE	JULY 1, 2024

ITEM:	Legal Newspaper Information (Life).		
DEPARTMENT:	Administration	BY/DATE:	Sara Ion / June 25, 2024
<p>CORE CITY STRATEGIES: <i>(please indicate areas that apply by adding an "X" in front of the selected text below)</i></p> <p> <input type="checkbox"/> Healthy and Safe Community <input type="checkbox"/> Thriving and Vibrant Destination Community <input type="checkbox"/> Equitable, Diverse, Inclusive, and Friendly <input type="checkbox"/> Strong Infrastructure and Public Services <input type="checkbox"/> Trusted and Engaged Leadership <input type="checkbox"/> Sustainable </p>			

BACKGROUND:

Annually the City Council designates an official newspaper for publishing legal notices and other required publications. The City Charter Chapter 12, Section 10 and State Statute 331A addresses the requirements of a legal newspaper, some of the requirements include that the newspaper:

- Be published at least twice a month.
- Be registered with the Secretary of State’s office.
- Be circulated in the political subdivision which it serves.
- Have its known office of issue established in either the county (or adjacent county) in which it lies, or the political subdivision which the newspaper serves.
- File a copy of each issue immediately with the State Historical Society.
- Be made available at single or subscription prices to any person or entity requesting the newspaper and making the applicable payment or be distributed without charge to local residents.
- Submit to the secretary of state by December 31 a filing containing the newspaper’s name, address of its known office of issue, telephone number, and a statement that it has complied with all the requirements of this section and paid the fee.
- It shall annually designate a newspaper of general circulation in the city as the official paper in which shall be published such measures and matters as are by the constitution and laws of this state required to be so published, and such other matters as the council may deem it wise to have published in this matter, or in lieu thereof it may establish a municipal publication, which shall then be the official newspaper.
- If, in the normal course of its business, a qualified newspaper maintains a website, then as a condition of accepting and publishing public notices, the newspaper must agree to post all the notices on its website and on the Minnesota Newspaper Association's statewide public notice website, at no additional cost to the advertiser. The newspaper's website must include a link to its online public notices section, the contents of which must be accessible at no cost to the public. Each notice must remain on the website during the notice's full publication period. Failure to post or maintain a public notice on the newspaper's website or to post a public notice on the statewide public notice website does not affect the validity of the public notice.

SUMMARY OF CURRENT STATUS:

At the January 2, 2024, City Council Work Session, the council reviewed quotes from Life, Pioneer Press, and Star Tribune regarding the designation of a legal newspaper. The council then approved via motion at the January 8, 2024, City Council meeting to make Life Newspaper the designated Legal Newspaper for the City of Columbia Heights for 2024.

Life recently placed notice on their website that they will in the next several months be moving to a Paid subscription newspaper, at a cost of \$36 dollars per year or \$72 for three years.

STAFF RECOMMENDATION:

City staff recommends no action regarding the designation of Life as the official newspaper for 2024. All public notices will still be available on their website for free as well as the mandatory posting to the MN Newspaper Association statewide public notice website. Additionally public notices are also posted on the City website.

Life remains the lowest cost option for both publishing and subscription, with consistent weekly editions that are needed to relay information to residents in a timely manner and meet statutory deadlines for Public Hearing Notices and Election Notices. Life has confirmed that legal notices will not be behind a paywall and Life will continue to offer free copies of the printed newspaper at locations through out the community.

ATTACHMENT(S):