

ORDINANCE NO. 2026-10

AN ORDINANCE ADDING THREE-FAMILY DWELLINGS, FOURPLEX DWELLINGS, DETACHED TOWNHOUSE DWELLINGS, COTTAGE COURT DWELLINGS, AND MULTIPLEX DWELLINGS TO THE OPPORTUNITY HOUSING ORDINANCE AND RENTAL LICENSING STANDARDS, THEREBY AMENDING CHAPTER 9, CHAPTER 14, AND APPENDIX A OF THE CITY CODE

The City Council of the City of Bloomington, Minnesota ordains:

Section 1. That Chapter 9 of the City Code is hereby amended by deleting those words that are contained in brackets and [~~stricken through~~] and adding those words that are underlined, to read as follows:

CHAPTER 9: HOUSING OPPORTUNITY AND PRESERVATION

ARTICLE I: GENERAL PROVISIONS

§ 9.04 DEFINITIONS.

The following words and terms, when used in this chapter, have the following meanings unless the context indicates otherwise.

AFFORDABLE. Housing is ***AFFORDABLE*** when no more than 30% of the gross income of the household is required to pay for such housing and utility costs, fees and charges.

AFFORDABLE HOUSING BUILDING. A rented three-family, fourplex, multiplex, or multiple-family dwelling, where at least 9% of the units are let for an amount that is affordable to households at or below 60% of AMI.

AFFORDABLE HOUSING DEVELOPER. A developer of housing whose portfolio serves households at or below 60% of AMI.

DISTRICT PLAN. An adopted plan focused on one or more sites within an area that is intended to guide development, land use, transportation, preservation and other factors over a number of years or in several phases for a specific area or district.

DWELLING. One or more rooms designed for residential use by a single family that contain cooking, living, sanitary and sleeping facilities and that are physically separated from any other dwelling units in the same structure. Types of DWELLINGS are:

(A) **DWELLING, SINGLE-FAMILY.** A building designed or used for residential occupancy by one household with or without an approved accessory dwelling unit.

(B) **DWELLING, ACCESSORY.** A secondary dwelling unit, but not a manufactured home built on a permanent chassis, located on the same lot as a single-family dwelling unit, either physically attached to, within, or detached from the single-family dwelling unit. Accessory dwelling units must be developed in accordance with the standards set forth in § 21.302.03.

(C) **DWELLING, TWO-FAMILY.** A building designed as a single structure, containing two dwelling units, not including accessory dwelling units, where dwelling units are configured side by side sharing a common ~~[or used for residential occupancy by two households in separate dwelling units fully separated by an]~~ unpierced wall extending from ground to roof for a minimum of ten feet, or above and below one another sharing a common ~~[or an]~~ unpierced ceiling and floor extending from exterior wall to exterior wall~~[, except for a common stairwell exterior to both units, including both duplexes and double bungalows but not including accessory dwelling units]~~. Dwelling units in a TWO-FAMILY DWELLING may be connected by a common stairwell exterior to both units and share main entrances and exits exterior to both units.

(D) **DWELLING, THREE-FAMILY.** A building designed as a single structure, containing three dwelling units. Dwelling units in a THREE-FAMILY DWELLING may be connected by shared hallways exterior to all units and share main entrances and exits exterior to all units.

(E) **DWELLING, FOURPLEX.** A building designed as a single structure, containing four dwelling units. Dwelling units in a FOURPLEX DWELLING may be connected by shared hallways exterior to all units and share main entrances and exits exterior to all units.

(F) **DWELLING, MULTIPLEX.** A building designed as a single structure, containing five to 16 dwelling units, where dwelling units are configured in part vertically above and below other dwelling units. Dwelling units in a MULTIPLEX DWELLING may be connected by shared hallways exterior to all units and share main entrances and exits exterior to all units.

(G) **DWELLING, COTTAGE COURT.** The arrangement of multiple detached single-family dwellings in a single development oriented around an on-site common open space or courtyard. Each dwelling unit may be located on its own individual lot or on a common lot containing all detached dwelling units and the common open space.

(H) **DWELLING, DETACHED TOWNHOUSE.** The arrangement of multiple detached single-family dwellings in a single development, each of which is located on its own individual

lot that is narrower than otherwise permitted for an individual single-family dwelling or on a common lot containing all detached dwelling units.

(1[~~D~~]) **DWELLING, MULTIPLE-FAMILY.** A building designed as a single structure, containing 17[that includes three] or more dwelling units where dwelling units are configured in part vertically above and below other dwelling units.

ELIGIBLE HOUSEHOLD. A household with an annual income at less than or equal to the required AMI of an opportunity housing unit.

PRIMARY RESIDENCE. The legal and verified permanent residence of a household.

RESIDENTIAL DEVELOPMENT. A residential or mixed use development, that includes any single family, two-family[~~duplex~~], three-family, fourplex, multiplex, detached townhouse, townhouse, cottage court dwelling, condominium dwelling, co-living, or other residential unit. **RESIDENTIAL DEVELOPMENT** includes the conversion of rental housing to condominiums or similar residential uses if applicable.

SITE. A lot, or group of adjacent lots intended, designated or approved to function as an integrated unit, that is proposed for development in accord with the provisions of this code and is in a single ownership or has multiple owners, all of whom execute a joint application for development.

§ 9.06 OPPORTUNITY HOUSING REQUIREMENT.

(a) *New residential construction, regardless of type of dwelling unit.* For newly constructed, converted, or infill two-family, three-family, fourplex, multiplex, cottage court, multiple-family, co-living, or attached or detached townhouse[~~me~~] residential developments with 20 or more newly created dwelling or co-living units, at least 9% of the newly created units must be affordable to households at or below 60% of AMI. For newly constructed or infill single-family detached residential developments, including detached townhouse and cottage court dwelling developments, with 20 or more newly created dwelling or co-living units, at least 9% of the newly created units must be affordable to low income family households up to 115% AMI.

ARTICLE III: AFFORDABLE HOUSING TOOLS AND INCENTIVES

§ 9.15 AFFORDABLE HOUSING TOOLS AND INCENTIVES.

(a) The developer of any of the following types of development that creates 20 or more total dwelling or co-living units or preserves 20 or more NOAH dwelling units is eligible to use any of the following affordable housing tools and incentives for which it qualifies:

(4) Renovation and acquisition of a three-family, fourplex, multiplex, or multiple-family residential structure that preserves or increases the number of residential units from the number of units in the original structure;

(5) Conversion of an existing single-family residential structure to a three-family, fourplex, multiplex, or multiple-family residential structure;

§ 9.18 HEIGHT BONUS.

(a) To incentivize the construction of a mixture of opportunity housing units for households at or below 60% of AMI, the developer of a multiplex or multiple-family development with at least 9% of its total dwelling or affordable to households at or below 60% of AMI qualifies for a height bonus of [~~one additional story and~~] 10 additional feet above the height limit set forward on the City's height limits map.

§ 9.28 LAND WRITE-DOWN FOR AFFORDABLE HOUSING ON CITY-OWNED LAND.

For a developer proposing a development with a mix of opportunity housing affordable to households at or below 60% of AMI for rental[~~multiple-family~~] developments and moderate income up to 110% of AMI for home ownership projects, at a minimum threshold of 20%, the city may, upon a showing of demonstrated need, reduce land costs to achieve the 20% threshold to support the development reaching affordability. Any sales price reduction must be allowed by the City Charter and city code and approved by the City Council. Where a land write-down is approved, the city will require at least a 20 year deed restriction on those units identified as affordable for extremely low, very low, and low income households to ensure long-term affordability.

ARTICLE XI: AFFORDABLE HOUSING TENANT PROTECTION

§ 9.45 AFFORDABLE HOUSING BUILDING SALE.

(a) *Definitions.* The following definitions apply in this article of the city code. Defined terms remain defined terms, whether or not capitalized.

(1) ***AFFORDABLE HOUSING*** building means a rented three-family, fourplex, multiplex, or multiple-family dwelling, where at least 9% of the units rent for an amount that is affordable

to households at or below 60% of AMI, as most recently determined by the United States Department of Housing and Urban Development for the Minneapolis-St. Paul-Bloomington, Minnesota-Wisconsin Metropolitan Statistical Area, as adjusted for household size and number of bedrooms.

Section 2. That Chapter 14 of the City Code is hereby amended by deleting those words that are contained in brackets and ~~[stricken through]~~ and adding those words that are underlined, to read as follows:

CHAPTER 14: LICENSES AND PERMITS

ARTICLE VIII: RENTAL HOUSING CODE

DIVISION A: GENERAL PROVISIONS

§ 14.568 DEFINITIONS

DWELLING, ACCESSORY. A secondary dwelling unit, but not a manufactured home built on a permanent chassis, located on the same lot as a single-family dwelling unit, either physically attached to, within, or detached from the single-family dwelling unit. Accessory dwelling units must be developed in accordance with the standards set forth in § 21.302.03.

DWELLING, COTTAGE COURT. The arrangement of multiple detached single-family dwellings in a single development oriented around an on-site common open space or courtyard. Each dwelling unit may be located on its own individual lot or on a common lot containing all detached dwelling units and the common open space.

DWELLING, DETACHED TOWNHOUSE. The arrangement of multiple detached single-family dwellings in a single development, each of which is located on its own individual lot that is narrower than otherwise permitted for an individual single-family dwelling or on a common lot containing all detached dwelling units.

DWELLING, FOURPLEX. A building designed as a single structure, containing four dwelling units. Dwelling units in a FOURPLEX DWELLING may be connected by shared hallways exterior to all units and share main entrances and exits exterior to all units.

DWELLING, MULTIPLEX. A building designed as a single structure, containing five to 16 dwelling units, where dwelling units are configured in part vertically above and below other dwelling units. Dwelling units in a **MULTIPLEX DWELLING** may be connected by shared hallways exterior to all units and share main entrances and exits exterior to all units.

DWELLING, MULTIPLE-FAMILY. A building designed as a single structure, containing 17 or more dwelling units where dwelling units are configured in part vertically above and below other ~~[or portion thereof designed or used for use for residential occupancy by three or more families in separate]~~ dwelling units.

DWELLING, SINGLE-FAMILY. A building designed or used for residential occupancy by one family with or without an approved accessory dwelling unit.

DWELLING, THREE-FAMILY. A building designed as a single structure, containing three dwelling units. Dwelling units in a **THREE-FAMILY DWELLING** may be connected by shared hallways exterior to all units and share main entrances and exits exterior to all units.

DWELLING, TOWNHOUSE. A building or group of buildings, each containing three to six dwelling units, where the dwelling units are configured in a side-by-side fashion and share at least one common wall but are not vertically stacked. Each dwelling unit must have separate and individual front and rear entrances.

DWELLING, TWO-FAMILY. A building designed as a single structure, containing two dwelling units, not including accessory dwelling units, where dwelling units are configured side by side sharing a common ~~[or used for residential occupancy by two families in separate dwelling units fully separated by an]~~ unpierced wall extending from ground to roof for a minimum of ten feet, or above and below one another sharing a common ~~[an]~~ unpierced ceiling and floor extending from exterior wall to exterior wall. Dwelling units in a **TWO-FAMILY DWELLING** may be connected by ~~[-except for]~~ a common stairwell exterior to both units and share main entrances and exits exterior to both units. ~~[-including both duplexes and double bungalows but not including accessory dwelling units.]~~

DWELLING UNIT. A single unit providing complete, independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

DIVISION B: RENTAL HOUSING LICENSING

§ 14.570 APPLICABILITY AND EXCEPTIONS

(a) The provisions of this Article VIII apply to all rented multiple-family dwelling units, multiplex dwelling units, group housing, cottage court dwelling units, detached townhouse

dwelling units, fourplex dwelling units, three-family-dwelling units, two-family dwelling units, single-dwelling units, work/live dwelling units or an accessory dwelling unit within owner-occupied dwellings, as well as to rented condominiums, townhouses and leasehold cooperative dwelling units, as those terms are defined in M.S. § 273.124, subd. 6, as it may be amended from time to time; M.S. Chapters 515A and 515B, as they may be amended from time to time; state law; and this Article VIII.

§ 14.571 APPLICATION FOR LICENSE

Any owner who desires to rent a single-dwelling unit, two-family dwelling units, three-family dwelling units, fourplex dwelling units, cottage court dwelling units, detached townhouse dwelling units, multiplex dwelling units, dwelling units within a multiple-family building, group housing, work/live dwelling units, or an accessory dwelling within a dwelling unit, must first obtain a license per this Division B before doing so. Each license will be issued annually and will expire one year from the date of issuance. An application for renewal of a license and appropriate fee must be filed with the issuing authority before the expiration date. Any renewal license application and fee not received before the expiration date is assessed a late fee.

§ 14.572 ISSUANCE OF LICENSE

A license will be issued by the issuing authority upon satisfaction of the following conditions:

(c) For all initial license applications, the multiple-family building, multiplex dwelling units, detached townhouse dwelling units, cottage court dwelling units, fourplex dwelling units, three-family dwelling units, two-family dwelling units, single-family dwelling unit, group housing, work/live dwelling unit, or accessory dwelling unit must first be inspected by the Housing Inspector and the Housing Inspector finds that the requirements of the Rental Housing Code, city code and applicable state laws have been met.

DIVISION C: REGULATIONS

§ 14.580 ADDITIONAL REGULATIONS FOR HEALTH, SAFETY AND MAINTENANCE.

This Division C specifically adopts the following additional requirements for health, safety and maintenance to the 2024 International Property Maintenance Code. Where differences occur between provisions of this Division C and the referenced standards, the provisions of this Division C apply.

(d) *Entry/exit doors.* All exterior doors in common areas of multiple-family, multiplex, fourplex, and three-family dwelling buildings must be self-closing and self-latching.

(f) *Garbage and recycling.*

(1) Every multiple-family dwelling, multiplex dwelling, fourplex dwelling, three-family dwelling, two-family dwelling and group housing, except those with curbside collection services as required in subsection (f)(2) below, must have and maintain in sanitary condition adequate facilities to accommodate the garbage and recycling needs of the dwelling units. Such facilities must consist of containers with tight covers for storage; and the owner of such multiple dwellings is responsible for providing collection service for both garbage and recycled materials in compliance with Chapter 10 of this code. Further, the garbage and recycling facilities must be in compliance with Chapter 21 of this code.

(2) Every single-family dwelling, detached townhouse dwelling, cottage court dwelling or single-family dwelling with a rented accessory dwelling unit must have garbage and recycling curbside collection service with containers with tight covers for storage. The containers must be placed out for collection and stored in compliance with Chapter 10 of this code.

§ 14.583 TENANT REGISTER REQUIRED.

The owner of a rental property licensed under this Article VIII must, as a continuing obligation of the rental license, maintain a current register of tenants and other persons who have a lawful right to occupy a specific licensed dwelling unit within the multiple-family building, multiplex building, fourplex building, three-family building, two-family building, detached townhouse dwelling, cottage court dwelling, single-family dwelling, work/live dwelling unit, or a specific bed or bedroom within group housing. The register must be available for inspection by the police or Housing Inspector at all times.

DIVISION D: INSPECTIONS AND ENFORCEMENT

§ 14.593 SELF-INSPECTION.

Owners of licensed rental property must have a self-inspection procedure with written documentation of inspections completed as evidence of maintenance and safety inspections for all units occurring before a new tenant moves in, when an existing tenant moves out and at least once every 12 months at a minimum. In addition, owners of licensed rental multiple-family, multiplex, fourplex, and three-family buildings must have in place a preventative maintenance program to include a self-inspection procedure with written documentation of inspections

completed as evidence of maintenance, cleaning and safety inspections occurring at a minimum of once a week for common areas of the interior and exterior of the property.

Section 3. That Appendix A of the City Code is hereby amended by deleting those words that are contained in brackets and ~~stricken through~~ and adding those words that are underlined, to read as follows:

APPENDIX A: ADMINISTRATIVE RELIEF AND FEE SCHEDULE

This appendix contains the various fees adopted by ordinance in the listed sections of the City Code.

Chapter 14: Licenses and Permits			
<i>CODE SECTION</i>	<i>CROSS-REF</i>	<i>DESCRIPTION</i>	<i>FEE</i>

	§ 14.569	Rental Housing	
		(A) <u>Multiplex</u> and m <u>[M]</u> ultiple-family dwelling, 5 or more units (apartment buildings and townhouse complexes)	
		(1) Per building	\$270
		(2) Each unit	\$20

		(C) <u>Three-family</u> and <u>four[-]plex</u> [es, three-four units] <u>dwelling</u> s	
		(1) Per building	\$200
		(2) Each unit	\$75
		(D) <u>Two-family</u> <u>dwelling</u> s [Duplexes]	
		(1) First unit	\$200
		(2) Second unit	\$100
		(3) Zero lot – each side	\$200

		(E) Single-family dwelling (house, townhouse, <u>detached townhouse, cottage court</u>)	\$200
--	--	--	-------

Section 4. Effective Date. This Ordinance shall be in full force and effect from and after its passage and publication according to law.

Passed and adopted this 27th day of April, 2026.

/s/ Tim Busse
Mayor

ATTEST:

/s/ Priyanka Rai
Council Secretary

/s/ Melissa J. Manderschied

Approved by the City Attorney