



CITY OF SAINT PAUL
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October 26, 2023

TO: Planning Commission

FROM: Comprehensive and Neighborhood Planning Committee

SUBJECT: Micro-unit dwellings, accessory use to a religious institution

SUMMARY

The State Legislature passed Article 11, Sec.57, in its 2023 session, which regulates Sacred Communities and Micro-Unit Dwellings (Minn. Stat. §327.30). This statute authorizes religious institutions across the state to provide permanent, micro-unit housing to people who are chronically homeless, extremely low-income, or who are designated volunteers. Local governments must either regulate these micro-unit dwellings as a permitted use or as a conditional use. This proposed zoning code text amendments would regulate micro-unit dwellings, accessory to a religious institution, as a permitted accessory use in the City of Saint Paul. The City must adopt the zoning text amendments by the end of 2023, in alignment with and as required by the State legislation.

BACKGROUND

The City Council of the City of Saint Paul passed an interim ordinance in 2022 which permits micro-unit dwellings at the Mosaic Church site, at 540 Wheelock Parkway East. This interim ordinance also directed the Planning Commission to study the Zoning Code's current residential housing regulations to determine if non-conventional housing products could and should be incorporated into the Zoning Code to address regional housing shortages and challenges faced by unhoused persons. This interim ordinance was recently extended through 2023, but is set to expire on January 1, 2024, when Minn. Stat. §327.30 becomes effective.

Because Minn. Stat. §327.30 will take effect in the new year, the City will need to regulate the micro-unit dwellings as either permitted or conditional accessory uses to religious institutions. The City must not impose additional zoning requirements on the micro-unit dwellings or on any religious institution that "hosts" them. This proposed zoning code text amendments would regulate micro-unit dwellings as a permitted use wherever religious institutions are already permitted. Although Minn. Stat. §327.30 technically allows the use to be regulated as a conditional use, it prohibits adding conditions, which is contrary to the Saint Paul Zoning Code. Classifying micro-unit dwellings as a permitted use is more appropriate to the anticipated scale of development, a better fit given the constraints of the State legislation, and supports an efficient approval process.

ANALYSIS

Permitting micro-unit dwellings accessory to religious institutions would provide access to some alternative forms of housing, especially for those persons lacking the means to access “conventional” housing units. As part of the initial and subsequent extension of the interim ordinance allowing micro-unit housing, the City Council found that provisions for non-conventional residential housing products helped to address housing shortages and helped to further the Comprehensive Plan’s Housing Goal H-49, which invites the City to “consider amendments to the Zoning Code to permit smaller single-family houses [...] to facilitate the creation of small-home development types, such as pocket neighborhoods and cottage communities.”

Additionally, Minnesota’s Homeless Management Information System’s annual Point-in-Time count found that 7,917 people experienced homelessness on a single night in January 2022, and over a fifth of those individuals were completely unsheltered that night (source: <https://www.hmismn.org/point-in-time-count-information>). In a 2023 survey of Minnesota homelessness service providers, “Not enough affordable housing options” was identified as the most common barrier for accessing and sustaining stable housing for people experiencing homelessness (*Accessing and Maintaining Long-Term Solutions to Homelessness*. C. Lindberg and K. Dillon, Wilder Research report. March, 2023). Allowing micro-units as a permitted use in the City of Saint Paul will help address these identified barriers to housing.

The Mosaic Church site, 540 Wheelock Parkway East, has had a pilot program using the micro-unit dwelling model, in partnership with an organization called Settled, on their church’s site. They currently house eight people in six micro-unit homes. They have created a process for reviewing and accepting new residents to their community who will be a good fit. They see their site as a long-term residence and not a transitional housing model, so they expect their current residents to stay in the community for a few years. Mosaic/Settled have worked with City staff in the Mayor’s Office, and the Departments of Planning and Economic Development, Safety and Inspections, in communicating about the successes and challenges of their “pilot” micro-unit dwelling community. [Settled first reached out to the City to begin discussing the specifics of this model and applicable regulations in approximately 2019].

Minn. Stat. §327.30 has regulations to protect the health and safety of occupants at communities like Mosaic/Settled, as well as the health, welfare and safety of the general public. Regulations outlined in Minn. Stat. §327.30 include:

- On-site access, or in-unit connection, to water, laundry facilities, kitchens
- Adequate parking, lighting, and access to units by emergency vehicles
- Between 33% and 40% of residents in micro-unit communities must be designated volunteers (persons approved by the religious institution and who have not experienced homelessness)
- Micro-units must have a dry, compostable, or plumbed toilet, or similar system that meets Minnesota Pollution Control Agency requirements
- Micro-units must have an electrical system that meets one of two national standards (NFPA 70 NEC or American National Standards Institute (ANSI)/RVIA)
- Micro-units must be inspected and certified for compliance by a licensed Minnesota professional engineer or qualified third-party inspector for ANSI compliance

ANTICIPATED TIMELINE

<u>Meetings/milestones</u>	<u>Date</u>
Comprehensive and Neighborhood Planning committee (CNPC) meeting #1	Aug. 30
Planning Commission – release for public review	Sept. 1
Planning Commission public hearing	Oct. 13
CNPC committee meeting #2	Oct. 25
Planning Commission	Oct. 27
City Council 1 (1 st read and staff report)	Nov. 15
City Council 2 (Public hearing)	Dec. 6
City Council 3 (final adoption)	Dec. 13
30 days following final adoption, ordinance effective	Jan. 13, 2023

PUBLIC HEARING

The Planning Commission held a public hearing at their October 13 meeting. No members of the public spoke, and staff received no comments. Therefore, there are no changes recommended to the public hearing draft based on public input. The next steps are a final recommendation by Planning Commission and then three readings at City Council, as noted in the table above.

After the Planning Commission public hearing, the proposed standards and conditions of the use were edited for clarity based on feedback from DSI staff. The edits do not change the substance of the conditions.

RECOMMENDATION

The Comprehensive and Neighborhood Planning Committee recommends approval of the following draft zoning code text amendments and that the Planning Commission recommend approval and forward to City Council.

Attachments:

- A. Planning Commission Resolution and Proposed Zoning Ordinance