HOUSE RESEARCH

Bill Summary

FILE NUMBER: H. F. 3169 **DATE:** March 7, 2002
Version: Second Engrossment

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Subject: Affordable Housing Provisions in Subdivision Approvals

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Section

1 **Affordable housing.** Authorizes a municipality, subject to agreement by the developer, to establish the following criteria when approving a subdivision, planned unit development, site plan, or similar action for a proposed development that includes units for households of low and moderate incomes:

- sales prices or rents for the affordable units;
- maximum income limits for initial and subsequent purchasers or renters of the affordable units;
- means for maintaining long-term affordability, including equity sharing, or similar activities; and
- land trust agreements for the affordable units.

The first three options would apply for no more than 20 years from initial occupancy, except where public financing or subsidies require longer terms.

2 **Housing fiscal impact notes.**

Subd. 1. Definition. Defines "housing fiscal impact" as increased or decreased costs incurred by a housing development as a result of local zoning changes after August 1, 2002.

Subd. 2. Conditions; contents. Provides that a municipality may prepare a housing fiscal impact note when there is a potential for a housing fiscal impact. The note may estimate the costs, specify long-range implications, describe alternatives, and discuss the rationale for the proposed action.