



Memo

To: Planning Commission
From: Jenn Moses, Manager of Planning and Community Development
Date: May 4, 2026
Subject: UDC Text Amendments

On June 16, 2025, City Council passed Resolution 25-0520R, Resolution in Support of Comprehensive Zoning and Code Modernization to Increase Housing Supply Across All Income Levels. Subsequently, Planning staff completed an assessment of the existing Unified Development Chapter (UDC) to identify ways the zoning regulations could be amended to implement the goals of City Council. This assessment was presented to City Council on September 8, 2025, and identified in a memo, attached to this document for reference.

At this time, staff is bringing forward several of these code changes:

- Eliminating the creation of new R-P and MU-P zone districts.
- Removing the Higher Ed Overlay district, instead adding the “build-to zone” requirement to MU-N zone districts.
- Simplifying the building design standards in Form Districts while keeping key form requirements, consolidating the districts from 9 to 4, and renaming them from Form Districts to Main Street Districts.
- Increasing residential height maximums and removing complicated height regulations.
- Reducing lot widths and setbacks in a majority of zone districts.
- Allowing more housing types as permitted uses in R-1 and R-2; allowing townhouses in MU-C, MU-I, and all Main Street districts, and eliminating design standards for townhouses.
- Remove the clustering standards required for platting in certain developments.
- Changes to connectivity, including removing the connectivity index.
- Updated sustainability standards to include newer best practices.

Note that due to the extent of changes, this is presented as a complete new code adoption; the ordinance changes are not shown with changes tracked, so the list below has specific citations to aid in identification of those changes.

Article 2

- 50-14.5, 50-14.6, 50-15.2, 50-15.3, 50-15.5, 50-15.6 – the dimensional standards tables for R-1, R-2, MU-N, MU-C, MU-B, MU-W, showing changes to setbacks and height, and the addition of a build-to zone for MU-N.
- 50-17.6 – New section for any future changes to existing R-P and MU-P districts.
- 50.16 – Condensed form district regulations; change in naming to Main Street Districts.

Article 3

- 50-19.8 – Use table, allowing additional housing types in various districts.
- 50-20-1.B – Dwelling, townhouse – deleted all design standards.
- 50-20.1 – Dwelling, multi-family: restricted to 3 or 4 units in R-1 districts.
- 50-20-5.E – Accessory dwelling unit, removed the prohibition on variances.

Article 4

- 50-21.3 – Exceptions and Encroachments – deleted/changed those that are impacted by Article 2’s setback reduction (smaller porch exceptions, removal of carport exception and rain garden, added that porches can also encroach into corner side yards)
- 50-22 – Form Standards: Changed names of districts to Main Street districts, removed cap types, base types, and expression lines, which allows us to go from 9 form districts to 3. This also simplifies the former two-page table to one page, and reduces explanations needed. Slightly increased heights for the building types.
- 50.23.2 and 23.3 – Changed pedestrian easement width from 10 feet to 20 feet, added sections F, G, and I, removed connectivity index
- 50-29 – New sustainability standards
- 50-33.5 – Clustering standards removed.

Article 5

- 50-37.1.L, - Administrative Adjustments, Removed 2 and 3 because they aren’t needed with reductions to setbacks. Amended wording in #5 because we no longer have parking minimums.

Staff finds that:

1. Governing principle #1 of the comprehensive plan calls for reusing previously developed lands. Particularly given that most of Duluth was platted and developed decades ago under different zoning regulations, reduced setbacks and increased height maximums support redevelopment, from small home additions to new multi-family buildings. Allowing existing buildings more space for expansions also supports governing principle #5, promote reinvestment in neighborhoods.
2. Governing principle #8 calls for a mix of uses and densities in land use. Allowing a variety of housing types in residential neighborhoods meets this goal, as does reducing lot sizes for many districts.
3. Governing principle #10 calls for sustainable use of existing infrastructure and lands. Supporting increases in density through the proposed changes allows for more units to be built in a smaller area instead of a sprawling pattern that consumes more resources and requires more infrastructure. This principle also supports changes to sustainability standards, which updates point options to new best practices, and adds new tiers of point totals to reflect different types of development.
4. The city of Duluth is experiencing well documented housing needs. Increasing housing directly supports governing principles #3 and #4 of the comprehensive plan by supporting economic development needs.
5. Through plans such as the recently completed *Imagine Downtown 2035*, stakeholders such as business owners and developers have identified that overly complex regulations such as detailed design standards in Form Districts are burdensome to development while not contributing significantly to the form district goals of creating pedestrian-friendly and walkable neighborhoods. Therefore, these districts have been evaluated to eliminate requirements related to things like base types and cap types and instead to focus on the three elements most important to Duluth’s goals for walkable neighborhoods: 1. Buildings sited close to the sidewalk; 2. Active spaces on the ground level of the buildings; and 3. Windows (transparency) to support the pedestrian environment.
6. The significant changes to the form districts result in consolidation of the number of districts from 9 to 4. This requires a technical rezoning of form districts; to better reflect the goal of these districts, as well as the significant changes, form districts will be renamed Main Street Districts and will be consolidated as follows:
 - a. Form Districts I and II (low-rise) will be rezoned to Main Street District I.
 - b. Form Districts III through VI (mid-rise) will be rezoned to Main Street District II.
 - c. Form Districts VII and VIII (downtown) will be rezoned to Main Street District III.
 - d. Form District IX (Canal Park) will be rezoned to Main Street District IV.

7. Residential-Planned and Mixed Use-Planned districts were designed to give developers flexibility and allow a mixture of uses. The process in creating these districts requires significant time on behalf of developers, staff, planning commission, and city council, both in creation as well as administration of these districts, and could trigger expensive environmental review. To support the above-mentioned comprehensive plan goals and for efficiency in administration, this proposal includes ways for allow a similar mixture of uses by-right. This is reflected in the setback and height changes, additional uses in the permitted use table, and changes such as removal of specific townhouse standards to allow townhomes to be built in more areas of the city without the lengthy process demonstrated by the R-P and MU-P processes.
8. With previous UDC changes that eliminated minimum parking requirements, a large part of the Higher Education Overlay District was removed. To simplify zoning regulations, the remainder of the Overlay district was removed. In exchange, to support community connectivity, the build-to zone requirements were expanded to all areas zoned MU-N throughout the city.
9. The connectivity index in the existing UDC has aimed to promote frequent links in the street network through a complicated calculation of links and nodes that has proven difficult to administer. In evaluating any inefficient or complex areas of the UDC, staff identified that the connectivity index could be replaced with clearer connectivity language identifying where and how pedestrian connections are provided.
10. As the City of Duluth has worked to support housing development, there has been an increased number of multi-family developments in need of building identification signage. Staff has identified that the current sign code does not allow multi-family buildings to have any signage bigger than 4 square feet. Allowing wall signs on multi-family buildings will support multi-family housing, placemaking, and neighborhood investment.
11. Wall signs to multi-family uses. Allows apartment names to projects. Increase in multi-family has shown that our code doesn't allow names of buildings to be displayed other than 4 sq ft exemption which is too small.

Moratorium on vacation dwelling units

On November 11, 2025, City Council passed Resolution No. 25-0808R and Ordinance No. 25-028-O, imposing a moratorium on short-term rental permits and related activities (the Moratorium). City staff are in the process of studying the official controls regulating Vacation Dwelling Units, Accessory Vacation Dwelling Units, Accessory Dwelling Units (Limited), Accessory Home Shares, and Bed and Breakfasts under the UDC and other provisions of the Duluth City Code. The proposed text amendments to the UDC are not intended to amend controls subject to the Moratorium. The Moratorium will remain in effect until expiration of 12 months following introduction of Ordinance No. 25-028-O or until City Council takes action to amend controls as a result of the City's study.

Recommendation

The planning commission shall review shall make a written recommendation based on the following criteria, and recommend approval if the proposed change:


1. Is consistent with the comprehensive land use plan;
2. Is reasonably related to the overall needs of the community, to existing land use, or to a plan for future land use;
3. Is required by public necessity, convenience, or general welfare, or good zoning practice;
4. Will not create material adverse impacts on nearby properties, or if material adverse impacts may be created they will be mitigated to the extent reasonably possible


Staff recommends that Planning Commission recommend approval of these changes to City Council.



Planning & Development Division
Planning & Economic Development Department

Room 160
411 West First Street
Duluth, Minnesota 55802

 218-730-5580

 planning@duluthmn.gov

MEMORANDUM

DATE: September 5, 2025

TO: City Council

FROM: Jenn Moses, Manager of Planning and Community Development

SUBJECT: Response to Resolution 25-0520R, Zoning Code Updates

On June 16, 2025, City Council passed Resolution 25-0520R, Resolution in Support of Comprehensive Zoning and Code Modernization to Increase Housing Supply Across All Income Levels.

In this resolution, Council asked for an evaluation of several components of Chapter 50 of the City of Duluth Legislative Code, also known as the Unified Development Chapter (UDC). Staff have reviewed the goals in the resolution, restated below, and provide the following recommendations and options for consideration.

(a) Proposals for simplifying and modernizing zoning regulations, including:

Council Recommendation (1): Recommendation to reduce or eliminate overly complex and time-consuming standards within the UDC to make the development process more predictable and efficient for developers, thereby allowing for more efficient use of city staff time in review and approval processes.

Staff response:

- Eliminate the creation of new R-P and MU-P zone districts. These zone districts have existed for 15 years; R-P and MU-P applications require significant time from staff, developers, Planning Commission, and City Council. While using these planned development tools can result in an increased range of housing types, there are alternative ways of achieving housing diversity such as recommendations in parts (2) and (1)(b) below, all of which are simpler, more predictable, and more efficient. If this recommendation is adopted, staff will work to ensure existing Planned districts can still be amended as needed.
- Modify Form districts to simplify building design standards while keeping key form requirements. The form-based districts in Article 4 include many pages of design standards such as base types, cap types, expression lines, etc. Eliminating some of the standards will make the form districts significantly easier to understand. The key form requirements staff recommends maintaining are: place buildings close to the sidewalk; include windows on the ground floor to support activation; and keep active uses along the street (i.e. not storage or parking). This change will also likely reduce the number of form districts.

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- Make Planning Reviews for the MU-C District administrative instead of review by Planning Commission. Planning Commission applications and review processes typically take a minimum of 5 weeks. Since the only criteria for planning review approval is that the application meet all UDC requirements, this can be an administrative task that will save developers time.
 - Planning Reviews for the MU-I and MU-W zone districts could follow this process as well if desired.
- Eliminate the District Plan Option for Institutional Uses. This review has been an optional review for Institutional Uses such as hospitals and educational campuses; the benefit of the District Plan was that institutions could avoid separate Planning Commission reviews for individual projects if a District Plan had previously been approved. However, institutions almost always prefer individual reviews and have found the District Plan to be an option that does not provide enough flexibility over time. Eliminating it can make the decision making process easier for institutions, since they will have one path to follow for all project types.
- Allow Safe Parking Lots as a Permitted use if located on a host site. Parking lots as temporary sleeping accommodations are currently allowed with an Interim Use Permit under “Interim Outdoor Living Site.” The Interim Use Permit process is very time consuming for staff, operators, Planning Commission, and City Council. In certain situations, a parking lot (not an encampment) could be a permitted use and be more efficient with staff time. Staff recommends that such use be required to a) be located on a site with an existing primary use, such as a church, institution, or business that generally provides an ongoing presence on the site; b) be allowed only on a seasonal basis, from March-October, to avoid coldest parts of the year where safety is a concern for guests; and c) be allowed only during nighttime hours and not during the day.
- Reduce staff time spent on Vacation Dwelling Units (VDUs). Interim Use Permit applications typically constitute the most frequent application on Planning Commission agendas, and usually take more staff time on research, staff reports, and application processes than any other application type. Staff suggests expanding the cap to include Form Districts, in order to reduce staff time on these applications. As this recommendation moves forward, Staff will assess the current number of VDUs across the city (currently at 183) and make a recommendation regarding an appropriate limit for VDUs.
- Remove the clustering standards required for platting in certain developments. The standards have been confusing and challenging to administer and could limit platting of new lots.
- Remove the connectivity index that requires street nodes and connections in new developments. This can reduce the cost of infrastructure in these developments. Staff would evaluate and replace the index with simpler connectivity requirements.

Council Recommendation (2): Recommendation to expand "by-right" development opportunities for a wider range of City of Duluth housing types, ensuring that projects strictly conforming to objective standards can proceed without discretionary review or special approvals from the planning commission or city council.

Staff response:

- Allow more housing types as permitted uses in R-1 and R-2. These two zone districts make up the majority of the city. Currently, townhomes, co-housing, manufactured home parks, cottage home parks, and rooming houses are Special Uses in one or more of these zone districts. These could be changed to Permitted Uses to allow more housing variety by-right. Design standards for townhomes listed in UDC Section 50-20.1.B could also be eliminated to reduce the amount of standards for townhomes.
- Allow certain small-scale commercial uses in neighborhoods. The City of Duluth comprehensive plan, *Imagine Duluth 2035*, includes a governing principle to support a mixture of uses in neighborhoods throughout the city. Neighborhood-scale commercial uses add vitality, and create desirable, walkable places for residents. After reviewing the uses in Article 3 of the UDC, staff recommendations include: allowing small restaurants (Under 5,000 sf/no drive through) in the R-2 district as a permitted use instead

of a special use; allowing personal service and repair (small), in the R-2 district as a permitted use instead of a special use; and allowing small grocery stores in more districts in the city.

- Allow townhouses in MU-C, MU-I, and all Form districts. These are currently not permitted in these zone districts.
- Make Planning Reviews administrative, as mentioned in (a)(1) above.

(b) Proposals to increase housing density and diversity, including:

Council Recommendation (1): Recommendation related to allowing for increased height and density in appropriate areas, particularly along transit corridors and in mixed-use zones, to maximize development potential and accommodate more housing units.

Staff response:

- Increase residential height. Staff proposes a slight increase in maximum height in R-1, to 35', to allow for investment in existing houses; a height maximum in R-2 increased to 75'; and increased height maximums in all Form districts.
- Remove complicated height regulations that restrict height based on proximity to adjacent residential zone districts. For example, the MU-N District currently restricts height for buildings within 500' of an R-1 or R-2 zone district. Staff will review all zone districts and remove this additional regulation.
- Create a TOD Overlay District. This Overlay District would be placed along the future BRT routes (the DTA Green Line and Blue Line) and allow a 20% height increase within the overlay, as well as reduced setbacks to encourage proximity to transit.
- Reduce lot widths and setbacks. Reduce residential minimum lot widths from 40' to 30' (note that 25' lots can still be built on if previously platted). Significantly reduce setbacks in all zone districts, particularly for corner side yards. Based on substantial conversations with City of Duluth stormwater engineers, staff recommends maintaining setbacks (although in reduced widths) as a way to promote pervious surface within residential neighborhoods and meet MPCA requirements related to stormwater. Maintaining setbacks also allows housing to incorporate encroachments such as eaves, egress windows, mechanical units and vents, etc., without trespassing onto neighboring properties.
- Amend standards for ADUs and duplexes.
 - The code conflicts by requiring the second unit of a duplex to have a front door facing the street but an ADU entrance must face the rear or side yard. Many people have found converting their property to a duplex challenging because of this requirement. A couple solutions could be to either provide an exception for conversions or just require one unit in a duplex have an entrance facing the front lot line.
 - Allow variances for ADUs. Plenty of variances are granted for garages that are in size and scale to ADUs.

Council Recommendation (2): Recommendation relating to facilitating the development of "missing middle" housing types, such as duplexes and townhomes, by permitting them by-right in more residential zones and simplifying associated development standards, including clarifying zero-foot setbacks for shared walls.

Staff response:

- Allow 4-plexes in the R-1 zone district. Buildings with 4 units are currently classified under "multi-family" and only allowed in R-2 and mixed use districts. Since the R-1 zone district constitutes significant land area in the city, a new use, 4-plex, could be created to allow for missing middle housing types within R-1

neighborhoods. This is supported by the comprehensive plan, which suggests 4-plexes in Traditional Neighborhoods.

- Expand townhomes as a permitted use, as identified in (a)(2) above.
- Increase height and reduce setbacks, as identified in (b)(1) above.
- Note that zero-foot setbacks for shared walls were clarified in setback changes incorporated in early 2025.

Council Recommendation (3): Recommendation promoting high-density, low-rise housing options in suitable neighborhoods to provide diverse housing forms that contribute to vibrant walkable communities.

Staff response:

- Recommendations in (a)(2), (b)(1), and (b)(2) include many recommendations that promote high-density, low-rise, diverse housing options in walkable communities.
- Outside of zoning regulations, investments in pedestrian infrastructure, street amenities, and traffic calming also create walkable communities.

(4) Recommendation relating to expedited review processes or additional by-right considerations for housing developments that include affordable units.

Staff recommendations:

- Allow an extra 20% height and a 20% decrease in minimum square footage required per unit, if a certain amount of affordability is incorporated; staff would determine the specific level of affordability after consultation with Housing staff. Note that this would likely require developers to execute development agreements for these developments.
- Note that many of the recommendations above regarding additional housing types by-right will support affordable housing as well.

(c) Proposals to implement modern zoning tools and streamlining processes, including:

Council Recommendation (1): Recommendation related to transitioning existing "Form Districts" to "Main Street Districts" or similar designations that encourage mixed-use, pedestrian-friendly development with a clear emphasis on ground-floor commercial spaces and upper-story residential units, as well as limiting Vacation Dwelling Unit (VDU) development.

Staff response:

- Rename Form Districts to Main Street Districts. This identifies the districts' purposes as main streets in the community, and reflects the changes proposed under (a)(1) above relating to simplifying the form standards.
- Make changes to standards and definitions for Bed & Breakfast and Hotel/Motel. To avoid confusion with the short-term rentals allowed under VDU regulations, staff recommends the following: 1) align the minimum room number for hotel/motel with the building code, by changing the minimum from 5 to 6; 2) clarifying the level of front desk/staffing required at hotels/motels; 3) Changing the name of Bed & Breakfast to Boutique Inn to better align with modern practices, where Boutique Inn would have 3-6 rooms; allowing no new B&Bs in the R-1 district to preserve housing.
 - Note that historic homes could still operate as a Boutique Inn or Hotel/Motel via an Adaptive Reuse permit. Adaptive Reuse is currently located in UDC Section 50-20.7. Staff recommends moving this section to the Historic Resources Overlay District in Article 2 to better highlight this option for historic buildings.
- The cap on VDUs proposed in (a)(1) also serves to promote housing in the newly-named Main Street Districts, in addition to reducing staff time and promoting efficiency.

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Council Recommendation (2): Recommendation relating to simplifying height and setback restrictions across various residential and mixed-use districts to provide greater flexibility for developers while maintaining appropriate urban design standards.

Staff response:

- See recommendations under (b)(1) above.

Council Recommendation (3): Recommendation to evaluate and potentially eliminate confusing or overly burdensome provisions, such as certain Planned Unit Developments (PUD), where standard zoning regulations can achieve similar or better outcomes with less administrative complexity.

Staff response:

- See recommendations under (a)(1) above.

Council Recommendation (4): Recommendation to Implement modern zoning tools like Transit-Oriented Development (TOD), by establishing targeted zoning overlays or districts that encourage higher-density, mixed-use development within a half-mile radius of major transit stops.

Staff response:

- See recommendation for Transit Oriented Development Overlay in (b)(1) above. Staff recommends that this be placed along the Blue Line and Green Line (i.e. the most frequent routes with the highest ridership). The transit center downtown will also benefit from the increases in height proposed for Form districts above.

(d) Proposals to enhance efficiency and predictability, including:

Council Recommendation (1): Recommendation to reviewing and update the entire Unified Development Chapter to reduce duplication, simplify language, and ensure consistency, thereby making it easier for developers and staff to navigate.

Staff response:

- Bring all UDC changes as one ordinance. Rather than bring forward multiple ordinance changes in tracked changes versions, that need to then be incorporated back into the UDC document, staff recommends that the adoption process includes a replacement of the entire UDC.
- Update relevant sections. Staff recommend updating the sustainability standards and lighting section, as well as parking lot landscaping specifications, to reflect newer best practices, as these sections are all 15 years old and have not been updated.
- Note that many of the changes in previous sections above will remove entire sections of code requirements, ensuring a simpler and streamlined code.

Council Recommendation (2): Recommendation to establish clear and objective criteria for administrative approvals for a broader range of housing projects, thereby reducing the number of projects requiring formal Planning Commission and City Council review and expediting timelines.

Staff response:

- Recommendations under (a) above will greatly reduce the number of projects receiving review by Planning Commission and City Council.

Additional UDC Changes

As with any zoning code, the UDC has seen regular code updates since its inception in 2010. Since this update will be a significant overhaul to the regulations, staff would take the opportunity to update several other areas in need of updating including:

- Natural Resources Overlay: we understand in working with the DNR that some minor updates and clarifications would be helpful in the Shoreland section.
- Sustainability requirements: there are newer best practices in sustainability, and additional options to consider.
- Enforcement and approval criteria: Update, harmonize, and simplify enforcement processes and review and approval criteria across applications, uses, and permits. Staff recommend a comprehensive review of UDC enforcement, appeal, and due process procedures, and a similar review of approval criteria for each type of use, application, and permitting process, all with the goal of removing duplication, redundancy, and potential confusion; ensuring consistency across similar reviews and approvals; and clarifying application, notice, enforcement, service of process, and appeal procedures for staff, property owners, applicants, and other interested parties.

Summary

If council supports this direction, Staff will work to bring forward a set of zoning regulations that include the following changes discussed above:

Article 1

- Any changes to general provisions as needed to incorporate other recommendations

Article 2

- Eliminate the creation of new R-P and MU-P zone districts.
- Rename Form Districts to Main Street Districts, and reduce the number of districts.
- Increase residential height and remove complicated height regulations.
- Reduce lot widths and setbacks.
- Create a TOD Overlay District.

Article 3

- Allow more housing types as permitted uses in R-1 and R-2.
- Allow Safe Parking Lots as a Permitted use if located on a host site.
- Allow townhouses in MU-C, MU-I, and all Form districts.
- Allow 4-plexes in the R-1 neighborhood.
- Allow certain small-scale commercial uses in neighborhoods.
- Add a cap on Vacation Dwelling Units (VDUs) that includes Form districts.
- Make changes to standards and definitions for Bed & Breakfast and Hotel/Motel.

Article 4

- Modify Form districts to simplify building design standards while keeping key form requirements.
- Remove the clustering standards required for platting in certain developments.

- Evaluate the connectivity index that requires street nodes and connections in new developments.
- Update sustainability and landscaping standards to include newer best practices.
- Review exterior lighting section for any changes needed.

Article 5

- Make Planning Reviews for the MU-C District administrative instead of review by Planning Commission.
- Eliminate the District Plan Option for Institutional Uses.
- Review enforcement and approval criteria for consistency and clarity.

Article 6

- Changes to definitions as needed to incorporate the above changes.

This will be done as one large ordinance that will replace the existing regulations, and the current UDC will be repealed in its entirety. In addition to the above changes, staff will review for clarity and conciseness in language and formatting.

The proposed timeline and process is as follows:

- September – October: Staff rewrites the UDC with the above changes.
- October: Staff reviews the proposed changes with the Planning Commission and holds a Public Open House
- November – December: Document finalization and formatting.
- January: Final ordinance presented to Planning Commission for recommendation.
- February: Ordinance brought to City Council for approval.

Because the timeline requires significant time in writing and formatting, any changes to the proposed ordinance during the final approval process will cause significant delays in adoption of new regulations. Staff hereby requests that City Council provide any suggested changes or additional considerations, at this time, prior to the start of the rewriting process.