

C Community Development Committee
For the Metropolitan Council meeting of May 23, 2012

Item: 2012-113

Date Prepared: May 8, 2012

Subject: City of Mound Comprehensive Plan Amendment, Pedestrian Mixed Use Review File No. 20438-2

Proposed Action:

That the Metropolitan Council:

1. Adopt the attached review record and allow the City of Mound to put the Pedestrian Mixed Use comprehensive plan amendment (CPA) into effect.
2. Find that the proposed CPA does not change the City's forecasts.
3. Advise the City that it should make every effort to add the 15 affordable units lost, through this land use change, to its affordable housing need obligation between 2011 and 2020, meaning its share of the regional need would be a total of 83 units instead of 68.

Summary of Committee Discussion / Questions:

On April 16, 2012, Tom Caswell, senior planner, presented the Mound CPA. The Community Development Committee discussed how the amendment impacts the City's affordable housing goals set in its 2030 comprehensive plan. Council Member Elkins moved to continue the business item to the next meeting to receive additional staff analysis based on the zoning to demonstrate that the city has enough redevelopable land that is zoned for affordable housing to make the city's comprehensive plan realistic, and an examination of the degree to which the city's zoning is not in compliance to its comprehensive plan. The Committee approved the motion unanimously.

On May 7, 2012, Phyllis Hanson, LPA Manager, presented the Mound CPA, with the revised action #3: "Advise the City that it should make every effort to add the 15 affordable units lost, through this land use change, to its affordable housing need obligation between 2011 and 2020, meaning its share of the regional need would be a total of 83 units instead of 68."

Council Member Chávez asked staff to discuss the revised housing section of the staff report statement "even if all of the housing presently on this land, 122 units, were removed, and along with the 15 affordable units being removed by this CPA were to be added to its fair share housing need, this total of 205 units is less than the minimum number of units that can be developed on these 40 acres."

Member Chávez asked for the context for the 205-units and why is that number used in the sentence. Guy Peterson, CD Director, said that the 205 number is the total of 68 (the City's fair share need), 15 (the number being lost by the CPA) and 122, (the number of homes on the land guided for higher density redevelopment), and that if we removed all the existing homes and assumed they were all affordable, and we would ask the city to replace them, the number we would expect them to meet is 205. There is sufficient land guided in the comprehensive plan to accommodate more than 205 housing units.

Council Member Elkins moved to substitute the current wording of the housing section of the report with alternative language, and also to strike the word "housing" under the sentence on consistency with Council policy. The Chair indicated that Council Member Elkins did not need to read the entire revised language into the record, and repeated the proposed motion. The motion was seconded. The Chair indicated the need for an overall housing policy discussion, as well as an understanding of connection between the Livable Communities Act and comprehensive plan. Don Mueiting, Chief Counsel addressed the Council's legislative authority in housing and the LCA grant program.

The Chair called the question with Council Member Elkin's substitute language. That motion failed. Council Member Wulff moved the item as written in the staff report. The Committee approved the staff recommendations on a 5-4 vote.

C Community Development Committee
Meeting date: May 7, 2012
For the Council Meeting of May 23, 2012

ADVISORY INFORMATION

Subject:	City of Mound Comprehensive Plan Amendment, Pedestrian Mixed Use, Review File No. 20438-2
District(s), Member(s):	District 3, Council Member Jennifer Munt
Policy/Legal Reference:	Minnesota Statutes Section 473.175
Staff Prepared/Presented:	Tom Caswell, Principal Reviewer, 651-602-1319 Phyllis Hanson, Local Planning Assistance Manager, 651-602-1566
Division/Department:	Community Development / Planning & Growth Management

Proposed Action

That the Metropolitan Council:

1. Adopt the attached review record and allow the City of Mound to put the Pedestrian Mixed Use comprehensive plan amendment (CPA) into effect.
2. Find that the proposed CPA does not change the City's forecasts.
3. Advise the City that it should make every effort to add the 15 affordable units lost, through this land use change, to its affordable housing need obligation between 2011 and 2020, meaning its share of the regional need would be a total of 83 units instead of 68.

Background

The Metropolitan Council reviewed the City of Mound 2030 Comprehensive Plan (Update) on October 28, 2009 and allowed the Plan to be put into effect.

This is the first amendment to the Update the Council has received. The CPA proposes to reguide four parcels totaling 0.77 acres. Two parcels totaling 0.65 acres will be reguided from High Density Residential to Pedestrian Mixed Use to allow construction of a Walgreens. The other two parcels, of 0.06 acres each, will essentially trade Park for Pedestrian Mixed Use, and Pedestrian Mixed Use for Park. This property transfer will increase the amount of right-of-way along the Dakota Rail Regional Trail, where the trail intersects Commerce Boulevard.

Rationale

The proposed CPA conforms to regional system plans, does not create an inconsistency with Council policies, and is compatible with the plans of other local communities, school districts, and affected special districts. The City's Comprehensive Plan Update (2008) provides enough higher density land to accommodate up to 660 units of affordable housing.

Funding

None.

Known Support / Opposition

Council staff received telephone calls and email from two residents opposed to this CPA for a variety of reasons. Neither of them is a resident of the 15-unit apartment building. According to City staff, these are all affordable units.

REVIEW RECORD

City of Mound Comprehensive Plan Amendment, Pedestrian Mixed Use Review File No. 20438-2, Council Business Item No. 2012-113

BACKGROUND

The Metropolitan Council reviewed the City's Update on October 28, 2009.

This is the first amendment to the Update the Council has received.

The City of Mound is located in Hennepin County, on the northwestern portion of Lake Minnetonka. Mound is designated as a Developed community in the 2030 Regional Development Framework. The City is forecasted to grow from its current 4,350 households to about 4,800 by 2030. This amendment does not change the City's forecasts.

REQUEST SUMMARY

The CPA proposes to redesignate .77 acres from High Density Residential and Park to Pedestrian Mixed Use to allow construction of a Walgreens pharmacy at the intersection of County Road 15, and County Road 110.

OVERVIEW

Conformance with Regional Systems	The CPA conforms to the Regional System Plans for Parks, Transportation (including Aviation), and Wastewater, with no substantial impact on, or departure from, these plans.
Consistency with Council Policies	The CPA is consistent with the Council's RDF, with water resources management, and is consistent with Council forecasts.
Compatibility with Plans of Adjacent Jurisdictions	The CPA will not have an impact on adjacent communities, school districts, or watershed districts, and is compatible with the plans of those districts.

PREVIOUS COUNCIL ACTIONS

- The Council acted on the City's Update in February 2009.

ISSUES

- I. Does the amendment conform to the regional system plans?
- II. Is the amendment consistent with the RDF and other Council policies?
- III. Does the amendment change the City's forecasts?
- IV. Is the amendment compatible with the plans of adjacent local governmental units and affected jurisdictions?

ISSUE ANALYSIS AND FINDINGS

CONFORMANCE WITH REGIONAL SYSTEMS

The proposed CPA conforms to regional policies plans for parks, transportation (including aviation), and water resources management.

Water Resources

Wastewater Service

Reviewer: Roger Janzig, ES – Engineering Services, (651-602-1119)

The CPA is in conformance with the *2030 Water Resources Management Policy Plan*.

The Metropolitan Disposal System that provides service to this project location has adequate capacity.

The proposed retail center development is north of the Metropolitan Council's Interceptor (6-MO-650). This interceptor was built in 2006 and is a 27 inch RCP + Steel Casing at a depth of approximately 17 feet. To assess the potential impacts to our interceptor system, prior to initiating this project, preliminary plans should be sent to Scott Dentz, Interceptor Engineering Manager (651-602-4503) at the Metropolitan Council Environmental Services for review and comment.

Regional Parks

Park and Trails

Reviewer: Jan Youngquist, CD-Regional Parks System Planning (651-602-1029)

The CPA is in conformance with the *2030 Regional Parks Policy Plan*. The CPA affects a portion of the Dakota Rail Regional Trail corridor. The Dakota Rail Regional Trail is operated by Three Rivers Park District and is located on land owned by the Hennepin County Regional Railroad Authority (HCRRA). The CPA includes a change in the future land use guiding of two parcels to facilitate a property transfer between the developer of the CPA site and the HCRRA. A .06 acre parcel currently guided Park will be reguided as Pedestrian District and transferred from the HCRRA to the developer. Conversely, a .06 acre parcel currently guided Pedestrian District will be reguided as Park and transferred to the HCRRA. This property transfer will not negatively impact the regional trail corridor and will increase the amount of right-of-way where the trail intersects Commerce Boulevard. The HCRRA and Three Rivers Park District consented to the comprehensive plan amendment. The CPA does not create a negative impact to the regional parks system.

CONSISTENCY WITH COUNCIL POLICY

The proposed CPA is consistent with the Council's policies for housing, subsurface sewage treatment systems, and water supply. The proposed CPA is consistent with the *2030 Regional Development Framework* (RDF) policies for Diversified Rural communities. The CPA will not change the City's forecasts.

Housing

Reviewer: Linda Milashius, CD – Livable Communities (651-602-1541)

The CPA does not create an inconsistency with Council Housing policy, though it will facilitate the reduction of affordable housing in the City. The CPA proposes a land use

designation change on a .77 acre parcel from High Density Residential to Pedestrian District, which would result in the removal of 15 non-publicly assisted affordable apartment units. This change does not pose any major impact to the City's ability to address its 2011-2020 share of the region's affordable housing need of 68 units. The City's Comprehensive Plan Update ~~guides 45 acres of land for medium density residential development, at 7-12 units per acre, and 29 acres designated for high density residential development at 12+ units per acre, which provide sufficient opportunity to address the need for new affordable housing. These land use densities could accommodate nearly 10 times the number of units representing the City's share of the regional need, and several times more household growth than forecasted for the City. guides 15 acres for mixed-use development of 7 to 20 units per acre, and 25 acres for medium density residential development of 7 to 12 units per acre. These land uses provide sufficient opportunity for redevelopment to areas in the city that could add from between 280 to 600 units of housing. Even if all of the housing presently on this land, 122 units, were removed, and along with the 15 affordable units being removed by this CPA were to be added to its fair share housing need, this total of 205 units is less than the minimum number of units that can be developed on these 40 acres.~~

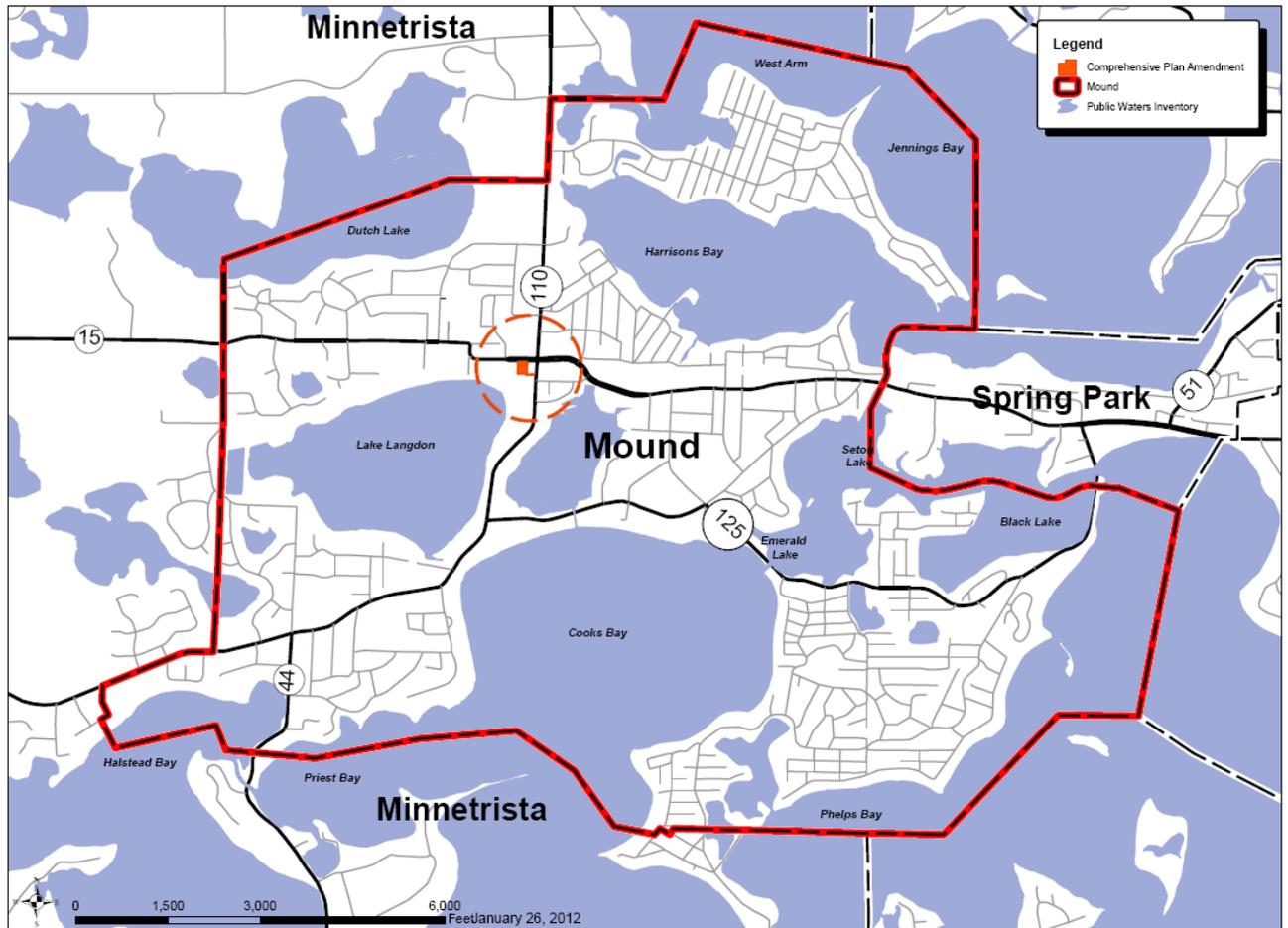
COMPATIBILITY WITH PLANS OF ADJACENT GOVERNMENTAL UNITS AND PLANS OF AFFECTED SPECIAL DISTRICTS AND SCHOOL DISTRICTS

The proposed CPA is compatible with the plans of adjacent jurisdictions. No compatibility issues with plans of adjacent governmental units and plans of affected special districts and school districts were identified.

ATTACHMENTS

- Figure 1: Location Map
- Figure 2: Current Planned Land Use
- Figure 3: Proposed Land Use

Figure 1: Location



Project Location

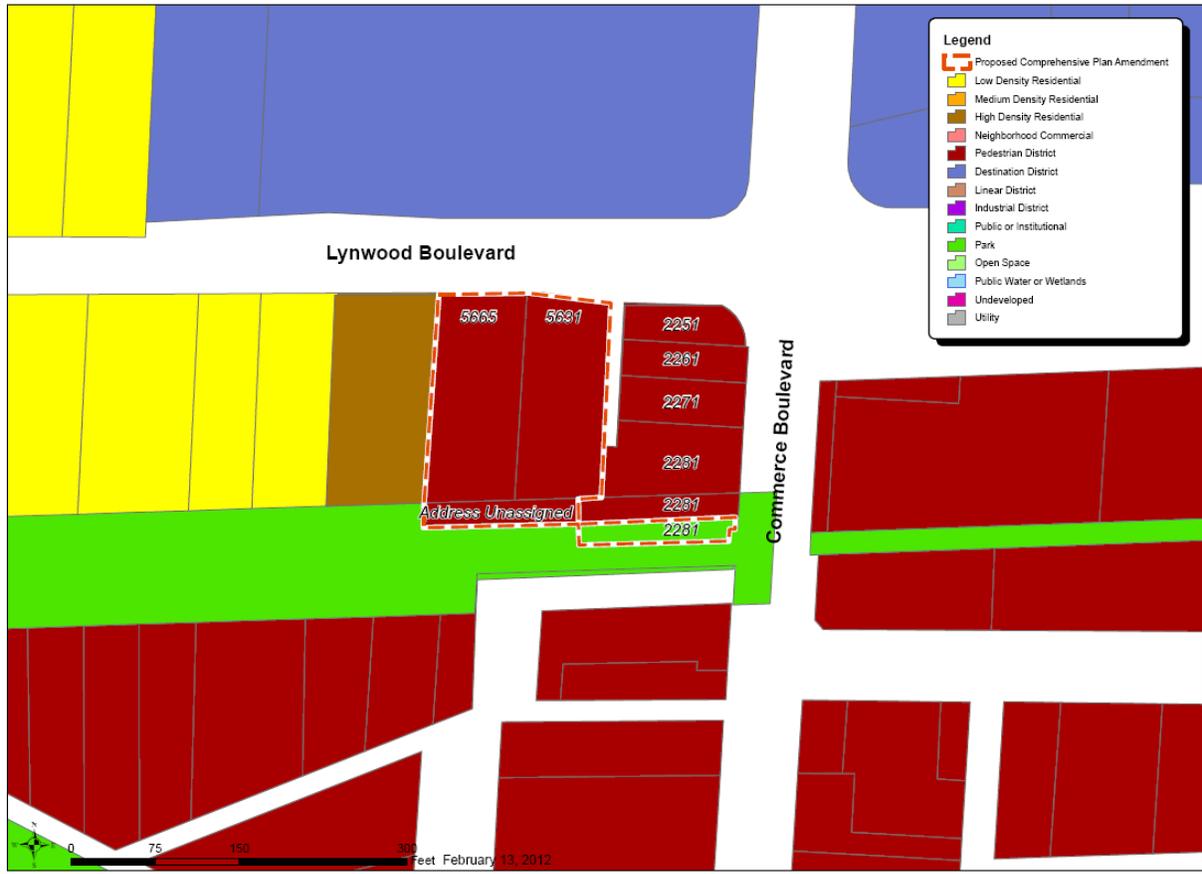
Downtown Mound Lynwood/Commerce Boulevards Comprehensive Plan Amendment

Figure 2: Current Planned Land Use



Current Proposed Land Use

Figure 3: Proposed Land Use



Proposed Land Use
Downtown Mound Lynwood/Commerce Boulevards Comprehensive Plan Amendment

Housing

The CPA, by itself, does not result in an inconsistency with Council Housing policy, as the proposal will result in the re-designation of the subject parcels to Pedestrian Mixed Use. Multi-family housing is a permitted use in this district. The CPA proposes a land use designation change on a .77 acre parcel from High Density Residential to Pedestrian District. On this portion of the site, 15 units of affordable housing in a non-publically assisted affordable apartment building are proposed to be removed as part of a proposal to build a Walgreens drug store on the site. The loss of these units would increase the City’s share of the region’s affordable housing need from 68 to 83 units.

A review of the City’s Anticipated Household Growth in table 4.4 of its current Comprehensive Plan suggests that the City should have no trouble addressing this need:

	Redevelopable Acres	Percent Residential	Residential Acres	Units per Acre (Mid)	New Units by 2030 (Mid)
Medium Density Residential	20	100%	20	9	180
Pedestrian Mixed-Use	18	50%	9	12	108
Destination Mixed-use	12	50%	6	12	72
Linear Mixed-use	10	60%	6	9	54
Total	60	68%	41	10	414

Mixed-use subtotal	40	53%	21	11	234
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However, a review of the City’s current zoning tells a different story. There is literally no land zoned for multi-unit housing in any of the mixed-use zoning districts, except for parcels that have already been redeveloped.

The City has provided a few examples of parcels guided for Medium Density Residential that would be suitable for new medium-density housing. However, the first parcel (Site A) is currently zoned solely for commercial development. The second site (Site C) is mostly zoned for, and occupied by, single family homes. The third parcel (Site F) is zoned for duplexes and, with redevelopment, is projected to see a net increase of between 9 and 21 units.

In short, Mound’s current zoning will not allow it to achieve even its modest 68 unit share of the region’s new affordable housing, let alone the 83 units it would need to see built if the CPA is put into effect and 15 existing affordable units are removed.

Both with respect to individual parcels and, especially, in the aggregate, this represents a serious non-conformance between the Mound Comprehensive Plan and its official controls in violation of the Metropolitan Land Planning Act (MLPA). Unless and until these non-conformities are corrected, it will be impossible for the City to meet its Livable Communities Act commitments for affordable housing. The City has stated that it is its official policy to refrain from rezoning a property until a development proposal has been presented. In defense of this policy, it maintains that all of the land that has been guided to the mixed-use districts is considered to be in redevelopment categories, and that provisions of the MLPA provide for exceptions to the requirement for consistency between guiding and zoning when the affected land is slated for redevelopment. However, the sections of the MLPA that are cited govern the staging of land for redevelopment to ensure that adequate public infrastructure is in place before development occurs. In its current Comprehensive Plan, the City projected that all of the land guided for mixed-use development would be redeveloped by 2015 (the vast majority of it by 2010) had development conditions been favorable (Appendix A). The City’s Capital Improvement Plan projects no infrastructure expansions as being necessary to support this redevelopment (Tables 10.2 to 10.5).

It is up to the City to decide how to resolve these non-conformities; however, it should be noted that the City has existing means at its disposal to easily resolve this issue. When Mound created the new

Pedestrian, Destination and Linear Comprehensive Plan designations, it also created corresponding zoning ordinances. The zoning ordinances for the Pedestrian and Linear districts permit a wide array of uses, including both the existing uses and multi-family housing. Simply applying the Pedestrian and Linear zoning ordinances to the land guided for Pedestrian and Linear development would make enough land available to the development community for the construction of double Mound's share of the region's affordable housing. Rezoning the land guided for medium-density housing to the City's existing R-2 zoning district would have a similar effect.

From a practical, policy viewpoint, when there are material discrepancies between the types of development allowed by a city's comprehensive plan and its zoning ordinances, developers will shy away from proposing the redevelopment of a site, especially for a use that may be controversial, as affordable housing almost always is. In its role as an advocate for the development of new affordable housing in the region, it is incumbent on the Council to identify and advocate for the elimination of practices that discourage the development of affordable housing anywhere in the region.

The MLPA does not grant the Council the authority to order a city to amend either its comprehensive plan or its zoning in response to a finding that the city's comprehensive plan or implementing official controls will result in the city not meeting its Livable Communities Act commitments – these are solely the city's obligations under the law.

The city should be encouraged to take immediate steps to conform its official controls to its comprehensive plan. Failing to do so, the Metropolitan Council should condition any and all discretionary funding, including LCA grants, on the city making these land use changes before it is eligible to receive or benefit from new Council funding.