

**Saint Paul Planning Commission
City Hall Conference Center
15 Kellogg Boulevard West**

Minutes August 5, 2016

A meeting of the Planning Commission of the City of Saint Paul was held Friday, August 5, 2016, at 8:30 a.m. in the Conference Center of City Hall.

Commissioners Present: Mmes. DeJoy, Merrigan, Reveal, Shively, Thao, Underwood, Wang, Wencl; and Messrs. Edgerton, Gelgelu, Makarios, Nelson, Oliver, Ward.

Commissioners Absent: Ms. *McMahon, and Messrs. Lindeke, *Ochs, and Wickiser.

*Excused

Also Present: Donna Drummond, Planning Director; Kady Dadlez, Mike Richardson, Jamie Radel, Bill Dermody, Jacqueline Kramer, Courtney Overby, and Sonja Butler, Department of Planning and Economic Development staff.

I. Approval of minutes June 24, 2016.

MOTION: *Commissioner Reveal moved approval of the minutes of June 24, 2016. Commissioner Gelgelu seconded the motion. The motion carried unanimously on a voice vote.*

II. Chair's Announcements

Chair Wencl had no announcements.

III. Planning Director's Announcements

Donna Drummond said the City Council held a public hearing Wednesday night on the Snelling-Midway master plan, site plan, preliminary plat and zoning amendment. The items are laid over to August 17th for final action. There was also a resolution approving the appointment of Kris Fredson to the Planning Commission, who will be sworn in at the August 19th meeting. There were also several commissioners who were reappointed including Commissioners DeJoy, Gelgelu, Makarios and Merrigan. The Mayor's Office is interested in recruiting applicants for the other Planning Commission vacancies, particularly people of color so that the commission is more representative of the City's population. Interested applicants can apply on-line. From the City's main web page click on Mayor's Office then committees, boards and commissions for more information.

IV. PUBLIC HEARING: Union Park (District 13) Community Plan – Item from the Neighborhood Planning Committee. (Kady Dadlez, 651/266-6619)

Chair Wencl announced that the Saint Paul Planning Commission was holding a public hearing on the Union Park District 13 Community Plan. Notice of the public hearing was published in the

Legal Ledger on July 18, 2016, and was mailed to the citywide Early Notification System list and other interested parties.

Kady Dadlez, PED staff said she had previously presented the plan on June 24th when it was released for public review and had touched on the overall vision that was included in the plan and highlighted the goals in each chapter. She reminded the commission that this is the first district plan since the merger of three district councils into one: Lexington-Hamline Community Council, Snelling-Hamline Community Council, and Merriam Park Community Council. The plan was submitted earlier this year for Planning Commission review. It was reviewed by the Neighborhood Planning Committee on June 15th, by the Transportation Committee on June 27th (no action taken), and the Heritage Preservation Commission (HPC) on June 23rd (resolution from the HPC is in the Planning Commission packet). The HPC resolution notes that there are three properties and one district designated as Saint Paul heritage preservation sites, six properties listed on the National Register of Historic Places, and one district listed on the State Register of Historic Places. The HPC also recommended including maps in the Heritage Preservation section of the plan or in an appendix showing the designated sites and the inventoried properties. The HPC also suggested some minor edits to the plan. The HPC found the plan to be a pro-preservation statement that supports the Heritage Preservation Chapter of the Comprehensive Plan. Overall the District 13 Plan states that vehicular traffic to destinations in and beyond the neighborhood boundaries creates a challenge for balancing the needs of competing land uses and transportation modes. The key goal of the plan is to find this balance to preserve desirable assets and neighborhood character while evolving to meet the present and future needs in the district. No written comments were received as of today.

Chair Wencl read the rules of procedure for the public hearing.

The following people spoke.

1. Julie Reiter, 1623 Hague Avenue, Saint Paul, MN 55104, Executive Director, District 13 Community Council. She spoke about the process for the creation of the plan. They followed the *Road to the Community Plan*, a document that was put together by CURA and Andrew Tran, a graduate student. Union Park looked to its neighboring district councils for models on how to do community engagement. They surveyed four or five hundred residents with an open ended survey. They made an effort to reach out to underrepresented communities by going to public transit stops and community events hosted by other organizations and talked with a lot of residents to put together the meat of the plan. There were groups of community volunteers assigned to each section who looked through all of the data and drafted the strategies and goals for each section. Last year they did a lot of outreach from May through September with their new community organizer to talk with a wide variety of residents at numerous events about the draft plan and they received a lot of prioritized information from residents at that point. Throughout this process they really made an effort to reach out to the whole community from the river to Lexington and from University down to Summit. There were a lot of strong community engagement outcomes from the process that went beyond the document itself. She thanked the commission for considering the plan.

MOTION: Commissioner Oliver moved to close the public hearing, leave the record open for written testimony until 4:30 p.m. on Monday, August 8, 2016 and to refer the matter back to the Neighborhood Planning Committee for review and recommendation. The motion carried unanimously on a voice vote.

Commissioner Edgerton suggested it would be helpful for the staff and commissioners working on the update of the citywide Comprehensive Plan chapters to consider all of the input from these types of neighborhood community planning processes.

V. Zoning Committee

SITE PLAN REVIEW – List of current applications. (*Larry Zangs, 651/266-9082*)

Three items came before the Site Plan Review Committee on Tuesday, August 2, 2016:

- American Indian Magnet School – Impervious surface removal & landscaping at 10753 3rd Street East. Stacey Hartung – Target Corporation. SPR# 16-060164
- Stone Saloon – Tap house and brew barn and off-street parking at 445 Smith Street & 476 West 7th Street. John Yust – Yust Architectural Services. SPR #16-059593
- Palace Recreation Center - Ball fields, rain garden, internal walkway at 781 Palace Avenue. Kathleen Anglo – Parks & Recreation. SPR #16-064171
- *Preliminary Review*
Como Park Seal Exhibit & Amphitheatre.

Four items to come before the Site Plan Review Committee on Tuesday, August 9, 2016:

- The 128 Café – Off-street parking expansion at 128 Cleveland Avenue North. John Thompson – The 128 Café. SPR# 16-061206
- Tobasi Stop Service Station – Canopy extension and parking improvements at 933 Minnehaha Avenue West. Ed Puchtel-Zahl Petroleum Maintenance Co. SPR# 16-062522
- Nova Classical Academy Sports Field-Synthetic turf installation at 1455 Victoria Way. Eric Williams-Nova Classical Academy. SPR# 16-0612223
- Territorial Road Senior Apartments - 216 apartments, underground and surface parking at 2300 Territorial Road. Owen Metz-Dominium. SPR# 16-059598

NEW BUSINESS

#16-053-108 St. Paul Leased Housing Associates VIII – Rezone from I1 Light Industrial to T3 Traditional Neighborhood. 2300 Territorial Road, SW corner at Territorial Road. (*Mike Richardson, 651/266-6621*)

MOTION: *Commissioner Nelson moved the Zoning Committee’s recommendation to approve the rezoning. The motion carried unanimously on a voice vote.*

#16-053-250 Open Cities Health Center, Inc. – Rezone from RT1 Two-Family Residential to B2 Community Business. 127 Front Avenue between Rice Street and Park Street. (*Jacquelyn Kramer, 651/266-6708*)

MOTION: Commissioner Nelson moved the Zoning Committee’s recommendation to approve the rezoning. The motion carried unanimously on a voice vote.

#16-057-512 Minnesota United Soccer Stadium – Variance of minimum Floor Area Ratio for a soccer stadium (1.0 FAR required; 0.19 FAR proposed), and variance to allow surface parking on a separate lot that may not be shared with another use. 400 Snelling Avenue North, north side of St. Anthony between Snelling and Pascal. (*Kady Dadlez, 651/266-6619*)

Commissioner Thao referenced the second condition relating to the surface parking lot, and asked who will be enforcing the shared agreement.

Donna Drummond, Planning Director, said that when conditions are placed on permits or variances the Department of Safety and Inspections (DSI) checks for compliance as they have time, adding that they also rely on complaints. As development proceeds the Team’s intent is to share the parking, but they don’t know at this point what the other uses might be so it is impossible to say for sure how that might happen.

Commissioner Reveal, in response to Ms. Drummond’s comments added that at the Zoning Committee meeting committee members requested that staff prepare a report in a couple of months updating the Planning Commission on all of the permits and approvals that were issued and how the technical details were resolved.

Commissioner Underwood asked if the variances would be included in the City Council’s vote on August 17th.

Ms. Drummond replied that variances only go to City Council upon appeal. So only if there was an appeal would the variances go to City Council.

MOTION: Commissioner Nelson moved the Zoning Committee’s recommendation to approve the two variances subject additional conditions. The motion carried 13 with 1 abstention (Edgerton) on a voice vote.

Commissioner Nelson announced the items on the agenda at the next Zoning Committee meeting on August 11, 2016.

VI. Big Picture Project: Five Year Progress Report – Informational presentation by Gretchen Nicholls, LISC, and Peter Mathison, Wilder Research.

Gretchen Nicholls and Peter Mathison gave a power point presentation which can be seen on the web page at: <http://www.stpaul.gov/planningcommission>.

Commissioner Thao asked if the 2,304 units that were preserved include any unsubsidized units.

Ms. Nicholls replied that unsubsidized housing is covered under the second objective.

Commissioner Thao asked whether these units are already getting some sort of Section 8 subsidy.

Ms. Nicholls said that these are not Section 8 units but are actual housing units that are required under financing rules for long term affordability.

Mr. Mathison added that the 2,304 number specifically includes existing subsidized units that have had their preservation come up for renewal sometime between 2011 and the end of 2015 and had their affordability extended. The 1,269 number includes new affordable units that have been constructed.

Commissioner Ward commented on how funding from the private sector is blended with public financing and is tied to certain requirements for affordable housing. The number used to be 1 to 12 and now it is down to 1 to 5.

Ms. Nicholls said that this is in regard to actual monitoring of all the housing happening in the corridor in that 1 out of 5 are subsidized units. The majority of this long term subsidized affordable housing is 100% affordable projects, and examples include Hamline Station, Western Plaza and the Brownstone. There now are some mixed income projects including 2700 University which is 20% affordable and 80% market rate. Those types of projects are done through very creative financing strategies that meld the market financing with affordable financing. LISC was very involved with building those kinds of financial tools to bridge those different finance domains. But the majority of these projects are either all market rate or all affordable housing. So they are now starting to learn how to do more of the mixed income strategies.

Commissioner Ward asked about the mixed use character of these projects, noting Hamline Station and the Brownstone have commercial components.

Ms. Nicholls replied that a lot of the properties coming in are mixed use with a commercial element. The mixed use projects are actually very complicated in regard to affordable because the housing subsidies do not cover the commercial spaces. So you have to figure out ways for that financing to work, and you do have to work harder to find other ways to get the commercial spaces incorporated. Actually it is harder to do the mixed use projects because it's hard to put both types of uses together both physically and also with the financing. But it is something the community wants, retail and places to shop to make the corridor more vital.

Commissioner Ward asked about Objective 2, which addresses helping people stay in place that are already in the neighborhood. How are properties or households chosen for improvement or financing programs? Certain areas on the map showing where investment is occurring are very low income neighborhoods that experienced a high amount of foreclosures. They also have a lot of deferred maintenance. The homes in those areas are very old. So at what point does it become impossible to help them and is it better to just let that situation happen organically, with the bank taking the house, getting it sold to an investor where more money can be put back into the property in order to make it a viable property for another family?

Ms. Nicholls said that these are only Saint Paul data. They only monitor the properties on the Saint Paul side as Minneapolis doesn't have much of the single family housing stock along their portion of the corridor. The Frogtown Rondo Home fund is probably the most active coordinator to think about how to strategically invest in these communities, and they have been working with

a variety of partners to develop strategies around clustering or having certain priorities for how to target certain properties. The larger market forces are much stronger than what we can address with public resources and a lot of that will play out naturally. As properties fluctuate, investors and speculators will come and try to identify properties that they think are within their interest. When households come forward and want financing they certainly are eligible for it, and they will be granted it if they seek it out.

Commissioner Ward asked if that data is being tracked. The data that he is referring to would track households that have been displaced due to loss of a job or the house is in such disrepair that they need to move on. What happens to those individuals? And is there an opportunity for them to then somehow get involved in either one of these neighborhood programs or one of your programs where they can be led to other resources so that they can remain or don't become homeless?

Ms. Nicholls said through the Frogtown Rondo Home Fund works with a variety of partners to address the needs of residents who are vulnerable in their housing situations. SMRLS is the legal aid group working with other partners to address households in need. There are a variety of important partnerships and players that are thinking about this and working toward addressing the problems but it is always a challenge.

Commissioner Edgerton said Objective I is the first thing that should be addressed, but Objectives II and III about stabilizing the neighborhoods and strengthening families are what really makes this sustainable. What you are measuring is important, especially now when folks need help in paying their loans but are you also looking at the measures that are going to help people get better jobs, essentially raising themselves out of poverty so they eventually don't need this type of assistance? What are we measuring in terms of things like unemployment, income level, jobs, and reinvestment? Those are the keys that are going to make ultimate redevelopment and economic improvement sustainable.

Ms. Nicholls said they have always recognized that incomes are also as critical as the housing opportunities. The function of the larger Central Corridor Funders Collaborative (CCFC) is to create a variety of working groups and strategies that were going to operationalize around those different needs and issues. The Big Picture project work is designed to work just on monitoring housing conditions and strategies, but the larger CCFC indicators have been monitoring a lot of those types of factors that Commissioner Edgerton mentioned. She is only speaking for a part of the larger work that is happening in the community.

Commissioner Edgerton asked where that information might be found.

Ms. Nichols said to go to the Central Corridor Funders Collaborative web site. They have a lot of data and research information available.

Mr. Mathison added that there is some context data on the back of the Big Picture Report that was handed out to the commissioners. There is income data, demographics, cost burdened households, etc. He has also worked on the Central Corridor Tracker Project and there are a lot of other measures along the lines of what Commissioner Edgerton is talking about in that source as well but it's hard to summarize how the corridor is doing overall.

Ms. Nicholls noted that in the July 26th Finance and Commerce article Ramsey County is tracking areas of concentrated poverty. They are finding that concentrated poverty is down near the Green Line with the percentage of residents living in the area of high poverty dropping by 8% between 2013 and 2014. This is the first decrease in poverty measures in decades, and the analysis shows that the decrease in poverty did not come as a result of gentrification or resident displacement. This is because poverty has not grown elsewhere in the county indicating that people are staying in place while earning higher incomes on average. They point to several factors that are likely at play in reducing poverty concentration such as recent overall improvements in the economy but the completion of the Green Line also seems to have made a dramatic impact on the first half of the operations in 2014. It had an impact on poverty with certain census tracts in a relatively short period of time. So we need to continue to monitor and measure how all that is working.

Commissioner Merrigan asked what tools are best for building affordable housing in a community and whether Saint Paul has all of those tools.

Ms. Nicholls said in regard to long term affordable subsidized housing, the low income housing tax credits are the main finance tool for that and there is a discussion now nationally and locally about where the best place is to locate those projects. Are they best suited for communities that already have lower income residents or is it best to put those in other places for people to have other options? The City of Saint Paul has a handful of tax credits to allocate which are less than what is needed to finance one project a year somewhere in the city. The state's Housing Finance Agency has another larger level of tax credits to allocate. Those are the most prominent tools.

Commissioner Merrigan talked about the difficulty for developer in assembling enough financing to go ahead with their projects. What incentives from a zoning and planning point of view are available, like density bonuses or requiring a percentage of affordability in projects?

Ms. Nicholls replied that she neglected to mention tax increment financing (TIF) which is another financing tool that has been critical and Saint Paul has been really thoughtful in how to utilize TIF as a leverage for affordable housing. That is the reason they got the mixed income project at 2700 University. Saint Paul has been more willing to utilize TIF while Minneapolis is not. In regard to policy and regulations they did a study with Jon Commers on density bonuses and found that the Hamline station area is one example of a station that would be prime area for utilizing a density bonus strategy.

Donna Drummond, Planning Director, added that the City recently received an award of resources in terms of time from ULI and the Met Council. There will be a number of hours of technical assistance to look at density bonuses and how those work, how they can be crafted to be helpful and an incentive to private market developers. Staff has been looking at things that came out of Central Corridor Zoning Study, including an interest in exploring accessory dwelling units (ADUs) and density bonuses. The Planning Commission recommendations on ADUs are currently being considered by the City Council. Assuming that gets passed then density bonuses will be analyzed next. Staff is hopeful that this assistance from ULI will help figure out what is the right incentive, what's the right bonus to offer. The elimination of parking requirements along the corridor is also something that has been done to help with affordable housing and recent developments have taken advantage of that.

Commissioner Ward said most affordable housing financing or credits have a 30 year requirement for the developers. We need to carefully consider what happens when those tax credits expire. What is the impact on those neighborhoods?

Ms. Nicholls said it's true that there is a lot of concern about conversion and the ways in which affordable housing units are lost due to conversion to market rate. In our community we find many of these projects are owned by the nonprofit development community, so they have a mission and by the end of 20 or 30 years the properties are ready for reinvestment anyway so are in position for tax credits again to improve the properties and keeping them operating strongly. As long as they have the public will and resources to maintain those properties and yes it hinges on those resources being available and the commitment by the property owners to maintain those properties.

Commissioner Ward asked how people are finding these units.

Ms. Nicholls said Aurora St. Anthony and Community Stabilization Project have a program called Ready to Rent and they work with residents to become rent ready. A lot of people have difficulty with credit score or criminal backgrounds that makes it harder for them to rent so there are some programs that are helping residents be in a better position for rental. The properties themselves gather people to be on waiting lists and a lot of these are developed by community developers so they have relationships in the community and they spread the word about these opportunities.

VII. Comprehensive Planning Committee

Commissioner Merrigan reported that their last meeting was canceled. However, immediately following the July 22nd Planning Commission meeting the commissioners convened for a facilitated input session about the future of Saint Paul and the Comprehensive Plan. The commissioners were pleased with the discussion and the input that was received and it will be or already is posted on the web page.

VIII. Neighborhood Planning Committee

Commissioner Oliver announced that the next Neighborhood Planning Committee meeting on Wednesday, August 10, 2016 has been canceled.

IX. Transportation Committee

Commissioner Wang announced that the next Transportation Committee meeting on Monday, August 8, 2016 has been canceled.

X. Communications Committee

Commissioner Thao had no announcements.

XI. Task Force/Liaison Reports

Commissioner Makarios reported that the Ford Task Force does not have any scheduled meetings, but they are preparing for meetings in the fall during which they will dive into the

public realm plan and zoning studies. The traffic study and energy study and the final storm water management studies are approaching completion so it should be a busy fall for the task force.

XII. Old Business

None.

XIII. New Business

None.

XIV. Adjournment

Meeting adjourned at 10:05 a.m.

Recorded and prepared by
Sonja Butler, Planning Commission Secretary
Planning and Economic Development Department,
City of Saint Paul

Respectfully submitted,



Donna Drummond
Planning Director

Approved September 2, 2016

(Date)



Daniel Ward II
Secretary of the Planning Commission