

MINUTES
BOARD OF ZONING APPEALS
15 W KELLOGG BLVD, ROOM 330
ST PAUL, MINNESOTA, MARCH 26, 2018

PRESENT: Mmes. Bogen, Maddox and Trout-Oertel; Messrs. Rangel Morales and Miller of the Board of Zoning Appeals; Mr. Warner, City Attorney; Mr. Benner II, Mr. Diatta and Ms. Vue of the Department of Safety and Inspections.

ABSENT: Kara Younkin Viswanathan, Thomas Saylor*
*Excused

The meeting was chaired by Gloria Bogen, Chair.

Hupp Holdings III LLC (#18-035099) 617 Laurel Avenue: The applicant is proposing to construct a 6-unit row house development on a vacant lot in the RM2, multi-family residential zoning district and is requesting three variances: 1) This zoning district requires 1,500 square feet of lot area per unit. Based on the number of proposed units, a minimum lot area of 9,000 square feet is required; a lot area of 7,180 square feet is available, resulting in a variance request of 1,820 square feet. 2) The zoning code states that no multi-family dwellings can be built to create three or more dwelling units on a lot that is less than 9,000 square feet in area; the applicant is requesting a variance from this requirement. 3) A side yard setback of 9' is required; a setback of 3' is proposed for a variance request of 6'.

Mr. Benner showed slides of the site and reviewed the staff report with a recommendation for approval, subject to the following conditions: 1) The applicant obtains the additional four off-street parking spaces required through a shared parking arrangement pursuant to Sec.63.303 of the Zoning Code. 2) The shared parking arrangement is maintained as long as the building remains on the property as a six-unit development.

Mr. Miller asked how the parking agreement would work with someone else that is permanent. Mr. Benner stated that the zoning code allows for a shared parking agreement with an adjacent property owner as long as the property is within 300-feet of the property needing the parking. There would be an annual fee and a license attached to this as well, it would be renewed every year and the applicant would be required to maintain the shared parking agreement. Mr. Warner questioned if the applicant's do not maintain that parking agreement what does the City do? Does the City tell him he has to close the building down? Mr. Benner stated that he would presume that the applicant would have to come in for a parking variance at that time.

Mr. Rangel Morales asked about the second finding where it says that the one-bedroom units meet the 60-80% of the AMI (Annual Medial Income) do we know what the rental price for these units is going to be? Mr. Benner stated that while there is not any actual funding available for this project, it is just that these units are aligned with 60% of AMI, the applicant did say that the one-bedrooms would be \$900.00 a month. Ms. Bogen stated that is expensive.

Ms. Bogen asked what is the parking requirement for a three-unit rowhouse, it says four spaces are required, that was from the last time this property was before the Board. What is the requirement now for a six-unit rowhouse? Mr. Benner replied that seven spaces are required. Ms. Bogen asked why isn't there a variance here for those four spaces? Mr. Benner stated that

the reason that we did not include the parking variance for this property is that the applicant is aware if he is not able to achieve a shared parking agreement there would be a need for a variance. Ms. Bogen asked how is that monitored? Mr. Benner replied through a license, through a shared parking agreement through the DSI (Department of Safety & Inspections) Office. Ms. Bogen asked how long is the license good for? Mr. Benner replied it is an annual renewal that the applicant would have to go through. Ms. Bogen asked if the person he is getting the agreement with, in this case Mississippi Market, do they have to sign off every year as well? Mr. Benner stated it would be a mutual agreement between the two parties. Mr. Warner stated that the difficulty here is that they need a parking variance or if the Board wants to approve this based on the recommendation today that the Board somehow make the parking permanent. That would mean that they would have to get some manner of a permanent easement from whoever is providing that parking. If the Board allows the building to be built, and if after it is built they lose their shared parking agreement, this would place the Board in a very difficult position of having to kick people out of their homes. He does not think that is good policy.

Ms. Bogen stated that the staff needs to look at whether re-notification has to be done if another variance is being added. If the Board thinks that the parking variance needs to be added to this request, then re-notification will have to be done and if the Board thinks that is a matter that has to be dealt with we will have to continue this. Mr. Benner asked Mr. Warner if the Board looks at the variances as they are today, and recommend approval of those, could the applicant come back for the parking variance and we could renotify then for another variance? Mr. Warner stated it would be better if the Board handled everything at once. That would be his legal advice, to just do it once. Mr. Warner asked why is there a change in the application. They have the legal right to build three units. Mr. Benner stated that given that the number of units has increased, what the Board approved has changed. Mr. Warner stated that is the question why the change? Mr. Benner stated why did the applicant decide to increase the number of units? It is his understanding that the applicant felt that this is a better proposal to allow for various types of housing density instead of just having three three-bedroom units. He was able to achieve the same number of bedrooms but offer more variety of housing options. Ms. Bogen asked if these were two story units? The applicant is now putting one unit in each basement now? Mr. Rangel Morales it does change the circumstances of having a unit that was three-bedrooms, although the units could have been rented to three different people. That area is tight for parking, that is his concern. Ms. Maddox stated that the three-bedrooms, reminds her of a family and less cars for three units. Now the proposal is for six units and she thinks that the parking is a big deal.

Ms. Bogen stated that she does not see three votes for the variances as they are presented right now. If someone wants to propose that the parking also become a variance request. She does not think the applicant would have to submit another application and it would not cost anything to add another variance to the request. Then the Board can discuss the parking with everything else.

Mr. Warner stated that the applicant is present and he thinks that the Board should open the public portion of the hearing to hear from him about the lack of a parking variance and whether he is willing to do that.

Ms. Bogen called Mr. Hupp to answer some of the Board's questions.

The applicant **ALAN HUPP - HUPP HOLDINGS III LLC**, 10431 Homeward Hills Road, Eden Prairie, MN, was present. Ms. Bogen stated the first question is why the change from a three-unit building to six-units? Mr. Hupp stated that he owns several million dollars' worth of property between St. Thomas and the Cathedral near University and south of there in St. Paul and he is very committed to the area. He stated that it has been over a year since they got approval of the three-unit building. They have spent a lot of time and money on this project. It is a tough site because of everything that has been discussed. Originally, they went with the three-story three-bedroom townhouse units. They were excited about it and got some push back from the district council, who thought that the units were too big and too expensive for the area. They also reassessed where the housing market was last year. The whole process of getting approvals from the City took forever. They found in late summer when they took a step back and came to the decision that it may be better to go to market with something a little smaller and they could then take that same volume building, the same foot-print and they could add one-bedroom units at a very affordable rate within that same volume. They think that this is a better solution for St. Paul, the mayor is excited about this and they went back to the district council last week and received their full support for the variances for this project. Last year when they have the larger units they did not receive full support from the district council. He thinks that this product is better aligned with where the housing market is, the mayor can be excited about it, and it aligns with the Comprehensive Plan. This has the same number of occupants and the same number of bedrooms, it just changes the number of units. That is why they changed this project.

Ms. Maddox asked who Mr. Hupp is in discussions with in regard to the parking lease? Mr. Hupp replied that there are several businesses and people that own land around this property within 300-feet. There are four different groups that they are talking to about the parking agreement. Ms. Maddox asked if he can name the businesses. Mr. Hupp replied that he could if it was important. He asked if he is the first person to come before the Board with the idea of using some type of leased parking arrangement for the required parking spaces? He thinks that is odd, he assumed that it had been done before him. Mr. Warner stated that every lot, every parking situation is different. The collective wisdom that the Board has, is that parking is very tight in that neighborhood, and there are neighbors that are saying that parking is tight, there is a factual basis to work off. Mr. Hupp stated that he is not debating the parking, it is also a concern of his. Mr. Warner replied that Mr. Hupp had asked if he was the first, no he is not the first one, but this situation is different than any previous situations. Mr. Hupp stated that a contractual agreement to handle the parking requirement, that seems to be challenging. Mr. Warner stated that it might be challenging, but Mr. Hupp would not be the first one to go into some kind of long term lease. Ms. Bogen stated that there may be some places that Mr. Hupp is talking to that do not meet their own parking requirements for 24 hours a day, if they already have variances they will not be able to provide Mr. Hupp with any spaces. Ms. Maddox stated that when the Board has had these in the past sometimes the lease has come in with the rest of the variance paperwork. She stated that as long as she has been on the Board, they have not had someone come in and say that they are still working on leases. Ms. Bogen asked if when talking to these people about the leases, her question is Mr. Hupp talking about the four spaces specifically to be used by his tenants, no one else could use them because they would have to be available,

depending on who is living there and what their work hours are, weather they take transit, those spaces would have to be available for the tenants 24 hours a day.

Mr. Diatta stated that it would be important for Mr. Hupp to work with staff on this, he can then tell staff he found parking with Mr. X and staff can look at it to be sure that the shared parking agreement would be met. If it does than Mr. Hupp will be able to move forward with the project, if he can get something before the next hearing so it can be presented that it meets the requirement and the Board can go forward. He suggested that Mr. Hupp contact staff before he commits to a parking agreement to assure it is an option.

Mr. Hupp asked if addressing the parking concern is going to take care of the concerns of the Board. Ms. Bogen stated that addressing the parking concern is how she understands what is going on with the property. Now the recommendation from staff is that Mr. Hupp get a parking agreement for four-off street parking spaces. However, she thinks that he will need a variance of some sort and she does not think that the Board is ready to vote to allow that as a condition. The neighborhood has to weigh in if a parking variance is being requested here. It pretty much is now, if he does not have any parking spaces leased for the property, the problem is that he does not have enough parking for the proposed building. Mr. Hupp stated if he comes back in two weeks with a parking lease agreement, that meets the requirements, that is another approach. Ms. Bogen replied that is another approach and the Board would take another look at that to see if he is meeting his four-off-street parking space requirement. She continued what the Board would like to do is lay this over for two weeks to allow Mr. Hupp time to get a parking lease in place, notify the neighborhood that there will be a four-car parking variance. Mr. Benner stated that his understanding is that at this time staff is going to add a parking variance for the deficiency of four-off-street parking spaces. However, if Mr. Hupp is able to achieve a parking agreement by that time, would that satisfy the parking requirement for the Board. Ms. Bogen stated that she cannot speak for the whole Board. Mr. Warner stated if Mr. Hupp comes up with the parking agreement than the Board and look at that and we will have a clearer picture of what is going on.

Mr. Rangel Morales moved to continue the case for two weeks until, April 9, 2018.

Ms. Maddox seconded the motion, which passed on a voice call vote of 5-0.

Submitted by:


Jerome Benner II

Approved by:


Diane Trout-Oertel, Secretary