

**Department of Community Planning and Economic Development – Planning Division**  
**Zoning Map Amendments**  
**Zoning Code Text Amendment**

**Date:** July 13, 2009

**Initiator of Amendment:** Council Member Gordon

**Date of Introduction at City Council:** June 26, 2009

**Ward:** 1, 2, 3

**Neighborhood Organizations:** Marcy Holmes Neighborhood Association, Prospect Park East River Road Improvement Association, Southeast Como Improvement Association, West Bank Community Coalition

**Planning Staff and Phone:** Haila Maze (612) 673-2098

**Intent of the Ordinance:** The intent is to add a University Area Overlay District that acknowledges the demands placed on land uses near major educational centers.

**Appropriate Section(s) of the Zoning Code:** Chapter 521 Zoning Code: Zoning Districts and Maps Generally and Chapter 551 Zoning Code: Overlay Districts

**Existing Zoning:** Various primary district designations

**Proposed Zoning for Map Amendment:** See attached map and parcel listings

**Zoning Plate Number:** 14, 15, 16, 21, 22

**Background:** These proposed map and text amendments are in response to the University District Moratorium and the recommendations of the University Alliance Zoning and Planning Regulatory Review task force. They are part of a larger collection of recommendations designed to improve livability and preserve neighborhood character in the neighborhoods located near the University of Minnesota.

The University District Zoning and Planning Regulatory Review (ZPRR) task force was formed in July 2008 as a subcommittee of the University District Partnership Alliance, a university-area community partnership in which the City is an active participant. The purpose of ZPRR is to address land use and development concerns facing neighborhoods in the University District area, including the neighborhoods of Cedar Riverside/West Bank, Marcy Holmes, Prospect Park, Southeast Como, and University. Issues addressed include parking, occupancy, design standards, zoning, inspections, and public involvement in the development review process. This process builds upon existing initiatives and plans to create a coordinated response to this group of related issues. This is not a typical small area plan, but rather is an action plan/implementation strategy for addressing concerns that had been raised through previous planning processes.

As the impacts of some types of new development were a major impetus for the formation of this task force, a development moratorium was put into place in August 2008. This moratorium restricted new 1-4 unit developments and demolitions of homes in the University District area. The task force's work, therefore, included the charge to address the concerns which led to the moratorium (described below).

The ZPRR task force membership represents all District neighborhoods and business associations, as well as students, landlords, and other community stakeholders. The task force is staffed primarily by City planning and zoning staff, with assistance from U of M community relations. The process had regular involvement by Wards 2 and 3 council members and staff as well. The task force met biweekly from August-December 2008 to assess the problems in the community and define workable solutions. From January-March 2009, task force members took the recommendations they had developed back to the various groups they represented for review and input – including all four official neighborhood associations. The recommendations were subsequently revised based on input from this series of meetings. Regular updates on the have been posted on the project website:

[http://www.ci.minneapolis.mn.us/cped/University\\_District\\_ZPRR.asp](http://www.ci.minneapolis.mn.us/cped/University_District_ZPRR.asp)

A district-wide public meeting was held on June 29, 2009 to bring all stakeholders together to review the recommendations – with specific focus on the proposed text amendments. The text amendments are being moved forward for implementation by the end of August, in order to be in place before the moratorium elapses.

### **Proposed Rezoning Changes:**

#### **Parcels proposed for the overlay district**

4,245 parcels are proposed to have the Pedestrian-Oriented Overlay District applied – not counting condominium parcels, to which the district will also apply. The full parcel list is attached to the end of this report. The existing base zoning districts for this collection of parcels includes C1 Neighborhood Commercial District; C2 Neighborhood Corridor Commercial District; C4 General Commercial District, C3A Community Activity Center District; I1 Light Industrial District; I2 Medium Industrial District; OR1 Neighborhood Office Residence District; OR2 High Density Office Residence District; OR3 Institutional Office Residential District; R1 and R1A Single Family Districts; R2B Two-Family District; and R3, R4, R5 and R6 Multi-Family Districts.

The overlay district covers the area within the neighborhoods of Cedar Riverside, Marcy Holmes, Prospect Park, Como, and University. The area is bounded by the City of Minneapolis border to the east; Hennepin Avenue E, BN & Santa Fe Railroad, Winter St NE, Interstate 35 W, and Hennepin Ave E to the north; Harrison St NE, Central Ave NE, the Mississippi River, and Interstate 35 W to the west; and Interstate 94 and the Mississippi River to the south. Unplatted areas within the overall boundary are also included in the overlay district.

## Findings as required by the Minneapolis Zoning Code

By state statute and city code, the following findings are to be considered in the adoption of zoning map changes.

### 1. Whether the amendment is consistent with the applicable policies of the comprehensive plan.

The recommended map and text changes are consistent with, and further the policies of, the City's draft comprehensive plan, The Minneapolis Plan for Sustainable Growth. The proposed zoning is consistent with the following policies:

Policy 2.2: Support successful streets and communities by balancing the needs of all modes of transportation with land use policy.

#### *Applicable Implementation Steps*

2.2.7 Coordinate with the University of Minnesota, institutions and other large-scale users, as well as regional transportation agencies to manage transportation needs and manage transportation and parking impacts on nearby residential areas.

Policy 2.6: Manage the role and impact of automobiles in a multi-modal transportation system.

#### *Applicable Implementation Steps*

2.6.3 Implement strategies, such as preferential and discounted parking for low-emitting fuel efficient vehicles, car- and vanpooling, low-emitting fuel efficient taxi services, and car sharing programs, that increase vehicle occupancy and reduce the number of single occupancy vehicles.

Policy 2.8: Balance the demand for parking with objectives for improving the environment for transit, walking and bicycling, while supporting the city's business community.

#### *Applicable Implementation Steps*

2.8.1 Implement off-street parking regulations which provide a certain number of parking spaces for nearby uses, while still maintaining an environment that encourages bicycle, pedestrian, and transit travel.

2.8.2 Design and implement incentives for shared parking and on-site car sharing programs, as well as carpooling and vanpooling.

Policy 10.6: New multi-family development or renovation should be designed in terms of traditional urban building form with pedestrian scale design features at the street level.

#### *Applicable Implementation Steps*

10.6.3 Provide appropriate physical transition and separation using green space, setbacks or orientation, stepped down height, or ornamental fencing to improve the compatibility between higher density and lower density residential uses.

10.6.6 Integrate transit facilities and bicycle parking amenities into the site design

Policy 10.8: Strengthen the character and desirability of the city's urban neighborhood residential areas while accommodating reinvestment through infill development.

*Applicable Implementation Steps*

- 10.8.2 Infill development shall incorporate the traditional layout of residential development that includes a standard front and side yard setbacks, open space in the back yard, and detached garage along the alley or at back of lot.
- 10.8.7 Low density residential development proposals should be evaluated and compared to the form and density of the neighborhood.

Additionally, this recommendation from the City Council adopted Marcy-Holmes Neighborhood Master Plan (incorporated into the current version of the Minneapolis Plan for Sustainable Growth) also applies:

The neighborhood strongly supports the flexibility in the Minneapolis Zoning Code that can require student housing developments in the Marcy-Holmes neighborhood to have 0.5 parking spaces for each bed proposed in a development. The neighborhood has unique challenges with respect to the new type of apartment buildings with four or more bedrooms per apartment compared to the old model of one and two bedroom apartments. These new apartments have far more people living in them, sometimes two or more people per bedroom, than the old apartments and require more parking.

**2. Whether the amendment is in the public interest and is not solely for the interest of a single property owner.**

The proposed map and text changes implement planning efforts that are intended to benefit the neighborhoods surrounding the University campus, and the City as a whole. The scope of this rezoning study is designed to provide consistent policy guidance for an area facing unique residential development issues, to mitigate the impacts of new development on the surrounding area, to encourage compatible infill development, and to provide incentives for accommodating alternative transportation modes.

**3. Whether the existing uses of property and the zoning classification of property within the general area of the property in question are compatible with the proposed zoning classification, where the amendment is to change the zoning classification of particular property.**

A primary purpose of the proposed overlay district is to ensure that new development is more likely to be compatible with existing surrounding development, mainly by accommodating parking in a more effective and attractive manner on site.

**4. Whether there are reasonable uses of the property in question permitted under the existing zoning classification, where the amendment is to change the zoning classification of particular property.**

There are in most cases reasonable uses of property permitted under the existing zoning. However, the proposed rezoning will allow the area to develop in a way that is more consistent with approved city development goals and objectives.

**5. Whether there has been a change in the character or trend of development in the general area of the property in question, which has taken place since such property was placed in its present zoning classification, where the amendment is to change the zoning classification of particular property.**

The primary trend in the area has been a shift from owner occupied homes to higher density rental residences, particularly those catering to students. While this change has helped accommodate an increasing number of students who wish to live close to campus, there have been some negative impacts on neighborhood character that have resulted. This overlay district text amendment is one of a number of attempts to mitigate these impacts.

**Purpose for the Amendment:**

**What is the reason for the amendment?**

There are two major reasons for the establishment of the proposed overlay district – one broad, one specific. The broad reason is that there has been general acknowledgement of the need for planning and development tools that address the unique conditions facing the area surrounding a major educational campus. While this amendment is focused on the University of Minnesota area, this could apply to a number of other campus areas elsewhere in the city.

Characteristics of the area largely reflect the substantial amount of student housing in these areas, which leads to a high rate of absentee landlords, inflated property values due to the relatively high cost/square foot that student rentals can command, incentives to replace single family homes (including historic ones) with other housing types, relatively low rental vacancy rates, and various livability and nuisance concerns related to living in proximity to undergraduates. Additionally, there are major parking concerns due to the many parking-intensive uses in the area, and enforcement issues ranging from property maintenance to over-occupancy to noise. Many other cities with major universities in other parts of the country have developed overlay districts or other tools to address very similar concerns.

More specifically, the area has seen the rise of a particular category of housing that has had some detrimental impacts on the surrounding area. These properties tend to be 1-4 unit residential developments approved through the administrative review process. As they are typically designed as student housing, they often maximize the number of rentable bedrooms – for instance, a four-plex with each unit having five bedrooms. The current parking requirements for these developments often does not come close to approximating the demand. Furthermore, this type of development is often too small to support on-site management, so there are ongoing challenges with ensuring that the needs and problems of tenants (particularly undergraduate

student unaccustomed to living independently) are addressed promptly and consistently. The regulations in this overlay district seek to mitigate some of the impacts of this type of development.

### **What problem is the Amendment designed to solve?**

The amendment addresses the following problems:

1. *Need for higher parking requirements for university-area residential uses.* The City of Minneapolis puts a premium on deemphasizing single occupant vehicle travel in favor of walking, bicycling, and transit. Furthermore, the City has recently lowered parking requirements for many commercial use categories. However, even with this ethic, there is a recognition that some types of uses need more parking than others. The example above illustrates this: a four-plex with 20 bedrooms is required to provide only four parking spaces, even though there is a high likelihood of many more cars than that needing parking. This can put needless additional strain on on-street parking, which is already heavily used by commuters, business patrons, visitors, and others traveling to the university area.

The need for higher parking rates was raised in the Council-adopted 2003 Marcy-Holmes Neighborhood Master Plan, which recommended the 0.5 spaces per bedroom being proposed here. Though not specifically identified in City ordinances, this standard has been applied to university-area projects through the development review process for years – largely in cooperative agreement with developers, who understand this need. However, this standard has been unenforceable through the administrative review process, so has not generally been in place for 1-4 unit developments.

2. *Need to reduce parking's impact on development site.* Even with reduced parking requirements, developers and landlords have recognized the increased demand for parking by their residents. As a result, they have often paved large areas of rear yards to accommodate this need – often without screening or landscaping. This can accommodate more cars, but often does so illegally, by stacking vehicles behind one another. This amendment restricts paving to the rear 25 feet of a lot, which allows space for parking and maneuvering, but does not allow for illegal stacking. An exception will allow for access to enclosed garages on site, in cases where there is need for a longer driveway.
3. *Need to promote and accommodate alternative transportation modes.* The university area is supportive of alternative transportation modes, and indeed, only 40% of daily travelers to the U of M campus arrive by driving alone. Even when students do bring cars, they frequently will leave them behind during the day and travel by other means. This amendment incentivizes providing for other forms of transportation in a way consistent with the rest of the code.
  - o Bicycles and scooters. Mirroring similar incentives through the development review process, this amendment gives an incentive (via parking requirement reduction) to provide enclosed bicycle and scooter parking on site for 3-4 unit

developments. This will both encourage residents to rely on these vehicles in lieu of cars, address the “clutter” issue at some of these properties where residents park bicycles and scooters in their front yards, chained to street signs, and help prevent property crime due to stolen equipment.

- Shared vehicles. Again mirroring other incentives, a parking reduction is available for the provision of a shared vehicle. At this point, regulations are pending regarding how this will be enforced to ensure it is maintained effectively over time. And there are questions about whether it is even financially feasible for property owners to provide with small developments. But, as having a shared vehicle could provide a powerful incentive for a tenant to not bring a car to the area, staff thought it was important to provide this as an option.
4. *Support for more flexible housing products.* It has been raised repeatedly by neighborhood groups that the construction of 4-5 bedroom units in large blocks is not a desirable or flexible development pattern. While there is some market for larger housing units for families (particularly in immigrant communities), the per bedroom pricing, style of development, and sheer quantity of this housing type are generally suitable almost exclusively for undergraduate students. While students are certainly an important part of the university community, there is thinking that a single-use product like this is not responsive to changes over time in demand, and may become obsolete and blighting influences in the future.

The regulations here, in effect, incentivize the development of units with fewer bedrooms – if the goal is to maximize the development potential of a site. A development averaging 2 bedrooms/unit would have the same parking requirement as it does now – while one averaging 4 bedrooms/unit would be required to provide twice as much parking. While developers will still be able to develop a variety of residential buildings, it will be more challenging than in the past to accommodate all the parking needed for bedroom-intensive uses on a standard city lot without requesting a variance. Note that section 541.450 of the zoning ordinance limits the number of vehicles that may be parked outdoors on a lot to no more than two vehicles per dwelling unit; the remaining vehicles on a lot must be kept in an enclosed structure.

### **What public purpose will be served by the amendment?**

Like many elements of the zoning code, the primary purpose of this amendment is to reduce the negative impacts of a new development on the surrounding area. In particular, this amendment targets the traffic and parking impacts of university-area housing development.

It will accomplish this purpose by more effectively accommodating parking on site, reducing the impact of surface parking on rear yards, and encouraging the use and availability of alternative transportation modes.

The value of this amendment has already been recognized and expressed by a number of community groups working through the University Alliance and represented on the ZPRR task

force.

### **What problems might the amendment create?**

Staff does not anticipate any problems with adopting this text amendment.

### **Timeliness:**

#### **Is the amendment timely?**

The amendment is very timely. This is a result of the study required subsequent to the issuance of the 1-4 unit moratorium in August 2008. It is currently on track to be approved and in effect by the time the moratorium expires. The City knows that there are developers waiting for the moratorium to lapse so they can proceed with their applications. Having this in place by that point is critical to ensuring that the purpose of the moratorium is fulfilled – and that future developments are evaluated based on these revised standards.

#### **Is the amendment consistent with practices in surrounding areas?**

Yes. As stated above, a similar standard has already been applied through the development review process for larger scale development in the past few years since the adoption of Marcy-Holmes' 2003 plan. This amendment codifies this requirement, applies it to smaller scale development, and adds complementary incentives for alternative transportation that are consistent with other city policies.

This is also consistent with similar communities elsewhere – that is, cities impacted by the presence of a major university. Staff have collected information on a range of requirements in comparable areas throughout the country, and what is being proposed is largely consistent with best practices elsewhere (see attached summary). For areas where housing is occupied largely by students, it is very common to link parking and bedrooms – and 0.5/bedroom is a common number.

#### **Are there consequences in denying this amendment?**

The primary consequence of denying this amendment would be that the standards for parking and related guidelines would remain as they have been. Current development patterns which have been detrimental to neighborhoods would continue – particularly because they appear to be a very profitable housing type for developers. Additionally, the city will not have acted to make necessary changes in the wake of the recent 1-year moratorium.

### **Comprehensive Plan:**

#### **How will this amendment implement the Comprehensive Plan?**

As described above in section pertaining to findings, this amendment will implement the comprehensive plan by better managing parking, promoting alternative modes, and encouraging more compatible infill development. It also directly implements recommendations from the Marcy

Holmes Neighborhood Master Plan.

**Recommendation of the Department of Community Planning and Economic Development- Planning Division:**

**Recommended Motion:** The Department of Community Planning and Economic Development – Planning Division recommends that the City Planning Commission and City Council **adopt** the above findings and approve the proposed zoning code map and text amendments, amending chapters 521 and 551 as illustrated in the “Proposed Zoning” map and detailed in the “Parcels Proposed for Inclusion in the University Area Overlay District” table.

Attachments:

- Other city parking requirements
- Proposed text amendment language
- Proposed zoning map
- Parcels proposed for inclusion in the University Area Overlay District
- Letter from UNIA regarding proposed text amendment