

**INVER GROVE HEIGHTS CITY COUNCIL WORK SESSION
MONDAY, March 4, 2024 - 6:00 P.M. - 8150 BARBARA AVENUE**

1. CALL TO ORDER:

The City Council of Inver Grove Heights met in regular session on Monday, March 4, 2024, in person. Mayor ProTem Murphy called the meeting to order at 6:00 p.m. The Pledge of Allegiance was recited.

2. ROLL CALL:

Present In-Person: Council Members: Murphy, Gliva, Scales.

Remote: Mayor Dietrich and Council Member T’Kach

Staff Present: City Administrator Wilson, City Attorney McCauley Nason, City Planner Hunting, and Deputy City Clerk Malott.

3. DISCUSSION ITEMS

A. Multiple Family Zoning Ordinance Amendments

City Planner Allan Hunting presented the work plan for Multiple Family Ordinance Amendments.

The recommended changes to the ordinance:

1. Combining sections for ease and clarity

Regulations governing multiple family developments are primarily located in three sections of the code:

- a. CHAPTER 9 R-3 MULTIPLE FAMILY RESIDENTIAL DISTRICTS
 - 10-9C-1: R-3a Multiple-Family Residential District
 - 10-9C-2: R-3B Multiple-Family Residential District
 - 10-9C-3: R-3C Multiple-Family Residential District
- b. CHAPTER 10-15 ARTICLE B. TOWNHOUSES
- c. CHAPTER 10-16 ARTICLE C. APARTMENTS; MULTIPLE DWELLINGS; CONDOMINIUMS; COOPERATIVES

Regulations found in Townhouse and Apartment sections have been combined with the R-3 sections, so all performance regulations specifically associated with multiple family developments are in Chapter 9.

2. Definitions

Definitions of dwelling types are found under multiple headings in the definition section of the code. Combining definitions under the category of single-family detached, single-family attached and multiple family will make finding the information easier. The recommendation is mostly structural and does not significantly change the meaning or text of the different residential properties.

3. Density

The current zoning ordinance has not been updated to match the comprehensive plan.

Zoning District	Corresponding Comp Plan Guiding	Current Density in Zoning Code	Proposed Density in Zoning Code
R-3A	Low-Medium Density Residential (LMDR), 4-8 units per acre	up to 6 units per acre	4 to 8 units per acre

R-3B	Medium Density Residential (MDR), 8 - 12 units per acre	7 to 12 units per acre	8 to 12 units per acre
R-3C	High Density Residential (HDR), 12-35 units per acre	more than 12 units per acre	12 to 35 units per acre

4. Permitted versus Conditional Use

In all R-3 districts, all forms of multiple family residential are only allowed by conditional use permit. The proposed code amendment would allow multiple family developments by permitted use. It will still require platting of the property and a Major Site Plan approval. There is still a public review process, and projects would be reviewed by the Planning Commission and the City Council.

5. Parking Requirements

The current code for multiple family developments is 2.5 parking stalls per unit. The parking standard for apartment building projects is also 2.5 stalls. The proposed ordinance would reduce the required parking for all multiple family developments from 2.5 to 2 parking stalls per unit. It is also recommended that one of the two stalls be enclosed. Staff suggests adding one stall of visitor parking for each 6 units in the development.

6. Building Height

The current code is 35 feet measured at the midpoint of the roofline. An increase in height may be approved with a conditional use permit. The height limit applies to all developments outside the Northwest Area which is approved for 60-70 feet. 35 feet is in line with the current standard in other cities and no change to this is suggested.

The action requested is guidance from Council on this proposed ordinance. The next steps would be preparing the full text ordinance amendment and conducting a public hearing with the Planning Commission.

Mayor Dietrich appreciates Staff working on this right away. It is more effective for finding the regulations.

Council Member T'Kach asked for clarification on parking, previously Council has looked at 1-1.5 per unit, would a one stall garage and a driveway cover the 2 units of parking.

Staff said it would satisfy the requirement. Regarding apartments, in 2023, there was an approval for a variance in the parking demand for an apartment building. Most cities require 2 parking spaces per unit.

Council Member Scales appreciates the effort to get the Code cleaned up.

Council Member Gliva asked if removing the Conditional Use requirement would reduce work for Staff and Developers.

Staff said it does reduce some costs in not needing to apply for a Conditional Use permit, but it is more to make multi-family buildings a permitted use because that is what these areas are intended for.

Mayor ProTem Murphy agrees with reducing the number of parking spaces required per unit. He asked if there was any value in the 35-foot height requirement in the Northwest as opposed to the 70-foot height requirement.

Staff is not suggesting modifying the building height requirement for the Northwest Area.

B. Pending Legislation Preempting Local Zoning Controls

City Administrator Wilson presented pending legislation preempting local zoning controls.

There are multiple bills that have been introduced in both the House and Senate:

- SF 3080 / HF 2235
- SF 3303 / HF3168
- SF 3964 / HF 4009
- SF 3980 / HF 4010
- SF 4601 / no HF at this time

HF 4009 is the bill on the House side that is moving through the process. It is also the most comprehensive bill. There is Bipartisan support and a broad coalition of advocates and industry organizations backing these bills. They are generally aimed at spurring the development of all types of housing and removing what some see as over-regulation by local governments.

Concerning Multi-Family housing, the bill states it must be allowed in commercial zoning districts. We have been trying to build up our commercial zoning districts. The bill does not require multi-family residential but it would be a permitted use. The bill also requires multi-family housing be permitted to be as tall as the tallest structure within ¼ mile radius up to 150 feet. The setback requirements can be no more than the smallest minimum setback requirement of a structure within ¼ mile radius. Affordable multi-family developments can exceed the height requirement by 35 feet and gets a 30% bonus on maximum density, lot coverage ratio, floor area ratio, or maximum impervious lot coverage. It doesn't receive all of the previous, but one bonus is able to be selected.

An affordable housing development is defined as:

A development where at least 20% of the units are for households whose incomes do not exceed 50% of the area median income (currently \$62,100 for a household of 4).

Or

At least 40% of the units are for households whose incomes do not exceed 60% of the area median income (currently \$74,950 for a household of 4).

The deed or declaration must also contain a restrictive covenant requiring the property to remain affordable housing for at least 30 years. These developments would not be able to offer affordable housing for 1-2 years and then decide to raise rates to market level.

For a city like Inver Grove Heights (inside the metro area and cities outside the metro with a populations of 10,000 or more), we would have to permit at least 6 types of Middle Housing other than single-family detached homes to be built on residential lots. Types of Middle Housing include Duplex, Triplex, Fourplex, Fiveplex, Sixplex, Townhouse, Stacked Flat (3 units), Courtyard Apartment, and Cottage Housing (4 units).

It also requires certain residential densities. We must permit at least 2 residential dwelling units per lot if more than ½ mile from a major transit stop. At least 4 residential dwelling units per lot if ½ mile or less

from a major transit stop. We currently do not have a major transit stop as defined by the bill which requires the City to designate a commercial district area as a major transit stop. If all units are "all-electric and efficient" or affordable, more units must be allowed, up to a maximum of 8 units per residential lot.

Cities may establish a minimum lot size of no more than 4,000 square feet for single-family detached, duplex, triplex, fourplex, fiveplex, sixplex, stacked flat and courtyard apartment. This is approximately 1/10 of an acre. Our existing zoning, we do not have a minimum lot size in the Northwest area. For example, in the Canvas development, lots average 3,500 square feet. Outside of the Northwest area, our R1-C has the smallest requirement of 12,000 square feet. None of the provisions of this bill are restricted to areas with municipal water and sewer. These requirements would apply citywide. The minimum for a townhome and cottage housing is 1,200 square feet.

There are additional Preemptions in the bill. Cities may require no more than 1 off-street parking space per residential unit, 0 if the development is within ½ mile or less from a major transit stop. This applies to all types of units, regardless of the size of unit. We cannot require Planned Unit Developments (PUD). The NWA requires applicants to use the PUD process. There is no public process for a property owner to subdivide their land. There would be no notice to adjacent property owners. It is subdividing and not rezoning. It prohibits cities from having Architectural or Aesthetic Mandates. Currently it is not believed that Inver Grove Heights has any of these requirements. It prohibits a minimum square footage requirements. In Inver Grove Heights, we require 1,000 square feet with no garage requirement. It also requires that an ADU be allowed on any residential lot. We do permit ADUs but under certain conditions for instance, size, location, and either the main house or the ADU to be owner occupied. We would no longer be able to require that.

SF3980 is receiving a hearing this week. There is a provision that would pertain to Inver Grove Heights because we have a rail line and airport.

Subd. 3. Proximity to certain transportation infrastructure states that a multifamily residential development must not be located less than 500 feet from a federal interstate highway, airport, or rail line. The limitation under this subdivision does not apply to a state trunk highway, county state-aid highway, or other local road. This would prohibit multifamily development around Heritage Village Park and other places. Land on the west side of Concord that is already owned by the City and the Dakota County CDA is within 500 feet of a rail line. Emergency shelters are also required in commercially zoned areas in this bill.

Administrator Wilson is requesting guidance on next steps. Wilson provided examples of letters that other cities have sent to the legislators and is asking if Council would like Staff to draft a letter to be sent as well. It is possible to connect with local legislators in person as well. The key points in the letters are regarding local control and how local officials are better to respond. For Inver Grove Heights, permitting commercially zoned areas to be used for multifamily units is at odds with what the priorities that the Council has expressed.

Mayor Dietrich would like to take direction from the majority of Council. It is important as elected officials we have input on these bills.

Council Member T'Kach would like to have meetings with the state elected officials and find where there are opportunities for editing these bills. She understands we need to allow more affordable housing and would like to provide alternate verbiage.

Council Member Scales does not agree with the Bills because it is taking control away from local government. He said it changes the direction of the City. The City and Residents know what is best for the City and this needs to remain a local matter.

Council Member Gliva said that this is an overreach by the State. As a City we plan public infrastructure and safety. Every city is unique, and it is important to be able to govern at a local level. This does not align with our Comprehensive Plan.

Wilson said this issue has been brought up and there is language in the Bills that say subject to the Comprehensive Plan but is unsure how it will work. There are different effective dates in each part of the bill, but the State Housing Agency, which does zero zoning and land use control, has to create a model ordinance by the December 31, 2024. Cities would have six (6) months to adopt these ordinances.

Council Member Gliva commented that the Met Council is a group of unelected officials. They may have great plans for our Metro area, but they are unelected officials.

Mayor ProTem Murphy understands there are statewide housing issues that need to be solved. He finds the Bills insulting to the residents and Council. It doesn't address the significant reasons why we have a housing crisis. Cities will spend time and tax payer dollars to try and fight this. He is fully supportive of a letter writing campaign and making sure our residents know. Murphy also agrees that meetings with the legislatures is very important.

Mayor Dietrich agreed with Staff moving forward and a meeting with legislatures and letting residents know.

Council Members Gliva and Scales support a letter.

Council Member T'Kach says we need to offer alternative language. She would like to meet with legislatures so we can let them know how we will be impacted. She would like to be proactive and find out the problems they are trying to solve.

Administrator Wilson's understanding is this is a shift in direction, City Fees at one point were thought to be what was causing the higher housing. This seems to not be as concerned as to what the housing rents for, but if there is more housing, it will lead to housing becoming more affordable. She does agree that solutions should be offered, for example, requiring municipal water and sewer be available. It also seems there is an intent to block public opinion. Neighborhood input blocks multifamily developments.

Staff will plan to draft a letter to be reviewed by Council on Monday. Administrator Wilson encourages 1 or 2 Council Members to be readily available to meet with legislatures. Wilson and the City Administrator for Mendota Heights did speak to Representative Mary Frances Clardy, and she has said she would be willing to facilitate a meeting with the sponsor of the bill.

Mayor ProTem Murphy asked if Staff had any recommendations regarding notifying residents.

Administrator Wilson can speak in front of the Planning Commission as well as use our social media accounts to make people aware that the City Council is monitoring this situation. It would be unusual request action by residents.

Council Member T'Kach asked where the most hurtful pieces of legislation or worst outcomes would be and if we need to target certain items with which we cannot agree.

Staff will look into the areas that would be most problematic.

Public Comment:

Patty McKulsky - 3397 67th Street E - presented support

Kelly Kaiser - 1953 59th Court E - presented support

C. Closed Session Pursuant to Minn. Stat. Sec. 13D.05 subd. (3)(c) (Consider Offer to Purchase Land)

Motion to move into closed session pursuant to Minnesota Statute 13D.05 subd 3c3, to develop or consider offer or counteroffers for the purchase of real property located at 6971 Dickman Trail Parcel #20-00200-56070, 20-39900-00170, 20-39900-00210, 20-39900-00250, and 20-00200-57093 by Scales, second by Gliva.

Ayes: 5

Nays: 0

Motion to move into open session by Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

4. ADJOURN:

Motion to adjourn at 7:43p.m. Scales, second by Gliva.

Ayes: 5

Nays: 0 Motion carried.

Minutes prepared by Recording Secretary Sara Lyons.