

## Developer's Response on Staff Report

Regarding 1074-1096 James Ave Variance and Cup Applications

To the St Paul Planning Commission,

I want to thank this committee for your previous endorsement on rezoning this land to RM2, and I am looking forward to working with you all on bringing this project to fruition. I believe the site in consideration is unique in its need for variances for a few fundamental reasons, and it is well positioned for a multifamily development. With direct access to groceries, and being immediately surrounded by the major arteries of 35E, Randolph Ave, and Lexington Ave, this site is arguably the best candidate in all of MacGroveland to see an increase of density and affordable housing. As mentioned in earlier presentations, my team is excited about the prospect of this entire block seeing a transformation, and we've been committed to meeting with the neighborhood and listening to the desires of all the stakeholders on a future development.

In nearly every public meeting I have had on this project, including with this planning commission, I've received a loud and clear request to include affordable housing in a redevelopment. As a resident in this neighborhood, I too would like to see a more diverse housing inventory, and I have elected to pursue a project that contains both market rate and affordable units. In doing so, the zoning language acknowledges an inherent challenge of building affordable housing which is typically addressed by a combination of increased density and/or public subsidy. In the updated RM zoning language, the city proactively provides a FAR bonus for projects containing affordable housing. For this specific zoning of RM2, a project that contains 20% affordable housing is allowed up to a 3.25 FAR, and a project that contains 10% affordability is allowed up to a 2.75 FAR. It is important to state that at this stage, I am committing to a 10% affordability component, **with or without any public subsidy on this project**. In the event any subsidy would be pursued on my end, such as TIF or LITEC, it will require 20% or more of the units to become affordable, which in that scenario, RM2 would actually allow a much larger FAR than the proposed project.

Thus, before you are two primary requests, both in the name of obtaining the RM2 zoning allowance of 2.75 FAR with affordability.

## CUP Height Request

After reading the staff report, I believe that this is an intuitive request evidenced by the numerous supportive policy citations listed in our application and the staff report. Speaking to the novelty of the request, one can envision that if this were a flat site, I would not require any CUP, but solely due to the steep elevation change, the structured parking is fully exposed at 35E. I believe the architects have done a great job softening this height by designing a large step back on the 5th floor and making the parking structure more human scale. That being said, the staff report states the primary reason for recommending a denial is that the project is "significantly greater than the general scale of other buildings in the immediate vicinity..." and "would be detrimental to the existing character of the much lower scale development in the immediate neighborhood."

- While I respect the professional opinion of the city staff, I simply disagree with the assertion that a project like this would be at all detrimental to the neighborhood. My opinion is the exact opposite, which is why I am proposing this project.

- I raise this specific point, as this would seem to be a crucial distinction for this committee on "whose opinion" gets to decide the somewhat gray or subjective interpretations of zoning code such as the scale of a building being detrimental to a neighborhood? As a developer, my assumption has been this should be at the discretion of the local residents, which is why I have spent the time I have meeting with the MacGrove Neighborhood Council. On that point, I am pleased to see the overwhelming endorsement by the MacGrove Council members and local residents, and I would ask the planning commission to look to those voices and opinions when making this decision.

### **Set Back Variances**

As discussed in previous meetings, while I acknowledge that the current set back requests appear to be a large ask on paper, I would like to put a big \*asterix\* out there and restate that my request is simply to maintain the legacy footprint or setbacks of the current structures. I am not asking for any further encroachments, but simply a request to maintain the precedent. At risk of redundancy, I would remind this committee about the novel nature of this block. When moving eastward and intersecting with Lexington Ave, James Ave has a significant jog to the south creating abnormally shaped or shallow lots. In addition to an already shallow lot, the properties facing James Ave contain an 18' boulevard between the lot line and street curb. When reading the staff report, (3a-b) I was encouraged to see the findings that the set back variance I am requesting:

1. would still allow light, air, privacy, and access to surrounding properties.
2. would not conflict with the intent of the RM2 zoning district
3. is supported by the comp plan objective of providing a diversity of housing.
4. On its own, does not pose an issue with the scale of the project.

However, after these acknowledgements, the staff report states that "compatibility is greatly diminished when combined with the additional height as requested in the conditional use permit." Again, the perceived scale of the project is the reason for the staff report objecting the set back request here. This determination or opinion on what "scale" is appropriate for the site is again one I hope the planning commission will look to the neighborhood and resident feedback for the ultimate voice.

In the remaining sections of the staff report on setback variances, a primary explanation for denial of the requested setbacks could be found in section 3.d where the report states, "The applicant plans to demolish the existing buildings and has flexibility to establish the footprint anywhere on the site."

While I am not contesting the factual nature of this statement, it seems to overlook the very nature of these request. As a developer, I am seeking to build a project within the guidelines of the RM2 zoning and 2040 Comp Plan. In order to create an affordability component, the zoning code allows for a FAR of 2.75 - 3.25 on RM2 sites. This number is not random, but is a tested metric that allows a developer the ability to provide affordable housing.

If one were to accept the notion in the staff report that I could simply put the footprint anywhere within the setback allowances - the absolute maximum FAR one could achieve by removing all dimension on the building would be 1.85. Below is a diagram of what the maximum footprint would be under current set backs. In the past, it has been asserted that I should simply have known these restrictions and asked for different zoning on this site. I would note, these setbacks are the exact same for RM3 as they are for RM2, and I would be having these exact conversations with this committee even if this site were zoned RM3.



### A Fundamental Site Issue: 2.75 FAR / 1.85 FAR = 149% Discrepancy.

By zoning code, an RM2 project with 10% affordability has approval for a 149% larger FAR than the zoning setbacks allow on this specific site. This is not the case for every site in St Paul, and when evaluating the approval of these requests, I believe this is the clearest indication of the novelty - the reason why one would approve a variance and CUP on this site. The basic geometry of this site will require a variance and CUP to obtain anything close to the FAR allowance of 2.75. Limiting this site to a 1.85 FAR would clearly eliminate any potential for a developer to incorporate affordability and dramatically reduce the feasibility of any future redevelopment on this site.

Given all the analysis and community input, I would ask that this committee agree with the neighborhood council and approve these variance and CUP requests. If I were to step out of my role as a vested owner in this development and solely represent myself as a local resident, my main question would be if not this site, where else in all of MacGrove would be a better candidate for a project akin to this? A guiding objective in the 2040 Comp plan is to produce a diversity of housing, which partially means bringing in density and affordability. I

believe the neighborhood at large quickly came to the conclusion that a site surrounded on 3 sides with major traffic and transit arteries, maintaining over 105' of distance between the only 2 direct neighboring houses, and offering direct access onto a highway onramp is a hard combination to find. If this site is not a prime candidate for this "scale" of project, I would simply leave an open question for consideration - where else could possibly be a better candidate for the RM2 density of housing?

Many regards,

A handwritten signature in black ink, appearing to read 'Chet Funk', with a stylized circular flourish at the end.

Chet Funk

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