Saint Paul Planning Commission

Notice to Commissioners and the public:

The chair of the Planning Commission has determined that it is not practical nor prudent for the Planning Commission and its Committees to meet in-person or pursuant to Minnesota Statutes, Section 13D.02. In light of the COVID-19 health pandemic, it is not feasible for any member of Planning Commission to be present at the regular location, and all members of the Planning Commission will attend this meeting by telephone or other electronic means.

It is also not feasible for members of the public to attend the meeting at its regular location due to the health pandemic and emergency. Accordingly, no meeting will be held in City Hall Conference Center Room 40 at 15 W. Kellogg Boulevard.

Minutes February 5, 2021

A meeting of the Planning Commission of the City of Saint Paul was held Friday, February 5, 2021, at 8:30 a.m. remotely or by telephone.

Mmes. DeJoy, Grill, Hoang, Mouacheupao, Presley, Underwood; and **Commissioners** Present:

Messrs. Baker, Edgerton, Hood, Lindeke, McMurtrey, Perryman, Rangel

Morales, Reilly, Risberg, Syed, Taghioff, and Yang.

Commissioners

Absent:

Ms. *Anderson, and Mr. * Oliver.

*Excused

Luis Pereira, Planning Director; Tia Anderson, Department of Safety and **Also Present:**

Inspections, Bill Dermody, and Sonja Butler, Department of Planning and

Economic Development staff.

I. Swearing in three new Commissioners, Jacob Reilly, Simon Taghioff, and Zhijun Yang.

New Planning Commission members Jacob Reilly, Simon Taghioff, and Zhijun Yang were sworn in by Shari Moore, City Clerk.

II. **Chair's Announcements**

Chair Rangel Morales had no announcements.

III. **Planning Director's Announcements**

Luis Pereira welcomed the new commissioners. At City Council this week a resolution was put forth of the city's priorities for the MnDOT Rethinking I-94 project. A similar resolution has moved forward recently in Minneapolis. Mr. Pereira encourages them to read it. Note to the

commissioners on the Comprehensive and Neighborhood Planning Committee they have been moving forward on the Parking Regulations Zoning Study. Tony Johnson and Menaka Mohan have been working really hard on that. There is a website now for the study, there is also an email address if there are questions. That said, we are not yet taking formal public comment on the study because we haven't opened the public comment period. Later in the meeting he will be going through a few documents that were sent in advance and one sent before the meeting, one of which is the Planning Commission Annual Report for 2020. Commissioners that are not new will know that we do this every year around this time as part of our annual meeting. Also, a couple of other documents include the 2021 work program and an additional look at 2020 from a milestone perspective, as a lot of our planning projects go on for more than just a year. Mr. Pereira will walk the commission through this later in the meeting.

IV. Zoning Committee

SITE PLAN REVIEW – List of current applications. (Tia Anderson, 651/266-9086)

OLD BUSINESS

#20-096-344 1346 Arcade St. LLC - Change and expansion of nonconforming use to add auto repair and outdoor auto sales to an existing auto body shop and dwelling. Variances for parking (24 spaces required for customers, employees, residents and vehicles on the lot for repair, 8 spaces proposed), distance between vehicular access and the Arcade-Clear intersection (60 ft. required, 13 ft. proposed), and landscaping (4 ft. wide landscaping and screening wall or fence along public sidewalk required, no setback or landscaping proposed). 1344 - 1346 Arcade Street, SE corner at Clear Avenue. (Bill Dermody, 6561/266-6617)

Chair Baker congratulated all of the new commissioners then gave the report. This item was laid over from the January 14th Zoning Committee meeting to allow staff to provide alternative findings and guidance to the Zoning Committee. No one spoke in favor or opposition of the application. There were two letters of support. District 5 Council's executive committee recommended approval. The Zoning Committee voted 6-0 for approval of the nonconforming use permit, denial of the variance for required parking, and approval of variances of required landscaping and the minimum distance between vehicular access and the Arcade-Clear intersection subject to 9 additional conditions.

MOTION: Commissioner Baker moved the Zoning Committee's recommendation to approve the change and expansion of nonconforming use to add auto repair and outdoor auto sales to an existing auto body shop and dwelling, denial of the variance of required parking, and approval of variances of required landscaping and minimum distance between vehicular access and the Arcade-Clear intersection subject to 9 additional conditions as stated in the memo with alternative findings. The motion carried 14-0 with 3 abstentions (Reilly, Taghioff, Yang) on a roll call vote.

#20-102-273 Lexington Station Apartments - Site plan for a new, 6-story, mixed-use development with 288 residential units, ground floor commercial and amenity space, and structured parking. 411 & 417 Lexington Parkway North. (*Tia Anderson, 651/266-9086*)

Commissioner Rangel Morales gave the report. The Zoning Committee recommended approval of the site plan for the reasons set forth in the staff report, and it came before the Planning

Commission two weeks ago. The motion coming out of committee for approval failed. The commissioners who voted against are working on coming up with language for denial, so it was laid over for two weeks to give them additional time.

Commissioner Perryman made a motion to deny the site plan based on finding 1, that the site plan is inconsistent with the 2040 Comprehensive Plan relating to core values and community priorities including equity, affordability and sustainability.

Commissioner Presley seconded the motion.

Commissioner Edgerton said that he does not see a legitimate reason to deny this. The application meets the zoning code requirements and does not require any variances. The Comprehensive Plan does not require all new developments to have an affordable housing component. He doesn't see the general goal for affordable housing as a justifiable reason to deny any application that doesn't have an affordable housing component.

Luis Pereira, Planning Director, said that at the last meeting we had talked about using finding 1 regarding Comprehensive Plan consistency as a possible basis for denial. He checked with the City Attorney's Office, which confirmed that based on Minnesota case law using Comprehensive Plan consistency alone as a regulatory device and sole rationale for denying a site plan that meets all the other required zoning findings is reasonably doubtful.

Chair Rangel Morales stated that this was laid over to give those who wanted to deny the site plan an opportunity to speak with staff. Staff didn't see a basis for changing their recommendation.

Mr. Pereira said staff took a hard look at the two communicated rationales for denial coming out of the meeting on the January 22, and they don't see a rationale to form the basis of denial.

Peter Warner, City Attorney, followed up on what the Planning Director said and reiterated advice he has given in the past that Comprehensive Plans are not regulatory tools, they're visionary tools. The way the comprehensive plan is made into a regulation is through the adoption of official controls. The City does not yet have an adopted official control with respect to affordability. Planning Commission decisions must be reasonable and factually based. There is legal risk to denial of a site plan application based on a Comprehensive Plan goal that does not have an accompanying official control.

Commissioner Baker said that he voted to approve the site plan. He understands the concern around the affordability aspects of this project and thinks the applicant could have done more community engagement. He believes that affordability isn't necessarily part of the task at hand concerning site plan review. He wants the commission to think through options for affordability and to get at some of the barriers we see. This site has been vacant for years and he thinks that there is little reason to deny this application.

Commissioner Lindeke said he agreed with a lot of the comments about affordability and how big a crisis it is, but there is nothing in the zoning code that gives us the power to require affordability. There are no regulations about the rents in our code, and we can't create such regulations by pointing to the Comprehensive Plan, because it is not a legal document. If we want to put rules about affordability into the Saint Paul zoning code we need to have

conversations about translating those values in the Comprehensive Plan into the legal details of regulation. This project meets all the zoning requirements and he supports it.

Commissioner DeJoy said that it's misleading when we take almost three years to work on the Comprehensive Plan and then say it's not a legal document. We also discussed preserving unique geographic and historically significant characteristics of the City and environmentally sensitive areas. This is a community that has a lot of low-income that will not have access to this development.

Commissioner Hood said that regarding consistency with the Comprehensive Plan, this is a mixed-use development near a light rail station on an infill site that doesn't tear down any buildings and includes some affordability. That looks like a win. There's a huge equity component in the Comprehensive Plan and the rents do seem high for affordable housing. We need to make a quasi-judicial decision on the site plan. We have to balance what we personally want versus what the zoning code says. Inclusionary housing is something that the city should do but we don't have that framework today. He will be voting against the resolution.

Commissioner Hoang said one of the dynamics that she has seen a lot in planning across multiple cities is whiteness in planning. When she says whiteness she doesn't mean white people in planning. She means whiteness that has been embedded in the institutions and codes and systems and laws that we have all as a commission and staff inherited. It shows up in so many places and it's a challenge that we're tackling together as commissioners and with staff's abundant support. And in whiteness and planning, it is hard to define but we know it when we see it. It is using area median income to define affordability when that disadvantages and effectively excludes the low wealth residents who need affordable housing the most. It is saying this site has been blighted for so long and at least someone wants to do something about it. That vacant land is the intentional result of racialized disinvestment and redlining. She is choosing to follow along with Commissioner Perryman because she doesn't want to perpetuate this harm, and she knows that whatever decision is made here goes to City Council and could be changed.

Commissioner McMurtrey asked what would happen in the event that today's resolution is denied and what happens next with this process?

Peter Warner, City Attorney, said the applicant would have the opportunity to appeal to the City Council in the event of a denial.

Commissioner Perryman said that we have the ability to vote based on our findings and rationale. If we lined up every decision we've made, there is definitely not a universal vote from anyone. People have used their own findings and information. We see the emails that come in, the comments and different things, and it's the people saying this is going to be an eyesore, they don't like it being nothing, versus this is going to be a life-altering change for community members, and those do not sit the same on the scale. Commissioners have talked about how this continues to happen, and we do nothing. We have the power and the ability to do this now.

Commissioner Taghioff said that he feels comfortable voting on the motion that is before them. He spent numerous hours over the past two weeks reviewing the complete public record on this, reviewing this application, and accepts the legal advice, essentially that our hands are tied, the Comp Plan is a visionary document, not a regulatory control. However, this doesn't mean there are no issues with this application. It is characterized by lack of engagement and lack of respect

for the surrounding communities, seen in numerous aspects of the building's design to occupy the entire site and be as tall as possible and create as much profit as possible for the developer. The lack of attention paid to anything in terms of the way it sits in the landscape and the other buildings nearby (e.g. the Carty Heights development to the immediate southwest has a garden, now it would be in shadow; very little attention paid to complete sidewalks and streets). To set aside the Lexington Area Plan, which is very specific about connecting Fuller Avenue on the basis of a footnote (until the City takes action, we can disregard...) is antithetic to the community. He thinks that there are a number of problems with this development in terms of its compliance with the T4 zoning district. It's not pedestrian friendly, it impedes pedestrian access, particularly east to west. Little to no attention is being paid to Zoning Code section 66.343(b)(2), transitions to lower density neighborhoods, little to no effort made to transitions to any kind of density. And I don't think it pays attention to Zoning Code section 66.343(b)(16) Interconnected street and alley network. The existing street and alley network shall be preserved and extended as part of any new development. If the street network has been interrupted, it shall be restored whenever possible. He strongly disagrees with this application as formed. Can we deny on the basis of the Comprehensive Plan? I feel regrettably we cannot. There are a number of grounds upon which that the committee could consider, and it's a shame that they have not.

Chair Rangel Morales thanked members of the community for being present today and taking the time. This is an incredibly important vote for the community. He asked commissioners to disregard any comments that are outside of the public record. This is a quasi-judicial application.

Commissioner Mouacheupao said they find themselves in this situation over and over again and she encourages commissioners that are on the fence or still trying to make a decision on this vote, that you can vote against it. There is a strong argument that there is no legal finding that could legitimize this vote if you vote against it. But that is an option. They are constantly put in this position where their hands are tied, and they feel like they can't make a decision and setting that precedent is not the direction that they want to go in as a City and as commissioners. She will be voting to support Commissioner Perryman's motion.

Chair Rangel Morales said that two people can view a standard or particular application, and both have reasonable rational reason for why they view the item the way they do. It's more about having respect for both views. A vote to deny, whether or not that's advisable, that would be for each independent commissioner to make that determination.

Commissioner Underwood said she is grateful for the attention that finally has been brought to this work and the awareness. She noted the calls she received from neighbors and others asking what is going on with this project. She is grateful to be a part of this body with this group to be able to call these things out and given what is before them she is following in the comments of Commissioner Baker and Commissioner Lindeke and others for this vote.

Peter Warner, City Attorney, said the motion before them is a motion to deny the application based on its finding number one. The maker of the motion has stated his reasons, and because this is a denial, they will have to articulate their reasons on the record. They can do that simply by saying I join in the reason cited by the maker of the motion. They could add their own reasons as well. He encouraged them to remember that those reasons have to be factually based. Mr. Warner pointed out that Commissioner Taghioff articulated some reasons that are different than the reasons offered by the maker of the motion. Those reasons would likely fall under section C4 and 5 of the staff report having to do with the aspects of design. Commissioner Taghioff could

simply add those to the record or could ask the maker of the motion and the second if they would consider these to be a friendly amendment as an additional reason. If that were adopted, commissioners would have the opportunity to say I join in those as well. There would essentially be two reasons articulated based on the standards that are in the Zoning Code for denial of the site plan application.

Commissioner Taghioff asked if the motion does not get passed in its current form, does that qualify as an approval or is the project in limbo and would it need a new motion to approve?

Chair Rangel Morales said they would have to entertain another motion.

Mr. Warner stated that that is correct. Commissioners have already denied the application because the way the Minnesota Laws are written, a failure to approve a motion constitutes a denial. What is being done now is the next step to complete that process, which is to articulate the reasons for denial. If this motion fails there will have to be another motion made. The logical motion would be to approve the recommendation of the Zoning Committee.

Commissioner Taghioff said his concern about adding on reasons is that he doesn't feel anyone has had the time to properly consider whether these reasons might form a legal basis. If he were to propose adding additional reasons he would want that to be something that the Commission would have the opportunity to review in detail and think through before casting a vote on it. He does not see how he can responsibly add these additional considerations in at the last minute and would vote on the motion as presented, which he thinks is clear at this point.

Chair Rangel Morales said they could say for the reasons articulated by the maker of the motion and also the reasons articulated by Commissioner Taghioff if they felt comfortable adding those.

Mr. Warner said that they certainly could, and reminded the Commission that in order to fulfill the spirit and intent of Minnesota Statues 15.99 they have to take a vote today. They do not have the luxury of laying this over.

<u>MOTION</u>: Commissioner Perryman moved under the authority of the City's Legislative Code, based on findings 1 and 2, that the application of Alatus Development LLC for a site plan for a 6-story, mixed-use building at 411 and 417 Lexington Pkwy N is DENIED. The motion carried 8-7 (Baker, Edgerton, Grill, Hood, Lindeke, Risberg, Underwood with 2 abstentions (Reilly, Yang) on a roll call vote.

Commissioner Baker announced the items on the agenda at the next Zoning Committee meeting on Thursday, February 11, 2021.

V. Comprehensive and Neighborhood Planning Committee

Commissioner Grill announced at their meeting on Wednesday evening for part two of three on reviewing the Parking Study. It is going along well, the study has a website up, staff has the link available to get through the Planning Commission pages. We will be doing one more meeting next week Wednesday, the 10th for the last of the three meetings on the Parking Study.

VI. Transportation Committee

Commissioner Risberg announced their last meeting was cancelled. He did announce the items on the agenda for the next Transportation Committee meeting on Monday, February 8, 2021.

VII. Communications-Nominations Committee

2020 Planning Commission Annual Report

Commissioner Underwood said that members received from Planning Director Pereira the 2020 planning report. There is more in there than in the past few reports, but there have been a lot done. They have three new commissioners today and the Communications-Nominations Committee has forwarded recommendations for three other wards to the Mayor's Office. She thanked fellow members for that work, they have received really strong applications and are excited for the addition of members to fill vacancies and to address those spots where members have been term limited. The Planning Director will send around to the Steering Committee the recommendations for officers that needs to go through Steering Committee before coming to the full commission.

Planning Director's Report on achievements during 2020

Planning Director, Luis Pereira, sent the annual report earlier this week to the commissioners. In the past it has been a four-page format, this was a different kind of year wo they decided to take more time on various components. They spoke a bit about some of the zoning cases that were before the Commission last year. That was a change. Also highlighted environmental reviews, this is something that's a bit more behind the scenes with PED, but it is an important piece of work. They were very busy because of the CARES Act and some additional HUD dollars that came through related to the pandemic. The zoning studies that went through the Planning Commission were recommended and went along to City Council for adoption. Transportation projects, various master planning, work with WSCO on their equity scorecard, and the Comprehensive Plan. The next step would be to put together a letter and transmit it to the Mayor and City Council.

The other document sent is what he calls, how did we do, which was the look at the 2020 year. It gets into more detail with each project or functional area. A few highlights, the Comprehensive Plan was accepted by the Met Council to allow the City adopt it formally later in the same month. The HUD Consolidated Plan, which is a five-year plan for HUD dollars that was approved by City Council and was accepted by HUD. Good news about *Network Next*, which is Metro Transit's process to chart out both regular bus service but their focus this year was where are the next arterial bus rapid transit lines going to be. They did a lot of study which came down to eleven finalists and Saint Paul had four of the top-scoring with two of the top four scoring ones in Saint Paul. In terms of next future short-term future implementation which gives us a good shot at having that next line in Saint Paul and would be adopted in their plans officially.

In the area of master plans, Highland Bridge Master Plan amendment and related text amendments, a master site plan, and plats for infrastructure and grading plans, and initial vertical construction site plans advanced in 2020. The Hillcrest Master Plan process continued and Commissioner DeJoy is very involved in that as well as other members of the community and the Community Advisory Committee. They moved from 20 community priorities shaped by the Community Advisory Committee, to four land use maps or approaches to two finalist scenarios for consideration by the end of the year. Now they are doing technical study, infrastructure,

water and transportation and other things like that and those two finalists will be going out to the public shortly for input.

Commissioner Lindeke said talking about this development and the difficult work of implementing the Comprehensive Plan into the zoning code. He does not see inclusionary zoning on this list of the work plans. Where you at with that?

Mr. Pereira said in 2020 they were initiating a staff effort to look at inclusionary zoning. And with the pandemic a decision was made that for a variety of reasons, one uncertainty about market factors and two not knowing what was going to happen with housing production. They decided to pause the project and one of the next big steps was to engage with the Commission, especially the Comprehensive and Neighborhood Committee but also the City Council because it's a big legislative change, policy change, ordinance change, and wanting to get them involved early on. The question is do we bring it back, do we re-engage, are we in a better place now? We are still assessing that.

Commissioner Lindeke said he thinks this should be a priority and his sense of the housing market is that it's going gangbusters regardless. And there's a bigger spread between rental and homeownership markets. He thinks it should be made a priority and their job is to talk to the City Council about it.

Commissioner Risberg said given the sort of heart-wrenching discussion they just had over this development he encourages Planning and Economic Development to try to move the ball forward on Inclusionary Zoning so they can get some of these issues on the table. And discuss whether they can have more tools to help make new housing more affordable for more people.

Commissioner Baker made a few points around inclusionary zoning study, he thinks it was more characterized around the response of why aren't we moving it in that direction and there are a lot of other things that staff right now consider a priority for a lot of different reasons. He is asking Mr. Pereira and the Planning Team to allow them to help with this being a priority and if they need to meet with elected officials to say that right now they are part of the commission and they are saying that this is important. This study is important, and if and when they don't do it, it comes across as; those things that are important to the commissioners aren't important to the City. We're saying we want this to be a priority.

Mr. Pereira said that it would be challenging to take it on without taking something off the list. And that is just for the Planning Team, he has spoken with the Housing Director. And there are a few other things to consider here, we have the Tenant Protections Ordinance going into effect, we have a very large emergency rental assistance program that Housing Team is really jumping into now. In the short term, say next quarter or two we may not have had the full participation of our Housing team. To proceed forward without their involvement, something to consider is the impact with existing housing in the community – i.e. existing multifamily properties. To also think through the effect of the eviction moratorium, and individual property owners having to pay a mortgage but not getting all of the rent. That's another consideration and granted an Inclusionary Zoning ordinance wouldn't take effect even if we start studying it this year it wouldn't take effect for however long into the future. So the impact of it wouldn't be felt immediately, but it's a consideration. And some of the things that are going on in the multifamily sector too are important context points to consider in our informing both housing, housing staff, our elected leaders at City Council. Mr. Pereira welcomes their assistance with making the case

that it is a large priority which it seems to be that is what he is hearing, to communicate that work and work with staff and him to bring that forward. He'd like to set it as this point in the year and communicate it externally sometimes things shift, certain things might come off our work program if we were to add this back in.

Chair Rangel Morales said that Planning Director Pereira understands the day-to-day dynamics of his workload and staff and resources, the leeway to prioritize that list for us. Chair Rangel Morales thinks it would be good for them as commissioners to understand what authority we have in establishing that priority. His question was for Mr. Warner to try to explain that and he is gone. But maybe we could at the next Planning Commission meeting put on the agenda a legal understanding an educational presentation on the authority of the Commission by Mr. Warner. So that they can determine as a commission how they would like to proceed. Understanding what powers are bestowed to the Commission.

Commissioner Reilly noted that inclusionary zoning and affordable housing has been a part of vaguely described in the Comprehensive Plan since the previous plan, the 2030 plan. We're talking about 15 years of intent to provide enough affordable housing for folks who live and work in Saint Paul. And hiding behind ''the market'' has been sort of Planning and Economic Development Department and some of the policy makers – this may be a fatal flaw when it comes to effectively planning for significant housing affordability in our state and in our city. His endorsement of that concept and that inclusionary zoning is a really important thing. When we tell the residents of Saint Paul that affordable housing is important to us and then we don't stand up for it as policy makers or as an advisory body then we don't meet our due diligence of the work that went into the Comprehensive Plan. He will certainly talk to his councilmember and others and the Mayor to help make room in the work program as needed for the PED's planning and housing and DSI's development staff to work on that issue.

Commissioner Hoang seconded what many commissioners are saying about the urgency behind getting inclusionary zoning done. She also knows that this process takes a long time. So getting started sooner as soon as possible would be great. As a commissioner she supports staff to advocate to City Council or the Mayor or whatever is needed to bump it up as a priority.

Chair Rangel Morales asked the Planning Director if that is something that can be put on the agenda or should he reach out to Mr. Warner.

Mr. Pereira said that he can talk to Peter Warner. One thing that could be done is if there's general agreement with what's been discussed, and an overall interest in this, the Commission could ask to pass a resolution asking for the study to resume. Because they did do three or four months of work on it that was quite intensive, so they wouldn't be starting fresh, they would be going back to where they left off. A resolution could be entertained asking for the study to resume, and there is a previous City Council resolution. It would not be hard to put together a Planning Commission resolution and that might be the best way to communicate if in fact that's what the Commission wants to do. He would have to move some things around, figure it out with the Planning Team. And we need to get the Housing Team engaged, they're stretched quite thin even though they're fully staffed.

Commissioner Risberg said they should consider a resolution and moving forward to resume the Inclusionary Zoning study process, how shorthanded are you in terms of staff? And does PED ever hire contractors to supplement the work of staff? Is there funding available to do that?

Mr. Pereira said that they have hired consultants for different projects and that was part of their next step to engage a consultant around the technical piece of the study. There would still be staff to manage that and figure out how to build whatever comes out of it into the code and bring it through the review process. They have to look at their adopted budget for 2021 to see what kind of resources we have to resume a contract this year. There are some questions both on the money side as well as the staffing side. The staffing side is a little easier to figure out even if we don't have enough funds on our consulting budget, but they can definitely look at that.

Commissioner Baker suggest in partnership with the Director of Planning and Economic Development that a letter or memo go to the Mayor's Office or City Council members, because when the director is highlighting that something is going to have to be removed from their work plan, he does not want PED to go it alone, he needs them to hear the voice of the Commission. He thinks it will be supportive of PED in the work. And the importance of this inclusionary zoning study and how much it means to this Commission.

Mr. Pereira said that a letter, a Planning Commission resolution there is room for both. We can continue talking about this, we can talk about Commission authority and bring some initial language. For this consideration we have a Steering Committee set up to meeting on the 19th. That would be a good time to discuss it their first before the full Commission meeting.

Chair Rangel Morales said he thinks that they need to have an open discussion about what the options of the Commission are?

VIII. Task Force/Liaison Report

Anton Jerve, PED staff had no updates for the Riverview Corridor Stationary Planning Task Force.

Commissioner DeJoy said that the Hillcrest Community Advisory Committee is having a meeting on February 16th. They expect to be doing more community engagement in March. Otherwise no updates.

IX. Old Business

None.

X. New Business

None.

XI. Adjournment

Meeting adjourned at 10:35 a.m.

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

Respectfully submitted,

Approved April 16, 2021 (Date)

Luis Pereira Planning Director Kristine Grill
Secretary of the Planning Commission