



MAYOR AND COUNCIL COMMUNICATION

DATE: 12/6/2016

REGULAR

ITEM #: 22

AGENDA ITEM: Revise Comprehensive Plan to Meet Population Targets and Growth Plan
SUBMITTED BY: Stephen Wensman, Planning Director
THROUGH: Kristina Handt, City Administrator
REVIEWED BY: Kristina Handt, City Administrator
Emily Becker, City Planner

BACKGROUND:

Prior to the release of the 2015 Metropolitan Council System Statement, the City negotiated for reductions to the 2040 population forecasts. After the 2015 System Statement was released by the Metropolitan Council, City Staff had anticipated subsequent land use plan amendments to reduce the overall amount of housing planned within the I-94 corridor urban service districts.

ISSUE BEFORE COUNCIL:

To discuss whether the comprehensive plan needs to be amended to reduce amount of housing planned within the I-94 corridor urban service districts

PROPOSAL DETAILS/ANALYSIS:

2015 System Statement.

MN State Statute requires cities to have comprehensive plans that are in conformity with metropolitan system plans. The Metropolitan Council approves such plans and has issued a system statement which provides:

- forecasted population, households, and employment through the year 2040;
- guidance on appropriate densities to ensure that regional services and costly regional infrastructure can be provided as efficiently as possible; and
- affordable housing need allocation.

All three of these provisions must be met equally with the comprehensive plan update.

The 2015 System Statement for Lake Elmo was issued by the Met Council in 2015 with forecasts for the next comprehensive plan update:

	2010 (actual)	2014 (est.)	2020	2030	2040
Population	8,061	8,594	10,500	14,100	18,200
Households	2,776	2,865	3,800	5,300	7,100
Employment	1,941	2,366	2,900	3,350	3,800

The Metropolitan Council has also determined the regional need for low and moderate income housing for the decade of 2021-2030. Lake Elmo's share of the region's need for low and moderate income housing is 508 new units affordable to households earning 80% of area median income (AMI) or below. Of these new units, the need is for 27 affordable households earning at or below 30% of AMI, 179 affordable to households earning 31% to 50% of AMI, and 302 affordable to households earning 51% to 80% of AMI. These forecasts are for new units which translates to a Met Council requirement to have land area guided for Medium Density and High Density Residential in the Comprehensive Land Use Plan.

Affordable Housing Need Allocation for Lake Elmo

At or below 30% AMI	27
31 to 50% AMI	179
51 to 80% AMI	302
Total Units	508

As part of forecasted growth, a percentage of it is required to be sewerer growth:

Forecast Year	Forecast Component	Population	Households	Employment
2010	MCES Sewered	0	0	623
2010	Unsewered	8,061	2,776	1,318
2020	MCES Sewered	2,912	1,059	2,338
2020	Unsewered	7,588	2,741	562
2030	MCES Sewered	6,160	2,240	2,788
2030	Unsewered	7,940	3,060	562
2040	MCES Sewered	9,408	3,421	3,238
2040	Unsewered	8,792	3,679	562

Again, the population/housing, employment, affordable housing and sewerage/unsewered targets must all be met with the comprehensive plan update.

Metropolitan Council's Residential Density Calculations.

The Metropolitan Council keeps a running tabulation of land guided for urban residential growth, and affordable housing. The current tabulation is as follows:

Category	Density Range		Gross Acres	Min Units	Max Units
	Min	Max			
Urban Low Density	2.5	4	519.49	1299	2078
Urban Medium Density	4	7.5	381.69	1527	2863
Urban High Density	7.5	15	143.37	1075	2151
Village Urban Low Density Res (V-LDR)	1.5	2	245.95	369	492
Village Urban Medium Density Res (V-MDR)	2.5	5	121.7	304	609
Village Mixed Use (VMX)	6	10	164.4	543	1644
TOTALS			1576.6	5117	9836

Sewered Analysis.

From the System Statement and the above table, the City currently has in excess of 1,696 planned sewerage residential units than required for the 2040 Comprehensive Plan and 20 more affordable units than was required for the 2030 comprehensive plan that could possibly be carried forward to meet the 2040 requirement. According to Lisa Barajas from the Metropolitan Council, the City's Comprehensive Land Use Plan has sufficient land guided at Urban High Density to meet the City's 2030 affordable housing need, but the HDR category will need to be guided for slightly higher densities, from 7.5 to 8 du/acre, in order to meet affordable thresholds. In general, to meet affordable criteria a comprehensive plan needs to:

Option 1: Guide sufficient land at a minimum density of: • 8 units/acre to meet a community's total need

Option 2: Guide sufficient land at a minimum density of: • 12 units/acre to meet need at 50% or less AMI (combines the two lower affordability bands) • 6 units/acre to meet need at 51%-80% AMI

Also, according to Lisa Barajas, as currently guided, the City has an excess of 14 acres of HDR guided land to meet the City's 2015 System Statement's affordable requirement.

Rural Analysis.

The 2030 comprehensive land use plan guides enough land in the rural areas to meet the city's 2040 unsewered housing targets (roughly 3,691). The recent change to the OP Ordinance has the potential to increase the number of rural households by an additional 494 units. The recently discussed proposal to guide rural parcels 20 acres or less to Residential Estates might add another 418 rural units (see attached 11/14/16 Planning Commission report – Residential Districts – Allowed Density for a more detailed analysis of rural development density).

For comparison purposes, if the rural properties less than 20 acres were to be developed cooperatively as OP developments, rather than as RE development, the number of new units would be 380, rather than 418 listed above.

FISCAL IMPACT:

N/A

RECOMMENDATION:

Councilmember Fliflet is requesting that the Council discuss the need to revise comprehensive plan to meet 2015 population targets and growth targets identified in the 2015 System Statement.

ATTACHMENTS:

- 2030 Affordable Housing in System Statement email.
- 11/14/16 Planning Commission Report - Residential Districts – Allowed Density
- OP exhibit for rural properties less than 20 acres in size.

Stephen Wensman

From: Barajas, Lisa <Lisa.Barajas@metc.state.mn.us>
Sent: Friday, May 06, 2016 2:09 PM
To: Stephen Wensman
Subject: RE: 2030 Affordable Housing in System Statement

Hi Steven,

This can be a little confusing, but let me give it a shot to help clear that up.

- We provide affordable housing need allocations only for one 10-year increment at a time. This aligns with our Livable Communities Act Program regulating statutes that require re-enrollment in the program every 10 years.
- As such, your 2030 plan has an affordable housing need allocation for the decade from 2011-2020.
- When you update your comprehensive plan for the 2040 planning horizon, then you will need to address your affordable housing need from 2021-2030.
- Any land, guided at sufficient densities consistent with our policies, that is undeveloped or guided for redevelopment within that decade (2021-2030) would count toward your affordable housing need for that decade, even if it is already guided for those densities today.
- Your allocation is not "cumulative" – in other words, your 2040 plan does not need to show sufficient land for 2011-2020 housing need, because presumably by the time you submit your plan the decade will nearly be over (if you submit in 2018).
- Right now your plan has sufficient land guided at Urban High Density to meet your 2011-2020 need AND to meet your 2021-2030 need. BUT, you would need to reguide to slightly higher densities for the 2021-2030 need as part of your 2040 comprehensive plan update:
 - Your Urban High Density is close (currently 7.5) to meeting the 8 du/acre threshold that would count toward your allocation for 2021-2030. It's a small increment upward.
 - You have a total of 143 acres currently guided as Urban High Density – producing at a minimum of over 1000 units.
 - Your plan currently guides about 65 acres as Urban High Density for 2011-2020, with the remaining 78 acres currently staged for 2021-2030.
 - Changing nothing for this land, and assuming that the 78 acres remains available for development as you prepare your comprehensive plan update, your plan provides more than sufficient land to support your 2021-2030 allocation of 508 housing units.
 - You could even move 14 of those acres to the next decade (2031-2040) of staged development, and still meet your 2021-2030 need.

I hope that helps the conversation with your Council Members. I would recommend that you stress the importance of the planning work that has already been done for the South of 10th Street area and suggest that you not reduce those densities, or remove land from that category at all.

Let me know if you'd like to chat further. I am in the office for the remainder of the afternoon and happy to discuss further.

Have a great weekend!

-Lisa

LisaBeth Barajas

Manager | Local Planning Assistance
P. 651.602.1895 | F. 651.602.1674

From: Stephen Wensman [mailto:SWensman@lakeelmo.org]
Sent: Friday, May 06, 2016 10:49 AM



PLANNING COMMISSION

DATE: 11/14/16

AGENDA ITEM: 5C– DISCUSSION ITEM

ITEM: Residential Districts – Allowed Density

SUBMITTED BY: Stephen Wensman, Planning Director

REVIEWED BY: Emily Becker, City Planner.

Kristina Handt, City Administrator.

BACKGROUND:

During a recent City Council meeting, after the approval of the Open Space Preservation ordinance amendment, there was discussion regarding the subdivision of property in the rural zoning districts in to smaller lots than what is currently allowed. The discussion referenced other discussions in the past regarding this same matter.

The subdivision of property into 2.5 acre lots is limited to the Residential Estates zoning district, and such zoning is limited in the City to a small area. Furthermore, the Comprehensive Plan guides only a small new area as residential estate. The City Council is requesting that the Planning Commission discuss the expansion of 2.5 acre or similar sized lot development in the rural districts.

PLANNING ZONING ISSUES:

Current Minimum Lot Size Standards

The table below outlines the minimum lot area (in acres) required for properties within Rural Districts.

RT	A	RR	RS	RE
20	40	10	1.5	2.5

Open Space Preservation Developments

The recently approved Open Space Preservation ordinance requires a minimum land area of a nominal contiguous 20 contiguous acres for an open space planned unit development. The land must also be located in the Rural Residential, Agricultural or Residential Estate zoning districts. Any property that is in these zoning districts but does not or cannot meet the 20 acre-minimum

requirement through combining with adjacent parcels cannot further develop as an OP development. Subdivision of these parcels would be limited to the lot sizes specified in the table above. Such parcels are outlined in the attached map.

The current limitation on rural estate development in favor of OP development is consistent with the current comprehensive plan policy and vision statements:

“Encourage the majority of the new households created in areas north of 10th Street north and outside the Village Area to be efficiently developed in a rural context in the form of Open Space Development cluster neighborhoods.”

“Lake Elmo’s land use plan is guided by its core vision of creating and maintaining a rural community within the Metropolitan region.”

“The remainder of the community north of 10th Street and surrounding the Old Village will continue Lake Elmo’s long tradition of providing rural living opportunities within the Metropolitan area.”

The new (OP) Open Space Preservation Ordinance allows cluster development on properties 20 acres or greater. Previous Planning Staff had conducted an analysis to determine the potential number of housing units that could be developed in the Agriculture and Rural Residential zoning districts under the OP Ordinance when the minimum acreage was 40 acres. The total acreage zoned identified (less 15% assumed unbuildable) was multiplied by (.45) to determine the number of households. The number of households possible under the old ordinance was 524. Staff did a similar exercise identifying lots between 20 and 40 acres in size have determined that the new ordinance would allow an additional 494 households to be developed under the OP Ordinance, or a total of 1,018 households.

Old OP Ordinance - Min 40 Acres Required

Zoning District	# of Parcels	Total Acreage	# of Households	Total Acreage - assuming 15% unbuildable area	# of Households (realistic)
A	8	586.28	263.826	498.338	224.2521
RR	13	783.24	352.458	665.754	299.5893
					524.00

New OP Ordinance - Min 20 Acres Required

Zoning District	# of Parcels	Total Acreage	# of Households	Total Acreage - assuming 15% unbuildable area	# of Households (realistic)
A	20	941.57	423.7065	800.3345	360.150525
RR	45	1721.24	774.558	1463.054	658.3743
					1018.00

Possible Increase in # of households by allowing Min 20 Acres for OP Development
(1018-524 = 494)

494

The remaining rural properties, 20 acres or less in size, are unable to develop into OP developments. These properties are currently limited to 1 unit per 10 acres under Rural Residential zoning, or 1 unit per 40 under Agriculture zoning. If the City were to allow rural properties, 5-20 acres in size, to develop into 2.5 acre lots, as could be done under Residential Estates zoning, the city might see an additional 418 households.

Zoning District	# of Lots 5-20 acres	Potential Increase in Number of Lots Under 2.5 Acre Minimum Standard for lots 5-20 acres
A	29	81
RR	136	337
		418 (new households)*

*(new lots - parent lots subtracted)

Total rural growth under with the new OP ordinance and if the city were to allow 2.5 acre minimum lots elsewhere in the rural districts would be approximately 1,436 households, which would result in potentially 556 more unsewered households and 1,329 more unsewered population than forecasted for 2040.

(Met Council Forecasted Unsewered Households = 3,679)

(2014 MC Est. Unsewered Households = 2, 865 – 66 sewer lots = 2,799 rural households)

(Future rural households with OP and 2.5 acre zoning = 2,799 +1,436 (new rural households) = 4,235 households)

4,235 – 3,679 = 556* (MC Forecasted Unsewered Pop. 8792/MC Forecasted Unsewered HH of 3679 = 2.39) 1,329

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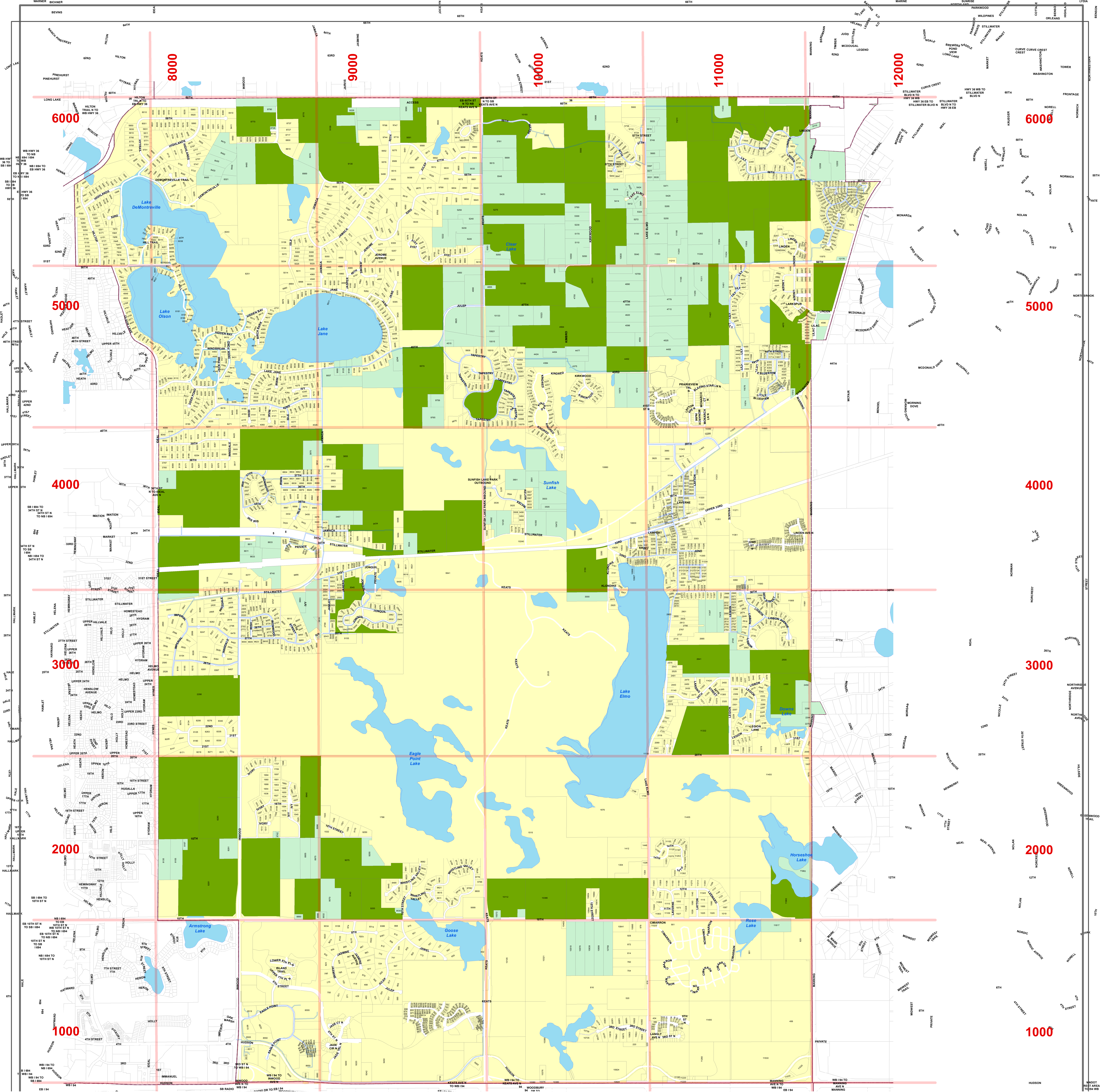
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RECOMMENDATION:

Staff is recommending Planning Commission discuss allowing smaller lots in the Rural Districts.

ATTACHMENTS:

- Map of properties zoned Agricultural, Rural Residential, and Residential Estate under 20 acres.



Legend

- A or RR parcels > 20 acres
- A or RR parcels < 20 acres

Parcels Zoned A or RR < 20 acres

Total Count: 237

Total Number of Acres: 1615.59

-15% Unbuildable: 1373.25

X 0.45 (18 units per 40 acres) = 617.96

-237 Parent Parcels = 380*

***this is based on if parcels can combine with surrounding parcels to result in 20 contiguous acres**