



REQUEST FOR COUNCIL ACTION

AGENDA DATE: March 27, 2023

AGENDA ITEM: Conduct a Public Hearing to consider the adoption of an Ordinance amending a section of Article VI Zoning within Chapter 30 Land Development Regulations.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

On February 2nd, the Planning Commission initiated the consideration of an amendment to Section 30-512, Table 2A which establishes the district development regulation for principal structures for all the zoning districts including minimum lot size, minimum setbacks, maximum lot coverages and building height maximums.

Staff will present the attached PowerPoint presentation as background prior to the Public Hearing. The following provides additional detail:

The minimum lot size requirements are codified in the three sub-categories of minimum gross area, minimum lot width and minimum lot area in square feet per unit.

The minimum lot area per unit requirement has historically been interpreted as pertaining to residential units. This is because the definition, in Section 30-421 for density is “Density – means the number of dwelling units residing upon, or to be developed upon, an acre of land.”

*When we review a proposed multi-family development, we first look at the maximum density of the proposed site by applying this minimum lot size standard. As an example, for a 2-acre parcel in an R-4 zoning district we would calculate the maximum unit density by: (2 acres * 43,560 square feet/acre)/2,500 square feet/unit = 35 units.*

For R-3 and R-4 multi-family zoning districts, this standard of minimum lot area per unit functions well and is in sync with the other district development regulations. In other words, when multi-family projects are designed on sites that meet these density maximums, there is sufficient, not overly sufficient, lot area to develop that number of

units and their required parking, while still meeting setback requirements and building height maximums.

A zoning district where multi-family housing is a permitted use but the minimum lot area per unit requirement has not been tested is the Central Business District (CBD). Although multi-family development in the CBD is desirable and is listed as a goal within the Comprehensive Plan, there are limited opportunity sites available in the CBD.

A CBD zoned site that does provide an opportunity for multi-family housing is owned by the Grand Rapids Economic Development Authority (GREDA) and located north of the Library and KAXE Public Radio. This site, which is commonly referred to as the Block 20/21 site, has been marketed for purchase and development by GREDA for many years. A past development proposal which failed due to a funding shortfall by the developer, involved an eighty-three-unit hotel. For this type of proposed use, the minimum lot area/unit standard is not applied.

The Block 20/21 site area is 62,773 square feet. The Table 2-A minimum lot area (square feet) per unit for CBD zoning is 3,000 square feet. When this standard is applied for a proposed multi-family project it caps the density of housing units at $[62,773 \text{ square feet} / 3,000 \text{ square feet per unit} = 21]$.

Prior to recent interest in the site for the development of multi-family, we hadn't looked closely at the disproportionate nature of zoning standards that allow a compliant use of the site for an eighty-three-unit hotel but caps the maximum density of the site at 21 housing units. This low level of housing development would not maximize the use of the property and seems inconsistent with the purpose of CBD zoning found in Section 30-511 (i) which states:

*CBD central business district. This district correlates only with the downtown area of the city and is intended to serve a regional clientele. It is highly diversified and intended to offer the full array of high value comparison goods and services; hotel, cultural, tourist and entertainment services; **high density residential**; finance; general office and public uses. Because **the CBD is a very high use intensity zone**, is fully developed, much of which occurred prior to the existence of zoning regulations and is an area that requires the city to play a role in the provision of parking, normal parking, yard and lot requirements do not apply.*

Recognizing these disproportionate outcomes, staff researched several zoning ordinances in different communities that have traditional downtown business districts and what we found was that within downtown zoning districts it was common to have ordinance provisions that require minimum gross lot area; however, it was uncommon to have a minimum lot area per unit standard. Absent this standard, these ordinances do limit the level of density through other requirements like maximum building height and minimum parking requirements.

Minnesota Statue 462.357, Subd. 4 states that an amendment to a zoning ordinance may be initiated by the governing body, the planning agency, or by petition of affected property owners as defined in the zoning ordinance.

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