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MEMORANDUM

TO: PLANNING COMMISSION
FROM: KEN ONDICH – PLANNING / COMMUNITY DEVELOPMENT DIRECTOR
SUBJECT: REQUEST FOR VARIANCE #V3-2024 TO ALLOW A VARIANCE FROM THE RH HIGH DENSITY RESIDENTIAL ZONING DISTRICT DENSITY AND PARKING REQUIREMENTS TO ALLOW FOR THE CONSTRUCTION OF A 54 UNIT MARKET RATE APARTMENT BUILDING, AS PROPOSED BY TEN NINETEEN DEVELOPMENT, LLC
DATE: JUNE 20, 2024

Background / History

The applicant, Ten Nineteen Development LLC, has applied for a variance to construct a 54 unit 3 story, market rate apartment building with underground parking. Related to this project, the City submitted an application for the Minnesota Housing Finance Agency's Workforce Housing Development Program back in April that could provide for up to \$499,999 towards the project. MHFA will announce the funding recipients by Mid-August.

It is also notable that back in 2020, this site was previously approved for a rezoning from B-2 Community Commercial Zoning to RH High Density Residential Zoning and for setback variances (#V8-2020). The variances previously allowed a rear yard setback reduction from the north line from 30' to 10' a front yard setback reduction from the south lot line from 30' to 27'7" for what was then proposed as a 43 unit building.

With the new applicant, Ten Nineteen Development, they are proposing a 54 unit building within the same footprint as the previous 43 unit building. The reason the additional units fit in the footprint of the original 43 unit building is due to the balanced unit mix to meet the market demand (ie. studio and 1 bedroom units). The prior plan had very large units, which have since been reduced in size to get to the current 54-unit plan.

The zoning ordinance allows 32 units per acre for high density multifamily dwellings. The property 1.35 acres in size and would be allowed 43 units. Additionally, the zoning ordinance currently requires 2 parking spaces per apartment unit, regardless of the unit type or overall mix of units in the building.

At the March Planning Commission meeting, staff brought forth a “concept” review of possibly amending the zoning ordinance for both the RH density and parking requirements, but the Planning Commission felt that rather than amending the zoning ordinance at this time, the apartment proposal should be reviewed and considered for variances from the density and parking requirements due to the sites unique size and shape.

The specific variances being sought for the proposed 54 unit apartment building are as follows:

- Variance to increase the RH High Density Residential Density from 32 units per acre up to 40 units per acre.
- Variance to reduce the minimum required parking from 2 spaces per unit to 1.7 spaces per unit.

Legal Description

Lot 1, Block 1, Deutschland First Addition, according to the plat thereof, LeSueur County, Minnesota.

Neighborhood Conditions and nearby land uses

North – Walgreens (zoned B-2 Community Commercial)

South – Townhomes (zoned RH High Density Residential)

East – Chalupsky Ave. SE and a Strip Mall (zoned B-2 Community Commercial)

West – Single Family home with some agricultural land (Zoned B-2 Community Commercial)

Zoning

The subject site is zoned RH High Density Residential where apartments are a permitted use at up to 32 units per acre. The City also requires two parking spaces for each apartment unit.

Setbacks in the RH District are 30’ fronts (south and east sides), 30’ rear (north side) and 20’ side (west side). As noted earlier in this report, Variance #V8-2020 was previously approved for reduction from the rear setback and front setback to 1st Street SE. No new setback variances are proposed at this time.

The proposed 54 units are a departure from the previously approved building layout only in terms of number of units and not overall size of the building. As noted earlier, the current developer changed the proposed unit mix to fit the 54 units in the same footprint as the previously approved 43 unit building. This 54 unit building would require a density increase from 32 units per acre to 40 units per acre. The mix of units is listed below.

4/2/24 unit mix as proposed (subject to change):

8 – “Alcove” units (not called studios, but they only have a short wall dividing off the bedroom from the rest of the unit) – 600 sq. ft. average size

26 – 1 Bedroom units – 750 sq. ft. average size

7 – 1 Bedroom +Den units (basically a one bedroom unit plus a den) – 850 sq. ft. average size

8 – 2 Bedroom units – 1,100 sq. ft. average size

5 – 2 Bedroom +Den units (basically a two bedroom unit plus a den – they don't do 3 bedroom units as in the past they haven't been able to rent them) – 1,250 to 1,350 sq. ft sizes

54 total units

As noted above, the units lean heavily to alcove/studio and 1 bedroom units and 1 BR + Den with 75% falling into those types of units. The smaller units are far more likely to have less than 2 vehicles per unit than larger units.

Regarding parking it's notable that the previously approved site plan showed 50 surface parking spaces with 28 spaces below/enclosed under the building for a total of 78. The new site plan provides for 42 spaces below/enclosed under the building plus the same 50 surface parking stalls for a total of 92 parking spaces. This would provide for parking at a ratio of 1.7 spaces per unit versus the ordinance requirement of 2 spaces per unit (108 spaces).

In the research staff conducted earlier this spring, many cities have moved away from a straight multifamily parking requirement of 2 spaces per unit. For example, the City of Shakopee now requires 1.5 spaces for studio and 1 bedroom units and 2 spaces for a two bedroom unit and 2.5 spaces for a three bedroom unit. If New Prague used Shakopee's parking standards, the site would exceed the requirement by 4 spaces as proposed. While the Planning Commission voiced some concerns of going below 2 spaces per unit and concerns that users might park in the Walgreens parking lot or even the strip mall parking lot across the street, staff does not believe this will be a concern, particularly based on information obtained from the applicant.

The applicant noted that their recent project in Farmington (a 74-unit building) was approved at 1.42 spaces per unit (versus Farmington's normal 1.5 spaces per unit) and their Delano project, Granite Works has a 1.7:1 per unit parking ratio. The first phase, which opened in 2022, is now fully occupied. The building has 70 units with 70 enclosed parking stalls and the remaining parking being surface parking. There is plenty of parking and oftentimes the surface lot is only 1/3 full. Delano has a similar market to New Prague and similar market rate project to what is planned for this project. Ten Nineteen Development LLC has found that typical demand dictates anywhere from 1.4-1.7:1 parking ratio. Parking beyond that is often found to be excessive or underutilized.

Statement of Practical Difficulties

The applicant has stated that the land has a unique shape and abuts two public streets and was not originally intended to be a residential lot, however, deed restrictions that the Walgreens development placed on the property severely limited the ability of the lot to be used commercially. The developer acknowledges that the site was previously approve for setback variances due to the unique shape of the lot and that also poses a challenge for parking. However they note that they do not believe the ratio of parking the city requires is necessary based on past projects they have completed.

As noted earlier in this report, the applicant has experience in other similar communities with parking requirements below 2 per apartment unit and they have not experienced parking issues at other sites.

Staff Notes

Staff believes that the lot is unique in both lot shape and location as well as due to the deed restrictions towards commercial uses on the lot that have led the lot to be looked at for residential purposes. Staff notes that the building footprint is no larger than previously approved but rather the mix of unit types has changed with 75% of the units being alcove/studio and one bedroom or 1 bedroom + den units which place less of a demand on parking compared to two or three bedroom units. Staff believes the density is appropriate for the site by virtue of staff believing that the normally required 2 spaces per one unit is not required based on the smaller unit sizes making up the majority of the units.

Staff does not support building parking simply to meet an ordinance minimum if it is demonstrated that it is not needed. In the case of this site, there really isn't room to add additional parking due to space constraints, but again, staff does not believe any additional parking is necessary for the site at the ratio of 1.7 spaces per unit. Additionally, the location of this apartment is situated close to a number of businesses and churches that are within walking distance, making it an option for those without vehicles to live.

Finally, staff notes that Praha Village to the west is a senior living apartment complex which is 91 units on 3.83 acres. While most residents there do not drive, that site provides for 108 parking spaces with 45 of those spaces being under the building. The parking ratio for this development is 1.18 spaces per unit and also must accommodate a work staff per shift of about 17 staff. The vast majority of the parking lot at Praha Village sits empty most of the time.

Criteria for Granting Variance – Section 507

The Zoning Ordinance defines a variance as follows: A modification or variation of the provisions of this Ordinance where it is determined that by reason of unique circumstances relating to a specific lot, that strict application of the Ordinance would cause practical difficulties. Practical difficulties is a legal standard set forth in law that cities must apply when considering applications for variances. To constitute practical difficulties, all three factors of the test must be satisfied, which are reasonableness, uniqueness and essential character. The Zoning Ordinance's criteria addresses these standards.

The Zoning Ordinance identifies criteria for granting variances as noted below. These items must be evaluated by the Planning Commission and City Council when considering variance requests. It is important to note that variances should only be granted in situations of practical difficulties. A variance may be granted only in the event that all of the circumstances below exist. Staff has attempted to evaluate the established criteria for this specific request. Staff's comments are highlighted in yellow below:

- A. The variance is in harmony with the general purposes and intent of this Ordinance. (The requested variance is in harmony with the general purposes and intent of this Ordinance because apartment buildings are a permitted use in the RH High Density Residential Zoning District.)

- B. The variance is consistent with the comprehensive plan. (The requested variance is consistent with the comprehensive plan because apartments are a permitted use in the RH High Density Residential Zoning District.)
- C. The applicant proposes to use the property in a reasonable manner not permitted by this Ordinance, the City Code or the City Subdivision Ordinance. (The applicant will use the property in a reasonable manner which would be an apartment building use.)
- D. Unique circumstances apply to the property which do not apply generally to other properties in the same zone or vicinity and result from lot size or shape, topography or other circumstances over which the owner of the property since enactment of this Ordinance has had no control. The unique circumstances do not result from the actions of the applicant. (Unique circumstances apply to this property over which the property owners had no control and which do not generally apply to other properties in the vicinity because the lot has an unusual shape and abuts two public roadways and requires a unique building layout to fully utilize the property and furthermore the unit mix of 75% alcove/studio and one-bedroom and one-bedroom + den apartments lends itself to a parking reduction and density increase above the typical ordinance requirements.)
- E. The variance does not alter the essential character of the neighborhood. (The variance does not alter the essential character of the neighborhood because apartments are a permitted use in the RH High Density Residential Zoning District which contains another multifamily unit one block to the west, and the variances for parking and density fit within the footprint of a building originally planned to have 43 units, thereby making better use of the site.)
- F. That the variance requested is the minimum variance which would alleviate the practical difficulties. Economic conditions alone do not constitute practical difficulties. (The variance requested is the minimum variance which would alleviate the practical difficulties because it would allow a building footprint previously approved for 43 units to provide for 54 units to maximize the apartment units on the site and which are needed in the community for workforce housing).
- G. The Board of Adjustment may impose such conditions upon the premises benefited by a variance as may be necessary to comply with the standards established by this Ordinance, or to reduce or minimize the effect of such variance upon other properties in the neighborhood, and to better carry out the intent of the variance. The condition must be directly related to and must bear a rough proportionality to the impact created by the variance. No variance shall permit a lower degree of flood protection than the Regulatory Flood Protection Elevation for the particular area or permit standards lower than those required by federal, state or local law. (N/A).

Staff Recommendation

Staff recommends **approval** of Variance #V3-2024 to allow a variance from the RH High Density Residential Zoning District Density, from 32 units per acre to 40 units per acre and Parking Requirements, from 2 spaces per unit to 1.7 spaces per unit, to allow for the construction of a 54 unit market rate apartment building, as proposed by Ten Nineteen Development, LLC

- A. The requested variance is in harmony with the general purposes and intent of this Ordinance because apartment buildings are a permitted use in the RH High Density Residential Zoning District.
- B. The requested variance is consistent with the comprehensive plan because apartments are a permitted use in the RH High Density Residential Zoning District.
- C. The applicant will use the property in a reasonable manner which would be an apartment building use.
- D. Unique circumstances apply to this property over which the property owners had no control and which do not generally apply to other properties in the vicinity because the lot has an unusual shape and abuts two public roadways and requires a unique building layout to fully utilize the property and furthermore the unit mix of 75% alcove/studio and one-bedroom and one-bedroom + den apartments lends itself to a parking reduction and density increase above the typical ordinance requirements.
- E. The variance does not alter the essential character of the neighborhood because apartments are a permitted use in the RH High Density Residential Zoning District which contains another multifamily unit one block to the west, and the variances for parking and density fit within the footprint of a building originally planned to have 43 units, thereby making better use of the site.
- F. The variance requested is the minimum variance which would alleviate the practical difficulties because it would allow a building footprint previously approved for 43 units to provide for 54 units to maximize the apartment units on the site and which are needed in the community for workforce housing.

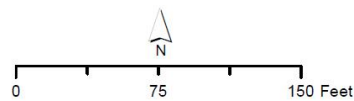
Attachments

- 1. Site Map Aerial – Dated 1/3/20
- 2. Concept Sketch – Dated 12/11/19
- 3. Aerial / Concept Sketch Overlay – Dated 8/7/20
- 4. Example Apartment Building Rendering
- 5. Google Street View Photos - Undated

Site Map



Prepared by:
City of New Prague
Planning Department
Date: 1/3/20
For Reference Purposes Only.



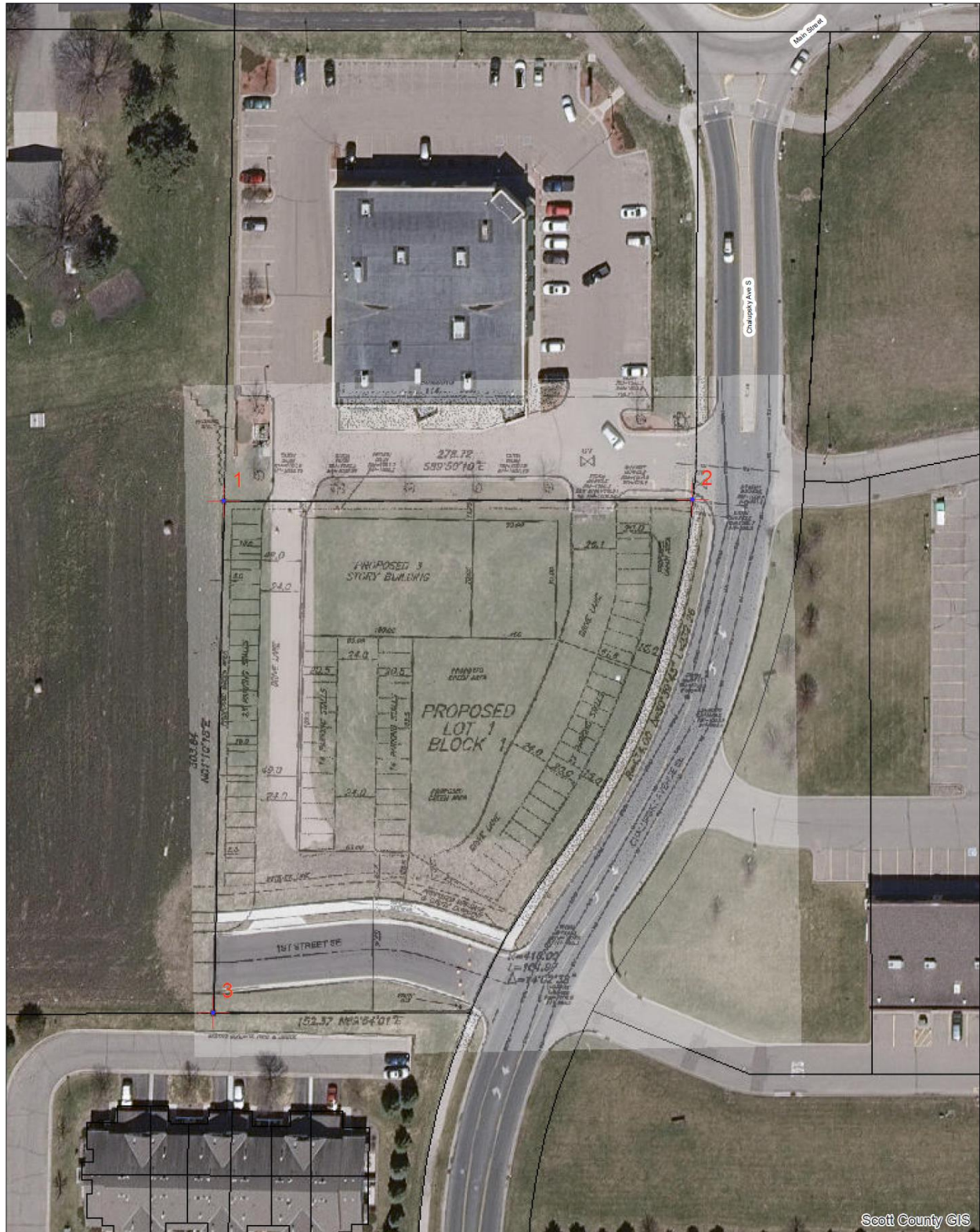
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DENOTES EXISTING BITUMINOUS SURFACE

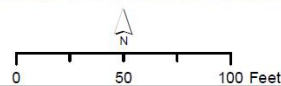
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Site Map



Scott County GIS

Prepared by:
City of New Prague
Planning Department
Date: 8/7/20
For Reference Purposes Only.



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(Example Building Elevation – indicative of style and materials only – building may have peaked reroof as shown or flat roof. Different and more appealing colors would be utilized.)



Looking west from Chalupsky Ave. SE.



Looking East from 1st Street SE and curb cut to site.



Looking west from Chalupsky Ave. SE.