



MEMORANDUM

DATE: February 12, 2019

To: Honorable Mayor & City Council

CC: Dave Bennett, Director of Public Works/City Engineer; Monte Nelson, Police Chief; Mitzi Baker, Community Development Director; Deb Little, City Clerk; Michelle Mahowald, Communications & Human Resources Director; Teresa Jensen, Director of Library and Information Technology Resources; Chris Hood, City Attorney

From: Ben Martig, City Administrator

RE: "Supplemental Agenda Background Memo" for February 12, 2019 No.1.

Summary Report:

The following is an update on agenda items as supplemental background agenda information made available for Tuesday, February 12, 2019.

Item 12. – Ord. 1000 Consider Ordinance revising Accessory Dwelling Unit regulations in Chapter 34 – Land Development Code.

Staff has amended the presentation for the meeting tonight adding the 2nd to last slide only.

Item 14. - Link Center Proposal Discussion

- Please see attached letter of support from HCI related to this issue.

Accessory Dwelling Units Regulation Amendment

Second Reading

City Council

February 12, 2019

(supplemental memo updated)



Status Update

- On January 8th the City Council approved Ordinance 1000 on first reading.
- Council asked for clarification of some language and requested some new language.
- The ordinance can be approved on second reading with changes from the first reading.
- Requested changes and clarifications have been made.
- Alternative actions have been provided.

What Are Accessory Dwelling Units?

An accessory dwelling unit (ADU) is a habitable living unit added to, created within, or detached from a single-family dwelling that provides basic requirements for living, sleeping, eating, cooking, and sanitation.

(Proposed Definition)



Why are we doing this?

ADUs can:

- Provide affordable housing
- Provide safe senior living options
- Increase density within walking distance of downtown
- Provide lower impact living
- Provide needed income for homeowners



Why are we doing this?

Strategic Plan (2018-2020)

Affordable Housing

A Community Where Everyone Can Afford to Live

- Review Best Practices for items such as opportunities for alternative housing types and styles, including mixed-use neighborhoods, accessory or mother-in-law apartments, modular homes, manufactured home parks and other innovative approaches to housing



Why are we doing this?

City Guiding Document References:

- *Comprehensive Plan:*
 - *HS1 Housing will strengthen the unique physical character of the community.*
 - *HS1.2 - Revise zoning and subdivision ordinances to ensure opportunities for development of alternative housing types and styles, including mixed-use neighborhoods, accessory or mother-in-law apartments, modular homes, manufactured home parks and other innovative approaches to housing.*
 - *HS1.6 -Establish standards for compact residential development and intensified land uses.*
 - *HS3 The City should assist in providing affordable housing.*



Why are we doing this?

City Guiding Document References:

- *Comprehensive Plan:*
 - *LU4 Facilitate the creation of residential areas with strong neighborhood qualities.*
 - *LU4.6 - Permit accessory structures as residential housing units (granny flats or mother-in-law apartments) within existing neighborhoods, especially near downtown.*



What are we doing?

The Planning Commission has authority to advise Council on the Land Development Code (LDC). Ordinance 1000 amends the land use regulations for Accessory Dwelling Units contained in Section 2 of the LDC.

The current proposed amended ordinance from Planning Commission deviate some from the licensing requirements in Chap 14 Rental Housing.



What are we doing?

ADUs are subject to rental licensing requirements in Chapter 14.

Ordinance 1000 could amend the existing exemptions from Chap 14 by proposing to allow the ACCESSORY use to be rented.

The primary residence would still be owner-occupied **under the staff recommended option**, except for existing rental properties that might add a unit.

Option C would exempt this particular accessory use from the 20% rule.



What are the current barriers?

Currently, an accessory dwelling unit must be located as part of a detached garage.

- Not senior friendly – usually upstairs
- Not all properties have detached garage in rear
- Building Area Ratio limit
- Not as useful if unable to rent
- Does not address Tiny Houses
- Have seen increased interest in ADUs
- Current code does not allow free-standing cottage design



Issues

Not senior friendly – usually upstairs

- Stairs not senior friendly, preference is single-level living
- Seniors could live in ADU and rent out a house that is too large for them now.
- Age Friendly Northfield endorses the ADU ordinance related to aging in place/family support provisions



Issues

Not all properties have detached garage in rear

- Newer homes built with attached garages
- Older small lots may not have garage at all
- Some newer developments allow no access to rear yard



Issues

Building Area Ratio (BAR) limit

- Older small lots may not have an existing garage and addition of detached garage prohibited by BAR
- Properties at the BAR limit cannot add attached ADU either
- BAR by its nature limits density



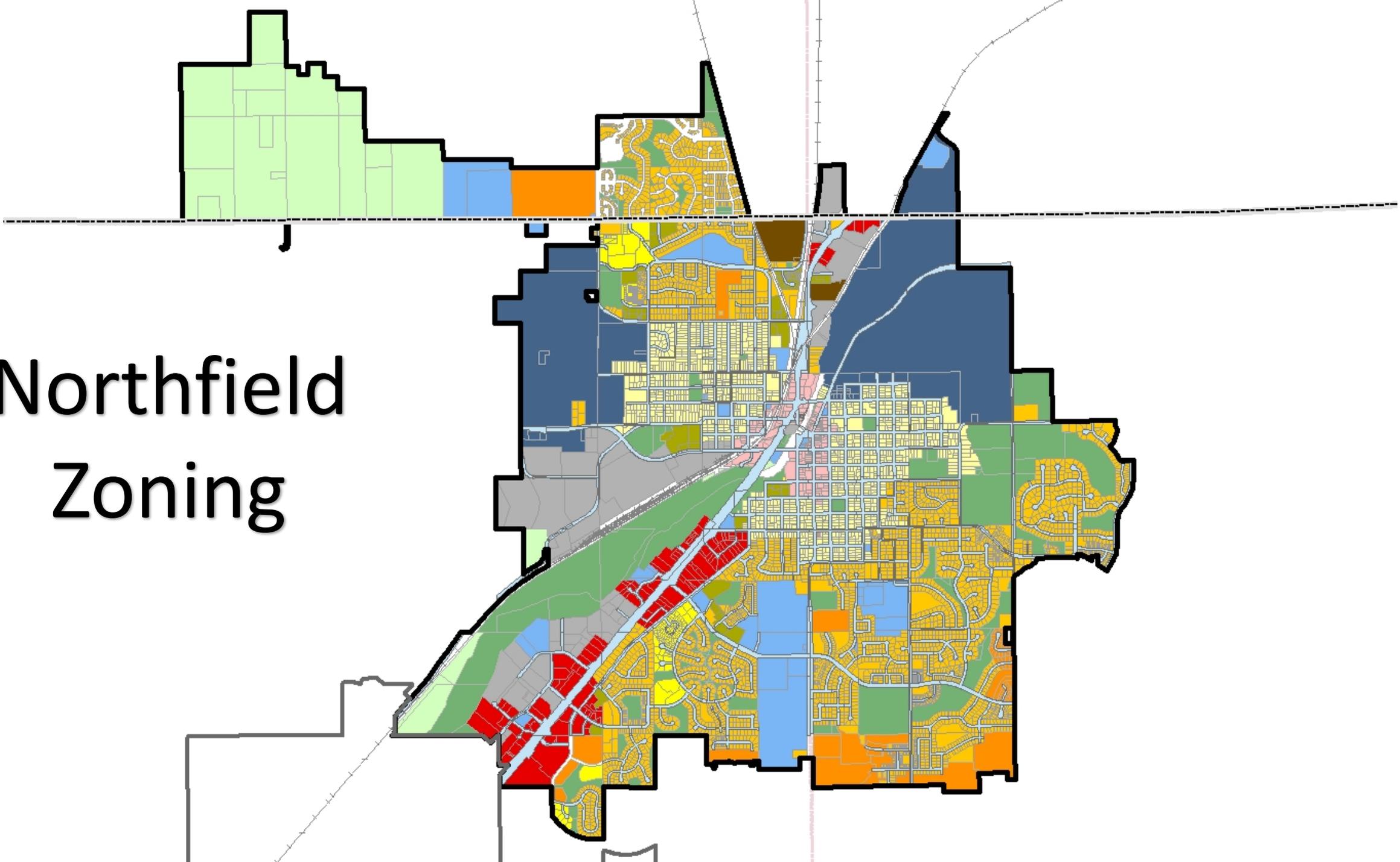
Issues

Not useful if unable to rent

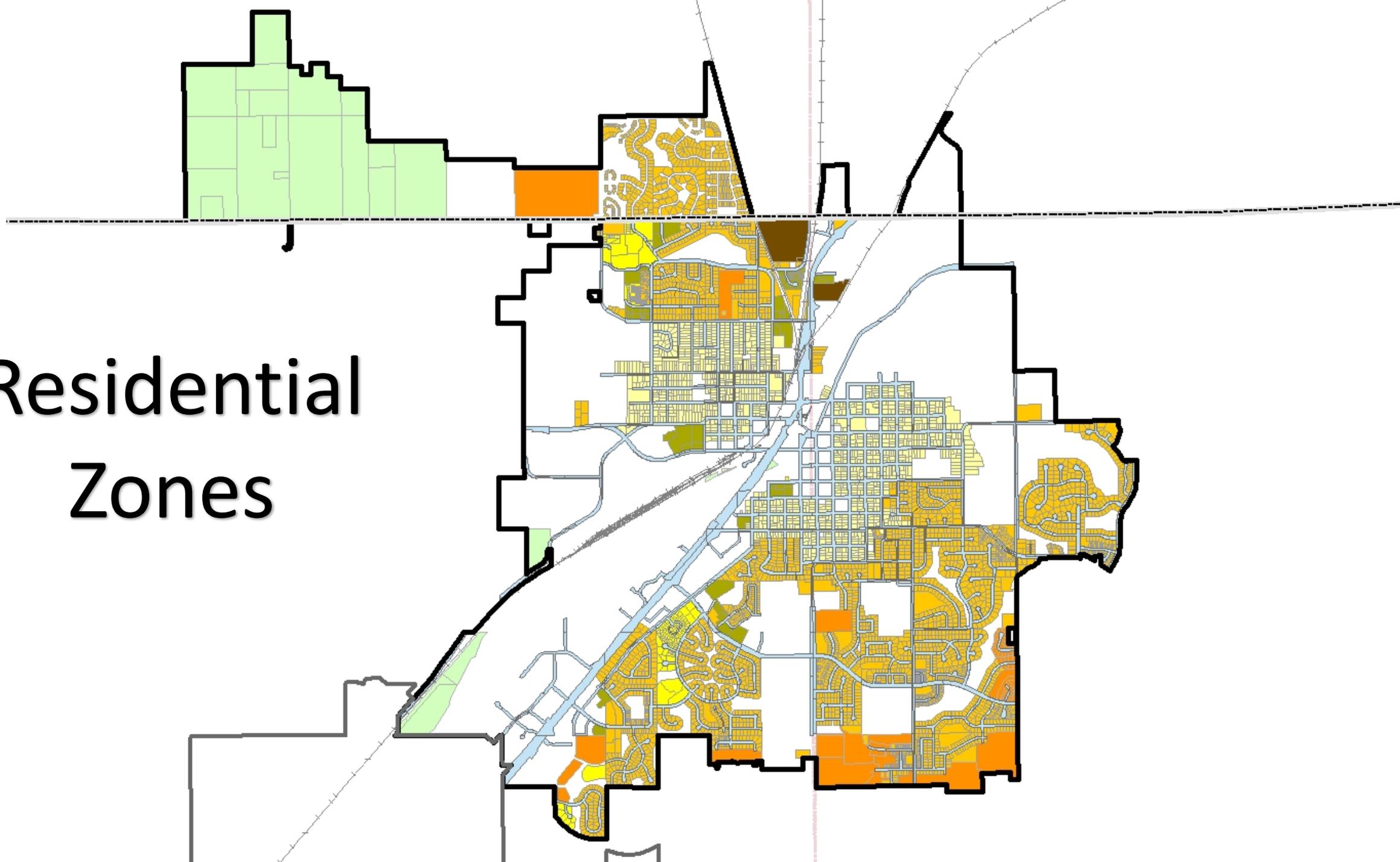
- Not all ADUs are intended for family member
- Great need for affordable rentals
- Rental income creates a better return on investment
- Rental income can be a very important source of income for seniors, allowing them to continue to live on property



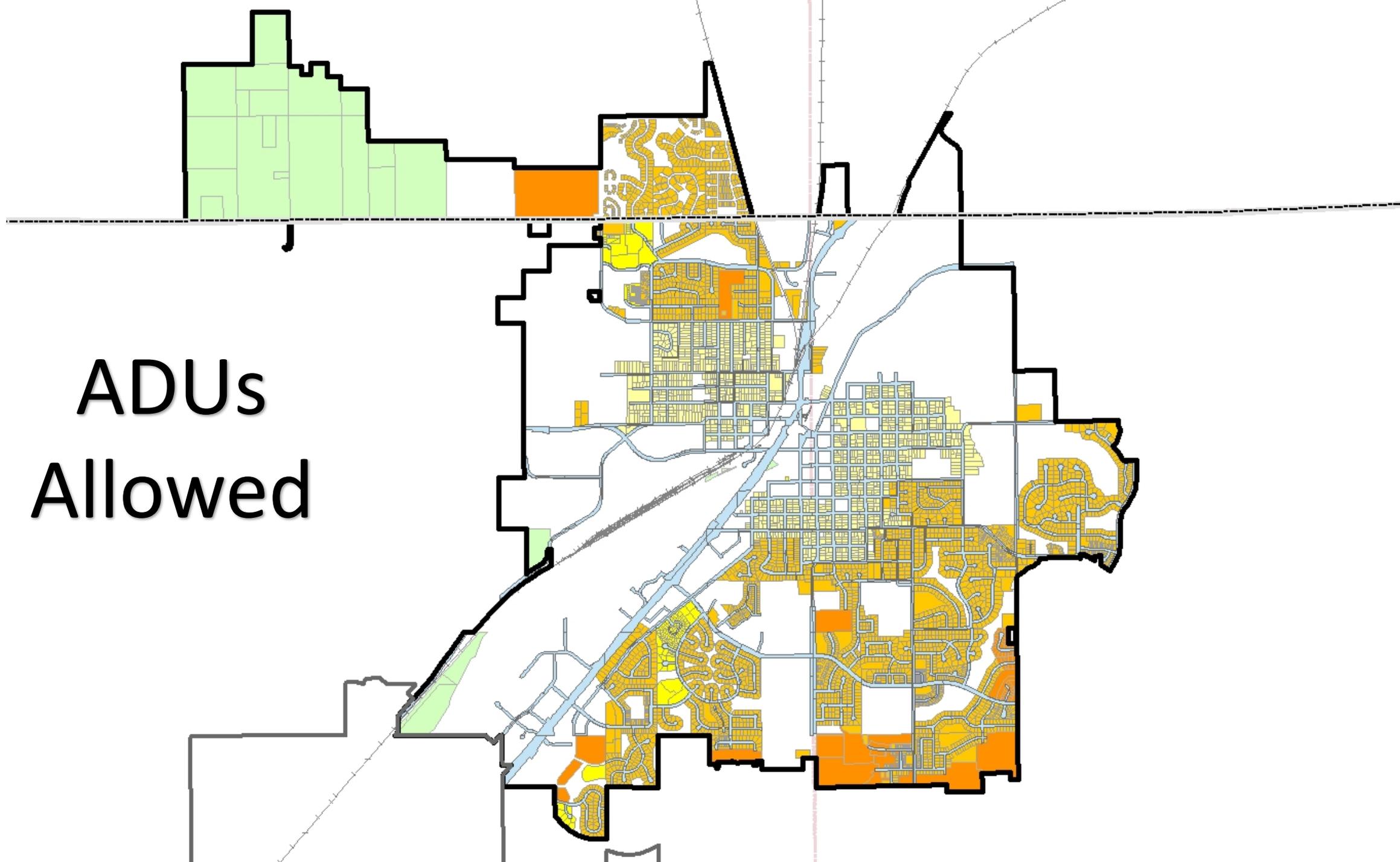
Northfield Zoning



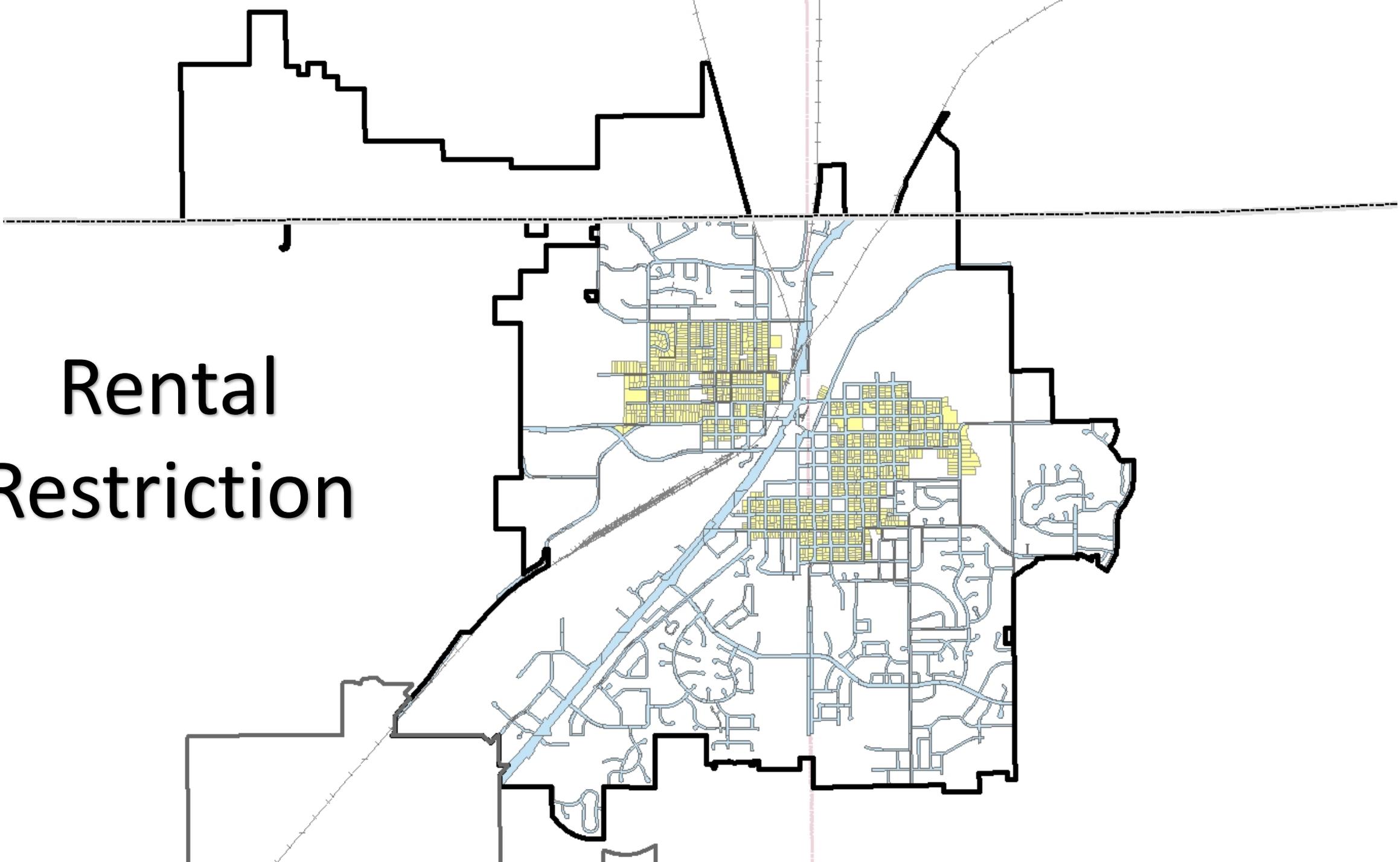
Residential Zones

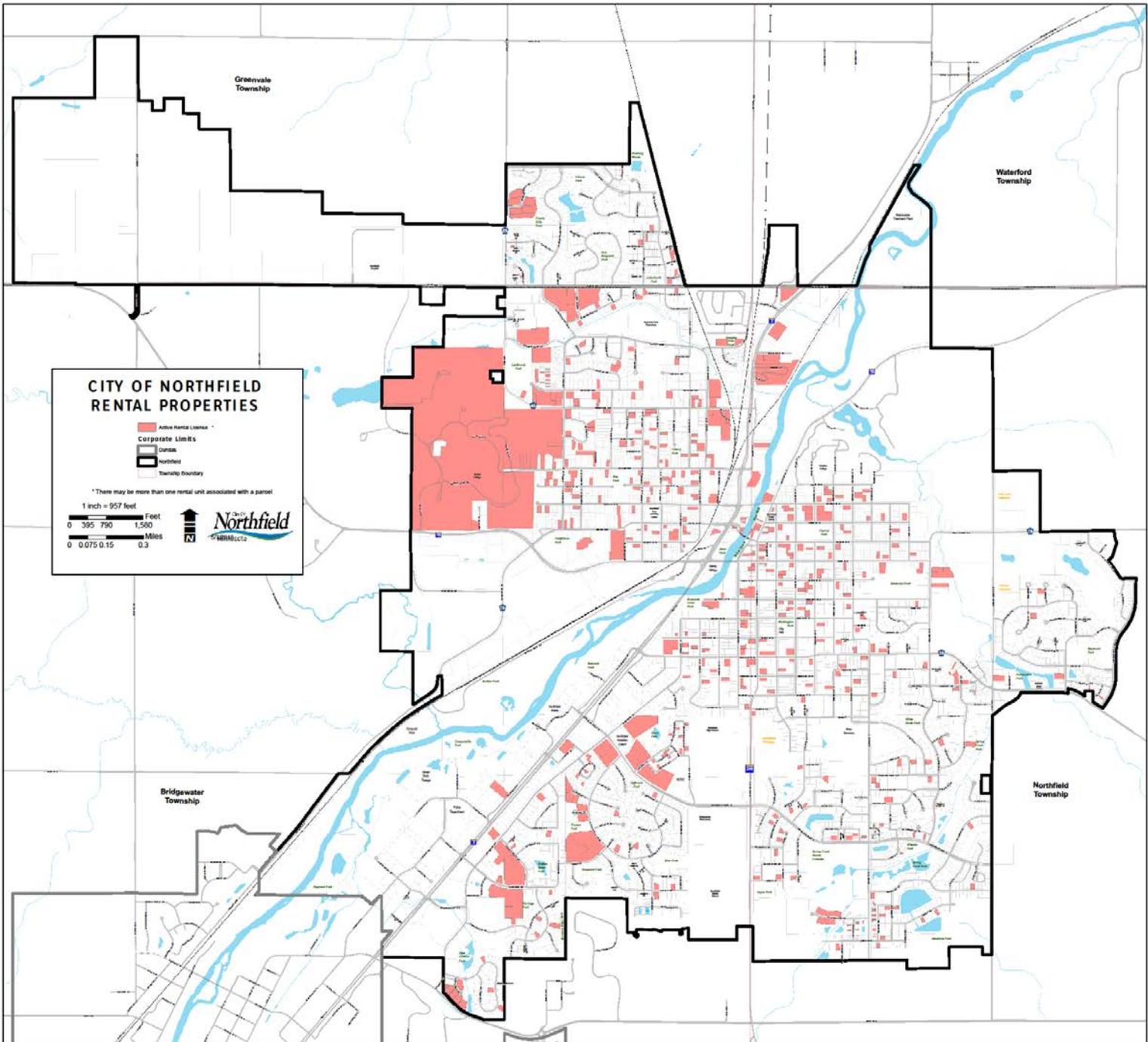


ADUs
Allowed



Rental Restriction





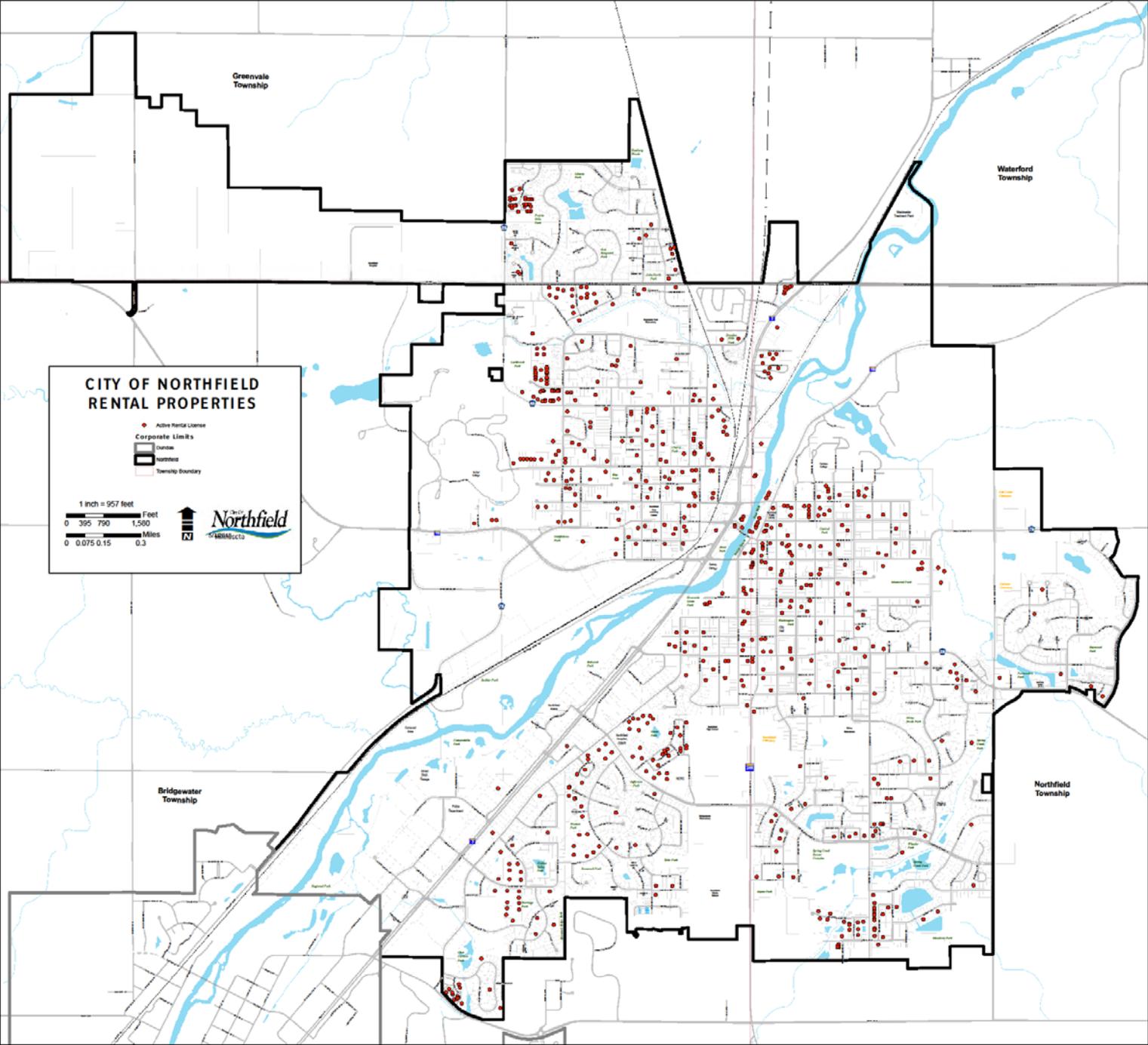
CITY OF NORTHFIELD RENTAL PROPERTIES

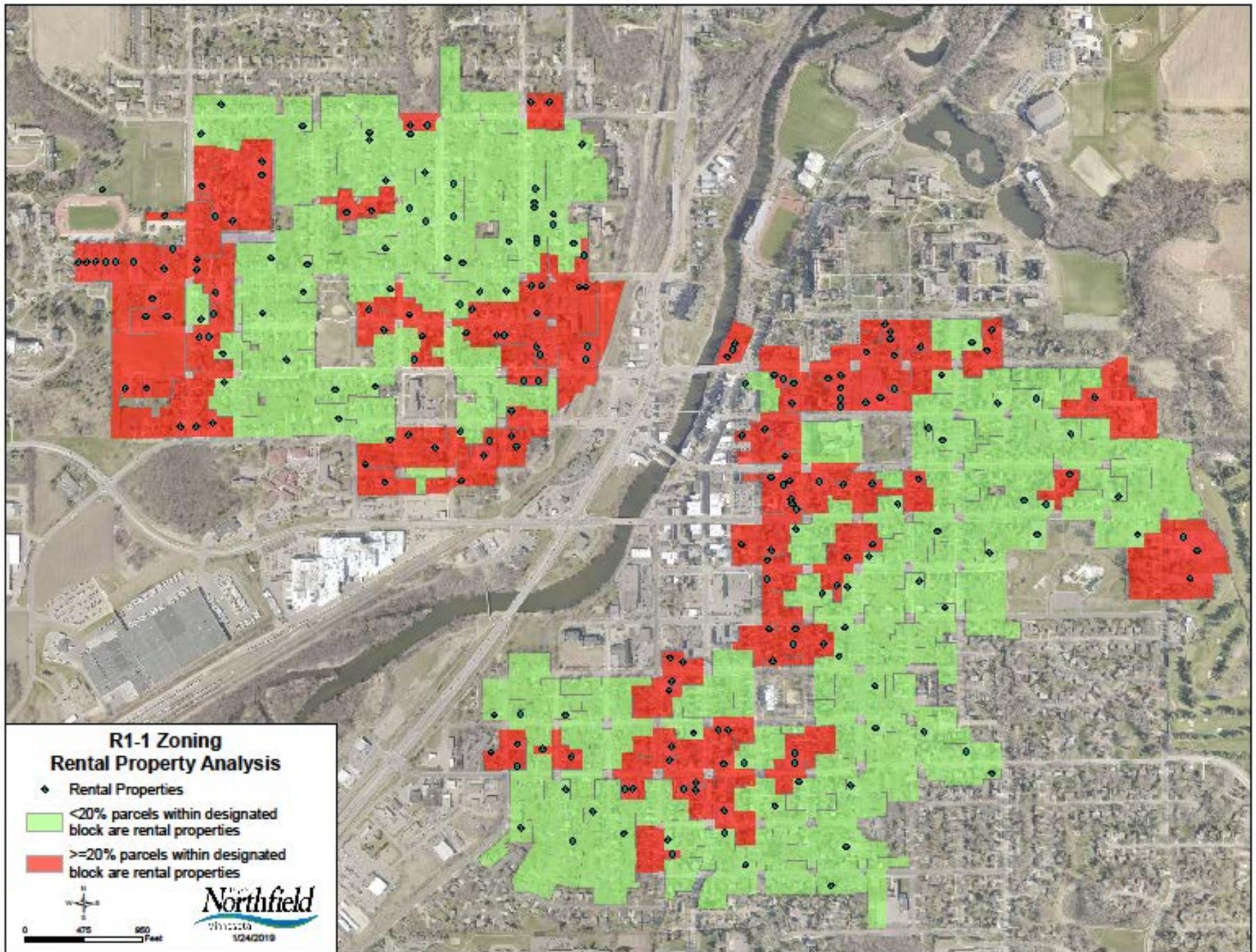
- Active Rental Licenses
- Corporate Limits
- Donke
- Northfield
- Township boundary

* There may be more than one rental unit associated with a parcel

1 inch = 957 feet
0 395 790 Feet
0 0.075 0.15 0.3 Miles







What are the proposed changes?

1. Remove requirement to be part of detached garage
2. Increase unit footprint and remove lot size limit
3. Exempt ADU from Building Area Ratio
4. Remove requirement to look like principal dwelling
5. Allow Tiny Houses on foundations
6. Allow churches to have an ADU
7. No additional parking required for ADU
8. Allow units to be rented.

** See Alternative Options slide later for some variation options for consideration.*



Alternative Ordinance Options

- A. Staff Recommended: Does not exempt ADUs from the 20% rental restriction, or the owner occupied requirement. Staff will work on a more broad review of the rental ordinance related to these issues for future consideration.
- B. Alternate Staff Recommended: Does not exempt ADUs from the 20% rental restriction, but does remove the provision for owner occupied requirement. Staff will work on a more broad review of the rental ordinance related to these issues for future consideration.
- C. Planning Commission Recommended: Exempts ADUs from the 20% rental restriction and the rental parking requirement, and allows rental properties to add an ADU.
- D. Original First Reading Adopted: Not recommended for adoption due to necessary clarifications.
- E. Councilor Grabau Option: Similar to “C” as it Exempts ADUs from the 20% rental restriction and the rental parking requirement. Is different in that the rental is subject to the primary unit being owner occupied.

** Postpone to April 15th Council Worksession is recommended on B, C, E or other alternate. Staff also supports postponement for A as well if interested by Council.*



Particular Areas of Note for Alternative Options

- The provisions in all of the Alternate Options (A, B, C, E) are substantial changes that will advance City Goals noted earlier in the presentation.
- Staff feels that Options A and B would be preferred to allow a more comprehensive review of the rental code prior to considering removing the provision of exempting the 20% rule for ADUs as well as planning for intentional public engagement and awareness around this particular provision. Additionally, although staff does provide an Option B that removes owner occupancy for the primary unit there are reservations to consider this without first a broader review in the context of the rental ordinance.
- Staff is supportive of additional considerations of council and discussion.
- There is still no immediate urgency of action so if additional time is needed to explore information there could be another “postpone” opportunity for further analysis.



Policy Considerations

Council Feedback & Postponement Option

- **Parking**: Should there be a parking requirement on ADU's?
- **Design**: Should the design of ADU's be compatible with the primary dwelling?
- **Size**: How should the size of ADU's be limited? Should they be limited by footprint and also consider limitations in comparison to the primary unit in height or size?
- **Rental – Owner-occupied**: Should rental ADU's only be allowed on properties where the primary residence is owner-occupied?
- **Rental – 20% Rule**: Should rental ADU's be subject to the existing 20% rule?



Timeline

- ✓ First Reading of Ordinance - City Council meeting
January 8, 2019
- Second Reading of Ordinance – City Council
meeting February 5, 2019
- Ordinance becomes effective 30 days after
publication





Healthy Community Initiative

1651 Jefferson Parkway
Northfield, MN 55057
507-664-3524
www.northfieldhci.org

February 11, 2019

Northfield Mayor & City Council
801 Washington Street
Northfield, MN 55057

Dear Mayor & City Council Members:

In 2011, the Northfield Healthy Community Initiative (HCI) took on coordinating the LINK Center, following the City's decision to eliminate the bilingual Welcome Center Coordinator. At that time, staff members with HCI-supported programs, including Growing Up Healthy, had been serving community members from low-income neighborhoods and recognized that accessibility to resources and services was essential to their health and well-being. HCI chose to enter into a contract with the City to manage the LINK Center to ensure these important services continued to be available and accessible, particularly for newcomers and those for whom English is not their first language.

We have been proud to offer these services over the past eight years at the Northfield Community Resource Center. LINK Center staff and volunteers have served up 1,500-3,000 community members annually since 2011.

The fact that the Northfield Public Library is positioned to take over these responsibilities – thereby returning the function to the City of Northfield – is exciting. HCI's role is to fill in when there is a gap and others are not able to step in. Now that the City can again step in, we will very willingly step away and return this role to the City. We are fully committed to doing whatever we can to help with this transition and to ensure the success of the proposed new model.

Please do not hesitate to reach out with any questions or if we can provide any additional information.

Sincerely,

Zach Pruitt
Executive Director
507.664.3524; zach@northfieldhci.org

Thriving youth. Thriving community.