



# **PLANNING COMMISSION STAFF REPORT**

**DATE: JUNE 14, 2010**

## **ITEM FOR PLANNING COMMISSION INFORMATION:**

Discussion of Comprehensive Plan amendment process, Metropolitan Council definitions of affordability and scope of changes necessary to bring City Ordinances into agreement with 2008 Comprehensive Plan.

### **I. BACKGROUND**

State Statute requires that communities update official controls, including zoning ordinances, to be consistent with their comprehensive plan. If in reviewing the proposed rezonings, the community decides to make changes to the comprehensive plan, either in addition to or instead of changes to the zoning ordinance, a comprehensive plan amendment (including the attached Comprehensive Plan Amendment Submittal Form) must be submitted to the Metropolitan Council for review.

#### **Background Data**

##### ***Providing for Community Growth***

As part of the comprehensive planning process, the Metropolitan Council forecasts overall growth within individual communities. The Metropolitan Council forecast that by 2030, Richfield will grow to a population of 45,000 and require an additional 4,427 housing units to accommodate that growth. This number is then used as part of the formula to calculate Richfield's "fair share" of the regional need for affordable housing. The Richfield Plan provides for between approximately 2,800 and 6,700 new units (calculated using the upper and lower density ranges allowed in each land use category). Typically, the Metropolitan Council requires that new household numbers be met using the lowest density number only, e.g., if a district allows between 7 and 12 units per acre, calculations would be based on 7 units per acre). In this case, the Metropolitan Council has accepted the City's proposed range calculation. Given this somewhat unusual acceptance, it is suspected that any units "lost" through reclassification to a lower density will need to be replaced elsewhere in the community.

##### ***Affordability***

The Metropolitan Council defines affordability as units priced at or below 30% of gross income of a household earning 60% of the Twin Cities median family income (or \$46,200 in 2005). The 60% income threshold is determined by the U.S. Department of Housing and Urban Development (HUD) and is the cutoff for tax-credit housing development, the main program for new affordable rental housing construction nationwide. Fifty-nine percent (59%) of all first-time homebuyers in the Twin Cities area assisted by MHFA in FFY 2005 had incomes at or below 60% of median income.

A mathematical formula is used to assign each community in the 7-County Metropolitan Area with their “fair-share” of the regional affordable housing needs. This formula adjusts for communities that are considered net importers of low-wage workers (employment centers) or net exporters of low-wage workers (bedroom communities), the current affordable housing stock as determined by 2004 MN Department of Revenue data and 2000 Census data, and the level of transit service available.

Need= (Growth x 0.2384) x {1 + (JobWorkerRatio – 1) + (0.3 – CurrentAffordable) + Transit Adjust}

This formula identified a need for 765 affordable housing units in Richfield between 2011 and 2020. The Comprehensive Plan is required to make it possible for this number of new affordable units to be added. Properties designed as higher density than single-family count toward this need and as is indicated by the above range of potential new housing units in the City, this goal is met.

### **Comprehensive Plan Amendment Process**

There are two types of amendments; major and minor. Minor amendments must meet all of the following criteria:

- meets the submittal requirement of the Metropolitan Land Planning Act for content or is determined to be complete for review by the Council;
- is consistent with local applicable controls or the jurisdictions submits evidence that the local controls will be modified to be consistent with the proposed amendment;
- is within 5 percent of the Council’s forecasts;
- conforms to regional systems plans;
- is consistent with the MUSA guidelines if residential units are proposed;
- is consistent with the 2030 Development Framework;
- is consistent with Council housing policies;
- is compatible with plans of adjacent jurisdictions;
- if the adjacent jurisdiction is potentially impacted by the amendment, the Council has received documentation that the adjacent jurisdiction has been notified;
- proposes a land use change less than 80 acres;
- proposes a land use change that will result in less than 100 housing units;
- does not have the potential for a cumulative impact

In most cases municipalities must allow adjacent governments, affected special districts and affected school districts up to 60 days to review a comprehensive plan amendment prior to submittal to the Metropolitan Council.

The Metropolitan Council is then allowed up to 60 days (with an additional 60 days if needed) to review the city’s application. Upon final review by the Metropolitan Council, the City Council must adopt the amendment.

The total processing time for an amendment is approximately six months.

### **Scope of proposed rezonings**

There are approximately 600 properties within the City that are required to be rezoned in order to be in agreement with the Comprehensive Plan. Numbers below are approximates:

- 350 of the 600 changes are completely new and related to changes made in the 2008 update.
- 200 of the 600 were changed in the 1997 and remain that same designation in the 2008 update.
- 50 of the 600 did not comply with the 1997 plan and were again changed in the 2008 update.
- 50 of the 600 are considered “downzonings,” meaning that the property now is classified for use in a less intense manner, e.g., commercial changed to residential).
- 160 of the 600 are considered a change in class, e.g., residential to commercial or vice versa).

## **Summary**

State Law requires that cities update their official controls to be consistent with their Comprehensive Plan. As this process continues, the Planning Commission and City Council will have to balance the importance of the two years of work conducted in drafting the Comprehensive Plan, possible changes that may have taken place since its adoption, and the possible ripple effects of additional changes.