

HOUSING AT UPPER HARBOR TERMINAL – Memo to UHT CPC

February 2020

Housing Uses in the Concept Plan

The Upper Harbor Terminal Concept Plan contemplated 250-500 units of housing across the site, with a significant portion of those units located in a residential mixed-use complex at the southeast corner of Dowling and Washington Avenues (Parcel 6).

The program contemplated a mix of market rate and affordable housing units, ground floor active uses, commercial space and structured parking. In addition to providing additional new market-rate housing opportunities to community residents, the Phase I housing component planned to provide units affordable at 60% of the Area Median Income (AMI).

The Concept Plan cited a goal for 40% of the units to be affordable at 60% AMI, if sufficient affordable housing funding resources are available. The plan also noted that the development team hoped to include some units affordable at 30% AMI, if vouchers can be secured.

Housing Uses in the Coordinated Plan

The parcels evaluated for housing include Parcels 1A, 1B, 6A, 6B, 7A and 7B. The UHT CPC discussed initial affordability strategies for these parcels at the July and October meetings, with additional feedback received through the Learning Table.

Several affordability scenarios ranging from deeply subsidized to market rate were presented for generic 160-unit and 200-unit projects to identify how the units would be affordable to current North Minneapolis residents and to identify the level of subsidy required.

Based on initial feedback from the previous meetings, the development team has created three options for each of the parcels being considered for housing. Almost all of the housing scenarios include ground floor commercial uses, or in some cases, extensive mixed-use programming.

The UHT CPC is now being tasked with evaluating the site options presented for Parcels 1, 6, and 7 and making recommendations on both preferred density and character of those housing parcels as well as the affordability strategies proposed. The recommendations on these two items will go into the coordinated plan and guide the specific development proposed for each specific parcel as they advance towards term sheets.

CPC RECOMMENDATIONS FOR THE COORDINATED PLAN

- EVALUATE HOUSING SITE OPTIONS
- EVALUATE AFFORDABILITY STRATEGIES
- EVALUATE MARKET & FINANCIAL FEASIBILITY

BEYOND THE SCOPE OF THE COORDINATED PLAN: PARCEL SPECIFIC

- IDENTIFY POTENTIAL DEVELOPMENT PARTNERS
- FINALIZE FINANCIAL STRUCTURE
- NEGOTIATE TERM SHEET WITH THE CITY
- DESIGN/ PLANNING PROCESS
- CONSTRUCTION START

Evaluate Site Options

The UHT CPC is being asked to answer the following questions:

What is the appropriate demographic, size, design and density for the housing parcels fronting the River?

The three scenarios shown for Parcels 1A and 1B along the river vary based on density and height.

These sites are subject to both the Critical Area Overlay District** (limits building height to 65 feet with tiering) and the Shoreland Overlay District*** (limits developments that are within 300 feet from the Mississippi River to 2.5 stories or 35 feet in height). A conditional use permit can be applied for to increase the allowed height in both the underlying zoning districts and the overlay districts. A conditional use permit to increase height is reviewed by the City Planning Commission.

Scenario 1: Maximize Density

Parcel 1A: Senior Housing (80 Apartments): This scenario provides medium density with townhomes lining the parking ramp, and four levels of housing above. This would require a conditional use permit to allow for an increase in building height in the Critical Area Overlay District and Shoreland Overlay District.

Parcel 1B: Family Housing (74 Apartments) + HUB: This scenario provides medium density with the first floor proposed for a community HUB use (possible program includes a food and event hall) facing Dowling Avenue and the park, townhomes lining the parking ramp facing the river, and four levels of housing above. This would require a conditional use permit to allow for an increase in

building height in the Critical Area Overlay District and Shoreland Overlay District.

Scenario 2: Compliant with Shoreland Overlay District & Critical Area Overlay District

Parcel 1A: Ownership Housing (24 Townhomes) This scenario complies with the Shoreland Overlay District which limits heights to 35 feet within 300 feet of the river, significantly reducing the amount of density on the site. This design envisions townhomes with a shared alley and private garages.

Parcel 1B: Ownership Housing (12 Townhomes) + HUB This scenario complies with the Shoreland Overlay District which limits heights to 35 feet within 300 feet of the river, significantly reducing the amount of density on the site. This design envisions townhomes with a shared alley and private garages and a stand-alone Community HUB use facing the park and Dowling Avenue with surface parking.

Scenario 3: Compliant with Minneapolis 2040 Comprehensive Plan

Parcel 1A: Ownership Housing (39 Townhomes) This scenario is more consistent with Minneapolis' 2040 Plan, which increases density allowed in the Shoreland and Critical Area Overlay Districts. This design envisions townhomes with a shared alley and private garages. This would require a conditional use permit to allow for an increase in building height in the Shoreland Overlay Districts.

Parcel 1B: Ownership Housing (61 Townhomes) + HUB This scenario is more consistent with Minneapolis' 2040 Plan, which increases density allowed in the Shoreland and Critical Area Overlay Districts. This design envisions townhomes with a shared alley and private garages and a Community HUB use facing the park and Dowling Avenue with surface parking, which would be screened with significant landscaping, and/or public art. This would require a conditional use permit to allow for an increase in building height in the Critical Area Overlay District and Shoreland Overlay District.

What is the appropriate size, design and density for the housing parcels along Dowling?

The answer to this question has impacts on the amounts of affordable housing that can be provided as well as the overall design of the mixed-use buildings along Dowling. The Critical Area Overlay District, which limits building height, impacts the eastern half of this site.

Scenario 1:

Parcel 6A: Workforce Housing (175 Apartments): This scenario provides medium density with four levels of apartments above a parking ramp, built around a central public courtyard with a potential community event hall facing the river and the park (*please note proposed community spaces are subject to decisions made about similar uses on other sites*). Ground floor active commercial uses are planned for the first floor. The ground floor program is subject to the outcome of the Community HUB program and strategy. This would require a conditional use permit to allow for an increase in building height in the Critical Area Overlay District.

Parcel 6B: No Housing. Proposed Community HUB.

Parcel 7A: Unrestricted Housing (147 Apartments): This scenario maximizes height and density, supported by a four-story parking ramp as a Gateway building to the site.

Parcel 7B: No Housing. Proposed as initially as Surface Parking, with the option of programming this area with additional landscaping, and/or activated uses such as public markets or other events.

Scenario 2:

Parcel 6A: Family Housing (154 Apartments) + HUB: This scenario provides medium density with four levels of housing above a ramp, built around a central public courtyard with a potential community event hall (again subject to the decisions made about similar uses on other sites) facing the river and the Park. The ground floor could include Community HUB components, in lieu of traditional commercial space. This would require a conditional use permit to allow for an increase in building height in the Critical Area Overlay District.

Parcel 6B: No Housing. Proposed Health & Wellness Center.

Parcel 7A: Unrestricted Housing (52 Apartments & 16 Townhomes): This scenario maximizes height and density, supported by a four-story parking ramp as a Gateway building to the site.

Parcel 7B: No Housing. Potential Hospitality use.

Scenario 3:

Parcel 6A: Unrestricted Housing (222 Apartments): This scenario provides medium density with four levels of housing above a parking ramp with a private courtyard facing the river and the park. Ground floor active commercial uses are planned for the first floor. This would require a conditional use permit to allow for an increase in building height in the Critical Area Overlay District.

Parcel 6B: Family Housing (219 Apartments and 37 Townhomes): This scenario provides medium density with four levels of housing above a ramp with a courtyard facing the river and the park. This would require a conditional use permit to allow for an increase in building height in the Critical Area Overlay District.

Parcel 7A: Workforce Housing (70 Apartments & 10 Townhomes): This scenario has medium density with four levels of housing above parking. Community HUB is planned for the first floor.

Parcel 7B: Ownership Housing (21 Townhomes): This scenario has townhomes between Washington Ave and I-94.

Does the strategy of creating an intentional Mixed Income community open to a wide variety of demographics satisfy the vision for the project?

AFFORDABILITY STRATEGIES

Mixed Income Affordability

The development team is proposing a mixed-income affordability strategy housing. This strategy has the benefit of creating affordability for a range of residents in both demographics and incomes. This strategy is shown to minimize additional subsidy over traditional sources, which enables the project to pursue more affordable units, mixed throughout the project, as opposed to concentrating all of the deepest affordability in one building.

Unrestricted Housing

Each development phase that uses traditional affordable housing resources is likely to take 2-3 years to be delivered. If ALL phases are targeted as affordable, the site would likely be built out over 12-18 years.

The scenarios proposed by the development team also include some developments that are listed as “Unrestricted Housing”, which could be open in terms of both demographics of tenants* and income, creating a wider diversity of housing options within the overall site as recommended by the UHT CPC. This could allow the site to be built out more quickly, as a market rate development does not require adherence to the same funding cycles as affordable housing.

**Note: All phases are subject to both Federal and State Fair Housing Laws. The Federal Fair Housing Act is a law enacted as part of civil rights legislation that prohibits discrimination in home sales, rentals, and financing based on race, color, national origin, religion, sex, familial status, or disability.*

***The boundaries of the Shoreland Overlay District shall be all land located within the following distances from protected waters: (1) 1,000 feet from the ordinary highwater mark of a lake, pond, wetland or flowage; or (2) 300 feet from a river or stream or the landward extent of the floodplain of such river or stream, whichever is greater.*

****The boundaries of the Critical Area Overlay District shall be the Mississippi River and the Mississippi River corridor as designated in Executive Order 79-19 and shown on the official zoning map.*