

# Upper Harbor Terminal Collaborative Planning Committee Minutes

Regular Meeting  
November 14, 2020 - 12:00 pm  
Online Meeting

**Members Present:** Markella Smith (Chair), Jashan Eison, William "Bill" English, Britt Howell, Mary Jamin Maguire, Channon Lemon, Melissa Newman, Alexis Pennie, Grace Rude, Courtney Schroeder, and Makeda Zulu-Gillespie (Quorum: 9)

**Members Absent:** Vanessa Willis (Chair), Tanessa Greene, Gayle Smaller, and Princess Titus

**Staff :** Hilary Holmes

## Call To Order

1. Roll Call.

**Quorum Present**

2. Adoption of the agenda.

**Action Taken: Adopted**

**Motion to adopt agenda: Smith**

**Second: Newman**

**Motion passed 9 yay – 0 nay – 0 abstain**

3. Acceptance of minutes

[Nov 4, 2020 Upper Harbor Terminal Collaborative Planning Committee](#)

**Action Taken: Accepted as Amended**

Motion: Adopt agenda as amended with Courtney Schroeder marked as absent.

**Moved: Smith**

**Second: Howell**

**Motion passed 6 yay – 0 nay – 3 abstain (Schroeder, Lemon, Pennie)**

## Unfinished Business

4. Continued Recommendation Points Discussion

[11-14-20 UHT CPC Updated Recommendation Points for Coordinated Plan](#)

[11-14-20 UHT CPC Proposed Community Entity Process](#)

**Action Taken: Continued to meeting of Nov 18, 2020**

Committee discussion continued on recommendation points around Phase 2 housing, specifically senior housing on parcel 1A.

Brandon Champeau, United Properties, responded to a question on the timing for the direction on Phase 2 and stated that if the Committee was not comfortable determining the level of affordability for Phase 2 that decision could be made later in the process and discussed with the Community Entity and/or the McKinley neighborhood.

Committee comments on wanting to see mixed-income senior housing.

Mr. Champeau confirmed that if the senior housing was a senior coop that project could be moved to Phase 1, and responded to a question on market rate senior coop that there would still be some percentage of units that are affordable, per the City's Unified Housing Policy. Mr. Champeau also responded to the comment on mixed-income housing that it is a financing challenge. For example with Parcel 1A in Phase 2, if senior co-op (market rate) could incorporate units at 50-60% AMI but would be limited to 5-10% of units – so for 72 units would get maybe 7 that are affordable.

Mr. Champeau responded to a question about how that relates to the City's expectation of 20% affordable units, and stated that the City's Unified Housing Policy would apply across the entire site and that the housing that is proposed exceeds that. Mr. Champeau responded to a question on how the senior housing is enforced, that it those units are age-restricted. Committee comment to follow-up on how housing can be age restricted but not race or ethnicity.

Committee comment on mixed-use senior housing project, that the Committee doesn't want to be forced into a decision between all market rate or all affordable in the building. The Committee wants a mixed-use project that does not try to solve all of the affordability crisis for the City, but creates the kind of mixed income neighborhood the Committee wants to see.

Committee question if affordability can be included within a mixed income community, does the developer get any subsidy from the City to meet inclusionary zoning requirements and are the units different than the market rate. Mr. Champeau responded that there would be a requirement for 10% of the units to be affordable and that there would not be any subsidy provided to deliver those affordable units, and that the units are the same and there is no designation to make them appear separate.

Mr. Champeau responded to a Committee question regarding the use of New Markets Tax Credits (NMTC) for the development and stated that the tax credits would only kick in if 20% of the income from the project is from commercial space. The team is trying to use all of the financing available, which could involve Low Income Housing Tax Credits (LIHTC) for the housing and a separate condo for the commercial which could utilize NMTC. NMTC would potentially allow the developer to better subsidize the commercial rents, and noted that it is complicated but possible.

Committee comment that there seems to be a lot of interest in affordable senior rather than market rate senior, but that everyone would need to be comfortable with the delayed timing of the Phase 2 development. Committee comment that what would happen if the density/height of Parcel 7A was reduced – is that would reduce the market rate number of units significantly. The Committee is trying to say what to do with those though it won't be built immediately, and could extend the timeline on this recommendation.

Committee comment regarding the conversation on mixed-income housing at 1/3 below 30%, 1/3 below 50% and 1/3 market rate – that Mr. Champeau should speak to the viability and feasibility of this.

Mr. Champeau responded that at the Committee Design Day in February the 4 housing developments proposed would create the mixed-income community and distribution of affordability the Committee has been asking for by distributing it across the overall project than within every building. Once market rate is introduced into a development, it can no longer qualify for the subsidies needed to provide the affordability requested. If market rate is introduced then there would be minimal affordable units in that development.

Committee question about a development at Lowry and Marshall with homeless units up to market rate. JoAnna Hicks, Element/City of Minneapolis, noted that according to the Common Bond website, that project is providing 26 units at 50% Area Median Income (AMI) (with project based Section 8 so residents pay 30%), 51 units at 60% AMI, and 51 market rate units at 13% below area market. Also includes 10 units for formerly homeless within the 26 units at 50% AMI.

Committee comment to not contradict other motions group already acted on and asked if the 1/3 split would skew the numbers for affordability that the Committee has already agreed on. Mr. Champeau responded that would skew the previously decided affordability split.

Committee comment that this would directly contradict the motion at the 11/4 meeting that approved a mix and range of affordability for Phase 1, that this goes against the recommendation the Committee made for Phase 1, and that having some of the market rate in one building in 7A would be a compromise but would help achieve the mixed-income between buildings. With the Unified Housing Policy across the site and the benefit of receiving more ground lease payments from the market rate, it is a compromise.

Committee question if the 1B Phase 2 senior affordable rental would be the same range as Parcel 1A in Phase 1. Mr. Champeau confirmed this.

Committee comment regarding the February Design Day and dot-voting posters that the votes for Parcel 7A were for unrestricted (market rate) housing and townhomes along the street. Comment that this is a balancing act and questioned where the money will come from to allow affordable units in 7A.

**Motion to table the discussion to give Mr. Champeau time to determine whether there is a model that promotes that 1/3 split in each building.**

**Motion: English**

**Second: Maguire**

**Motion passed 10 yay – 0 nay – 0 abstain**

Committee discussion on recommendation points regarding exceeding Critical Area height limits on the river. Mr. Champeau noted that if the developments are going to exceed the Critical Area limit, the City will need to grant a variance for the height for Parcels 1A, 1B and 6A in order to achieve the numbers that are shown. For 7A, if there will be a building more than 6 or 7 stories

(proposed is 15) would need to use a different construction type which costs more, so that will be determined by the affordability structure.

Committee question if the proposals could go higher than proposed on all buildings on the river. Mr. Champeau responded that those buildings as proposed could increase one more level at most, however with that construction type start to run into issues with parking and also not proposing to increase the heights on the river that much.

Committee question if the lower density option of townhomes on the river would also be able to have some affordability and if an apartment building has 100 units if that would be approximately 5 stories. Mr. Champeau responded that there are models like that and confirmed that 100 units at the proposed density would be about 5 stories, and referred to the height discussion as part of the February Design Day.

Committee question if what the Committee is seeing proposed is in excess of what is currently allowed, and what buildings exceed those restrictions. Ms. Hicks referred to the Housing Memo from the 2-22-20 Design Day that notes that height limits related to zoning and confirmed that the Critical Area and Shoreland Overlay District allows height of 35'. Mr. Champeau noted the proposed buildings that would exceed this is 1A, 1B, 6A and potentially 6B depending on the Hub design, and the venue.

Committee comment that that if the developments maximize the highest density for 7A, that is only achievable with market rate and want to know what kind of rationale the City would need for approval of the variance.

Committee question on what is currently allowed for 7A. Mr. Champeau responded 5-6 stories, and responded to another question about achieving affordability with 5-6 stories. Committee comment that 7A will take more discussion.

Committee comment on Housing Memo, that what is shown is 4 levels of housing above parking, which would require exceeding Critical Area Overlay and Shoreland Overlay for 1A and 1B riverfront parcels, and that 6A proposed 4 levels of housing plus parking would require Conditional Use Permit for the Critical Overlay which was 65' for 6A.

**Motion to support advocating for a conditional use permit to exceed the heights currently in the Shoreland Overlay and Critical Area Overlay district to accommodate additional affordable housing for parcels 1A, 1B and 6A.**

**Moved: Newman**

**Second: Smith**

**Motion passed. 8 yay – 2 nay (Pennie, Maguire) – 0 abstain**

Nays did not support the motion to exceed 65' and did not support any height variance.

Committee comment supporting the motion because the development cannot support everything, and that people in North Minneapolis deserve the same things as those in downtown Minneapolis.

## **New Business**

5. Proposed Community Benefits

[11-14-20 UHT CPC Proposed Community Benefits in Future UHT Agreements](#)

[11-14-20 UHT CPC DRAFT City-Developer Community Benefits-Housing Parcels](#)

[11-14-20 UHT CPC DRAFT City-Developer Community Benefits-Jobs Parcels](#)

[11-14-20 UHT CPC DRAFT City-Developer Community Benefits-CPAC](#)

**Action Taken: Continued to meeting of Nov 18, 2020**

## **Adjournment**

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A portion of this meeting may be closed to the public pursuant to MN Statutes Section 13D.03 or 13D.05.

**Next Upper Harbor Terminal Collaborative Planning Committee meeting: Nov 18, 2020**

**Submit written comments about agenda items to:** [councilcomment@minneapolismn.gov](mailto:councilcomment@minneapolismn.gov)

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