



AGENDA
PLANNING COMMISSION WORK SESSION

December 5, 2024 - 6:00 PM
City Hall Marion Conference Room

1. Zoning Ordinance discussion
 - a. Discussion of possible ordinance amendments intended to address missing middle housing issues.
2. 2025 PC meetings
 - a. Discussion of the 2025 meeting dates.



MEMORANDUM

TO: Community Development Director Tina Goodroad
Planning Manager Kris Jenson

FROM: D. Daniel Licht

DATE: 22 November 2024

RE: Lakeville – Zoning Ordinance; Missing Middle Housing

TPC FILE: 135.01

BACKGROUND

Mayor Luke Hellier convened a discussion on 26 August 2024 with several builders active in Lakeville regarding Missing Middle housing issues. Missing Middle housing is the gap in the market of new housing supply attainable by median or lower income households caused by economic and regulatory factors that include land values, materials, labor, interest rates, regional development policies, and development regulations. Mayor Hellier's intent for the discussion session is for the city to proactively engage with residential builders to collaborate on potential solutions that benefit Lakeville, its existing and future residents, and the residential builders. Session participants all agreed that changes only to local development regulations would not significantly address housing cost issues, but the residential builders believed that such changes may expand the range of new housing values available in the market.

Many of the Lakeville development regulations mentioned by the residential builders at the discussion session were implemented following the completion of the 1994 Growth Management Strategic Plan, adoption of the 1998 Comprehensive Plan, and amendments of the Zoning Ordinance in 2000. Based on the history of our office's service to Lakeville and involvement in these and subsequent planning efforts, City staff requested we provide background information on these regulations for consideration by the Planning Commission at a work session scheduled for 5 December 2024.

ANALYSIS

Regional Density Requirements. The Metropolitan Council establishes minimum density thresholds for residential development within the Twin Cities Metropolitan Area within the regional development plan adopted every 10 years. The current ThriveMSP 2040 plan requires that the overall density of residential development in Lakeville be a minimum of 3.0 to 5.0 dwelling units per acre, which is effectively an increase from the prior 2030 regional plan requirement of a minimum of 3.0 dwelling units per acre. The Imagine 2050 regional development plan further increases the minimum residential density requirement

to 4.0 dwelling units per acre. There is no reason to expect that the required minimum residential development density requirement will not increase with subsequent regional development plans. The increases in minimum development density required for residential land uses necessitates that the City review its development regulations to consider opportunities to achieve the required density with housing consistent with the City's goals.

1994 Growth Management Strategic Plan. The City initiated a strategic planning effort in 1994 to identify means of ensuring growth in Lakeville was managed and fiscally sustainable. Following approval of the 1994 Growth Management Plan, the Zoning Ordinance was updated to increase minimum lot area requirements, establish residential buffer yard and tree preservation requirements, include a provision that site plans for single family dwellings include space for three car garages, etc. Many of these development regulations have been modified over time but remain in place today.

2000 Zoning Ordinance Update. A fundamental goal of the 1998 Comprehensive Plan and 2000 Zoning Ordinance update was to standardize development requirements and allow for certain flexibilities through administrative permit, conditional use permit, or interim use permit processes. The objective of this effort was to minimize the use of Planned Unit Development as either a PUD, Planned Unit Development District that would allow for approval of any density or land use allowed by the Zoning Ordinance within a single project or as a Planned Unit Development – Conditional Use Permit that allowed for flexibility from any setback, height, lot area, width and depth, yards, or other dimensional standard.

PUDs are meant to allow for a higher level of development than can be realized through standard zoning requirements that benefit both the city and the developer. In practice, PUDs can be overutilized resulting in a myriad of standards applied from development-to-development with no consistency and providing no expectation on the part of residential builders as to what the City's minimum requirements are. A primary example of this would be townhouse developments in the city approved prior to 1998 that were required to be completed as PUD Districts as there were no performance standards set forth for multiple principal buildings on one lot, use of private drives, or design and construction standards for this form of residential land use.

The city prohibited use of PUD Districts for land guided by the Comprehensive Plan for Low Density Residential uses and eliminated Planned Unit-Development-Conditional Use permit as a planning tool with the 2000 Zoning Ordinance update. The 2000 Zoning Ordinance update also resulted in establishing the RST-2, Residential Single- and Two-Family District, RM, Residential Medium Density Districts, and RH, Residential High-Density Districts that included lot requirements and design construction standards for townhouses and multiple family dwellings. The development of these standards was based initially on ensuring sustainability of the City's housing supply in terms of livability, durability, and finance.

Residential builders participating in the discussion session were divided between wanting to see greater opportunity to utilize PUD Districts for their projects or a preference for the standardized approach implemented with the 2000 Zoning Ordinance Update.

Existing Zoning Ordinance: The following paragraphs outline specific provisions of the Zoning Ordinance noted at the discussion session that could be reviewed in response to Missing Middle housing issues. We have provided these in the order in which they are included in the Zoning Ordinance for ease of reference. The Planning Commission may discuss the opportunity to amend any or all of these provisions without regard to preference or priority.

- **Attached Garages.** The City established minimum area requirements for garages attached to single, two family, detached townhouse, and townhouse dwellings with the 2000 Zoning Ordinance update. The Zoning Ordinance was later amended to add minimum width requirements.

Dwelling Type	With Basement	Without Basement	Minimum Width
Single and Town Family	480sf.	540sf.	22ft.
Detached Townhouses and Townhouses	440sf.	540sf.	20ft.

The purpose of the minimum area requirements is to ensure that there is sufficient space within the garage for parking two vehicles, which is the off-street parking requirement established by the Zoning Ordinance for single family, two family, detached townhouse, and townhouse dwellings. The minimum area requirements also provide for storage space within the garage for storage of waste containers, bicycles, outdoor recreation equipment, seasonal decorations, etc. The minimum area required for dwellings without basements reflects that storage use within the garage is often needed when there is less space inside the dwelling itself.

Residential builders offered the following points regarding the minimum garage space requirements, particularly the additional space required for dwellings without basements:

- No other cities have a similar requirement for additional storage space for dwellings without basements.
- The minimum area requirement, especially that for dwelling units without basements, requires residential builders to modify their building plans specifically for Lakeville.
- A garage area less than 480 square feet is functional and other areas of the country are seeing increased use of one-car garages for townhouse dwellings.

The Planning Commission may consider amendment to the minimum area and width requirements, including eliminating the additional minimum area required for dwellings without basements.

Reference: 11-18-7.D; 11-57-19.C.; 11-58-21.C; 11-59-21.C

- **Residential Buffer Yards.** The City established standards requiring installation of landscaping and/or berms in yards abutting major collector and arterial streets for residential lots following the recommendations of the 1994 Growth Management Strategic Plan to minimize the impacts of high-volume traffic corridors on adjacent residential neighborhoods. The residential buffer yard requirements also included increasing the minimum depth of double frontage lots, width of corner lots, and setbacks abutting major collector or arterial streets to accommodate the landscaping. The residential buffer yard requirements were later amended to establish minimum height requirements for the screening in relation to the adjacent major collector or arterial street to provide for an effective buffer, which also triggered a corresponding increase in the minimum lot depth and lot width requirements for these lots.

The development standards required for lots abutting major collector and arterial streets reduces the density of development and results in lot sizes larger than that required by the Zoning

Ordinance applicable to interior lots. This is problematic for residential builders as it reduces the potential economic utilization of the parcel for development. The reduction in density also has implications for the City in terms of being able to achieve the minimum residential density required by the regional development plan adopted by the Metropolitan Council. Residential builders also noted as part of the discussion session that the quantity and height of landscaping adds cost to the development.

The Planning Commission may consider changes to the residential buffer yard requirements to reduce the lot and setbacks requirements and/or minimum planting specifications. It should be noted that reducing the minimum height of the residential buffer yard will have a corresponding effect on the minimum lot depth and width requirements (and thus lot area) for residential buffer yard lots.

Reference: 11-21-9.E

- **Single Family Lot Requirements.** Single family zoning districts consisted of the R-1, R-2, and R-3 Districts until 2010. The RS-4 District was established with the 2010 Zoning Ordinance update to provide an additional “small-lot” single family district reflecting changes to the housing market after the Great Recession of the 2000s. The single-family lot standards for the RS-4 District are used for single family lots allowed in the RST-1, RST-2 and RM-1 Districts or where a transitional land use is required in the RM-1, RM-2, RH-1, or RH-2 Districts.

District		Minimum Lot Area ¹	Minimum Lot Width ¹
RS-1		20,000sf.	100ft.
RS-2		15,000sf.	100ft.
RS-3		11,000sf.	85ft.
RS-4		8,400sf.	70ft.
RST-2	Permitted	8,400sf.	70ft.
	By CUP	7,500sf.	55ft.
1. Interior lot			

The City recently amended the Zoning Ordinance to include Section 11-57-7.H allowing greater flexibility from the single-family lot requirements within the RST-2 District by approval of a conditional use permit, shown above. The intent of these provisions was to codify the flexibilities allowed by the PUD Districts for Spirit of Brandtjen Farm and Avonlea such that lots of varied area and width could be incorporated into a neighborhood. Lots with varied lot areas and lot width expands housing choices within individual developments, utilizes developable land more efficiently and helps to achieve regional density requirements. Brookshire was the template development that these standards were first utilized for. These provisions of the lot area/width flexibility were raised at the discussion session:

- **Zoning District.** The lot area flexibility is limited to only the RST-2 District. To expand the opportunity to apply such flexibility to more areas of the City, consideration may be given to incorporating allowing lots less than 8,400 square feet or 70 feet in width within the RS-4 and RST-1 District.

- **Minimum Lot Area.** The minimum lot area required is 7,500 square feet, but the Zoning Ordinance includes additional limitations. The mean and median area of the lots within the preliminary plat must be equal to or greater than the base district allowance. The intent of the mean area requirement is to 1) ensure the overall density is generally consistent with what would be allowed by the basic lot area and width requirements. The median lot area requirement ensures that the majority of lots are not significantly less than the basic lot area (and width) requirement with only the minimum necessary number of lots greater than the district minimum to achieve the mean lot area standard. The number of lots with an area or width less than the basic requirement of the district is also limited to 35 percent. The Planning Commission may consider:
 - Modifying or eliminating the mean lot area or median lot area requirements.
 - Modifying or eliminating the percentage limit on the number of lots with area or width less than the district minimum.
 - Requiring only that the density of the preliminary plat must be consistent with the land use guided by the Comprehensive Plan as a limit on the number and area of lots less than the district minimum.
 - Making the minimum 7,500 square foot area and 55-foot lot with the standard lot requirements within the RST-2 District.

These changes would be responsive to comments from the residential builders that the existing provisions are cumbersome to navigate as part of the subdivision design process. City staff believes changes that make these provisions easier to administer would be beneficial and would help meet minimum regional density requirements. One concern of City staff with reducing the minimum lot area and lot width requirement other than with these additional criteria or through a conditional use permit process is the City's ability to influence the subdivision design is minimized.

The Comprehensive Plan encourages subdivision design to utilize a curvilinear street layout that responds to existing natural conditions of a parcel, results in variations in lot areas and widths, and minimizes through traffic and vehicle speeds opposed to a grid layout for streets and blocks. A condition requiring curvilinear subdivision design could be added to the Zoning Ordinance in combination with the other possible modifications to address this issue.

- **Minimum Plat Area.** A minimum preliminary plat area of 100 acres is required to qualify for the lot area flexibility as a conditional use. The intent was to approach such flexibility conservatively, at least initially, limiting the potential application to large tracts. Consideration may be given to reducing or eliminating the minimum preliminary plat area criteria. However, we would note that in order to provide a reasonable variety of lot areas/widths, a development does need to have a certain scale. We would recommend that the minimum preliminary plat area not be lowered to less than 20 acres (unless allowed as the minimum lot area and width within the RST-2 District).

Reference: 11-53-13; 11-56-13; 11-57-7.H

- **Base Lot Setbacks.** Detached townhouses and townhouse dwellings can be platted in two ways: as a unit and base lot or as a Common Interest Community. When townhouses are platted in a unit and base lot, the building and its dwellings are sited within an individual unit lot(s) surrounded

by a base lot owned in common by the homeowner's association. The Zoning Ordinance requires a 30-foot setback from a detached townhouse or townhouse building to the base lot perimeter lot line.

The 30-foot setback was established with the 2000 Zoning Ordinance update when the City required a typical 30 foot front yard setback requirement and was meant to separate the townhouse dwellings from surrounding land uses. The Zoning Ordinance has been amended to allow a smaller 20-foot setback on the side of a townhouse building to public rights-of-way. Interior to the base lot, a minimum setback of 14 feet between detached townhouse buildings and 20 feet between townhouse buildings is required and the garage face of a town house must be setback 25 feet from public rights-of-way.

The residential builders at the discussion session and City staff agree that overlapping and varied setback requirements are difficult to apply and reduce the efficiency of development. The Planning Commission may consider the following changes to the RST-2, RM-1, RM-2, RH-1 and RH-2 Districts, which mirror the requirements of the R-3 District:

- Reduce perimeter setback to 10 feet.
- Minimum setbacks between all buildings within the same base lot of 14 feet.

Reference: 11-57-15.B; 11-58-17.B.1; 11-59-17.A; 11-61-15.D and E 11-62-15.D and E

- **Exterior materials.** One of the requirements standardized with the 2000 Zoning Ordinance update was exterior finishes for detached townhouse and townhouse dwellings. The intent of the regulations is to require durable materials that will minimize long-term maintenance for homeowner's associations. These requirements have been modified over time to include new materials such as fiber cement siding or engineered wood:

1. *A minimum 25% of each elevation must be brick or stone.*
2. *No one elevation may have more than 75 percent of one finish except for brick or stone.*
3. *No material may be used for more than 60 percent of all elevations except for brick or stone.*
4. *Except on the front elevation, rock face block, cement fiberboard, or engineered wood qualifies for meeting the brick or stone requirement provided that it extends the full width of the foundation and is at least 60 percent of the area of the elevation.*

The Planning Commission may consider changes to these exterior material requirements, such as eliminating the requirement for brick or stone on the front elevation or a reduction in the required minimum of brick or stone alternative materials.

Reference 11-57-19.B.3; 11-58-21.B.3; 11-59-21.B.3

- **Planned Unit Development.** As noted above, the 2000 Zoning Ordinance update include prohibiting use of PUD Districts for land guided Low Density Residential uses by the

Comprehensive Plan. This provision was amended to provide for a PUD District for a development of at least 540 acres allowing for the Spirit of Brandtjen Farm development and amended again to require a minimum of 320 acres allowing for the Avonlea development. Both of these developments were considered to be extraordinary projects that had been the subject of years of planning and include amenities well over and above any City requirement, especially as it relates to parks and open space.

As Lakeville continues to develop at a sustained pace, the number of large tracts to which the option of using a PUD District for development will continue to decrease. Furthermore, remaining, smaller undeveloped parcels may have challenges that cannot be easily addressed through the conventional standards of the Zoning Ordinance. Area's west of I-35 Lakeville are examples. Whereas the 1994 Growth Management Strategic Plan recommended addressing these challenges through larger lot sizes and less dense development, such considerations are not practical given regional minimum residential development densities that are now required to be maintained. This approach to development also does not provide for the same level of natural resource or open space protection that the city achieved through the PUD Districts of Spirit of Brandtjen Farm and Avonlea.

The Planning Commission may consider reducing the minimum area required for use of a PUD District to allow for greater flexibility in the use of such tools. Use of PUD District would remain at the discretion of the City with Planning Commission review and City Council approval. The purpose statements in Section 11-96-1 of the Zoning Ordinance provide guidance as to the appropriate use of PUD Districts:

- A. *Provide for the establishment of PUD districts in appropriate settings and situations to create or maintain a development pattern that complies with the comprehensive plan.*
- B. *Allow for the mixing of land uses within a development when such mixing of land uses could not otherwise be accomplished under this title.*
- C. *Provide for variations to the strict application of the land use regulations in this title in order to improve site design and operation, while at the same time incorporating design elements (e.g., construction materials, landscaping, lighting, etc.) that exceed the city's standards to offset the effect of any variations.*
- D. *Promote a more creative and efficient approach to land use within the city, while at the same time protecting and promoting the health, safety, comfort, aesthetics, economic viability, and general welfare of the city.*
- E. *Preserve and enhance natural features and open spaces.*
- F. *Maintain or improve the efficiency of public streets and utilities.*
- G. *Ensure the establishment of appropriate transitions between differing land uses.*

Reference: 11-96-3

CONCLUSION

The information outlined herein is provided as background as to many of the development regulations discussed by Mayor Hellier, City staff, and residential builders current active in Lakeville related to Missing Middle housing issues. The Planning Commission will review this information at a work session on 5 December 2024. City staff is requesting input and direction as to areas of the Zoning Ordinance that the Planning Commission would recommend exploring possible amendments addressing Missing Middle housing issues. City staff would then proceed to prepare additional information and ordinance language for review and discussion by the Planning Commission.



Memorandum

To: Planning Commission
From: Kris Jenson, Planning Manager
Date: November 25, 2024
Subject: 2025 Meeting dates

In an effort to reduce surprises or confusion when meeting dates may need to change, staff is proposing making any possible meeting date changes now, so Commissioners are able to add these to their calendars for planning purposes. The proposed 2025 meeting dates are as follows:

January 2 – shift to January 9
January 16 – shift to January 23
February 6
February 20
March 6
March 20
April 3
April 17
May 1 – shift to May 8?
May 15 – shift to May 22?
June 5
June 19
July 3 – cancel due to Independence Day holiday
July 17
August 7
August 21
September 4
September 18
October 2 – shift to October 9?
October 16 – shift to October 23?
November 6
November 20
December 4
December 18

The January dates will be shifted to January 9 and January 23 as a January 2 meeting date would require Community Development staff to prepare and publish the agenda and packet during the week of Christmas, when most staff have taken time off and won't be available. Shifting these two dates also puts the PC meetings on the same week as the City Council meetings.

Consideration should be given to shifting the May meetings – the 1st and the 15th. Not only are these dates offset from City Council meetings, but the Parks, Recreation, and Natural Resources Commission (PRNRC) meets on the first and third Wednesdays of the month, so their meetings

would be offset from Planning Commission. This can raise issues as the PRNRC reviews and makes recommendations to City Council on most residential plats, utilizing the reports drafted by Planning and Engineering. Shifting the PC meetings to May 8 and 22 puts the meetings back on schedule to align with PRNRC meetings.

The July 3 meeting will be cancelled due to the Independence Day holiday on the following day. The July 17 meeting is proposed to remain in place.

In October, the PC meetings would be set for the second and the 16th. While this would mean that the PC meetings are offset from City Council, the meetings would still align with the PRNRC meeting schedule. The other consideration is that the October 16 meeting would fall over MEA, which can be a conflict for staff and applicants at times.

Community Development staff is asking Commissioners for their input on these possible changes.