

PLAT MONITORING PROGRAM RESIDENTIAL PLATTING IN DEVELOPING COMMUNITIES IN THE TWIN CITIES REGION, 2021



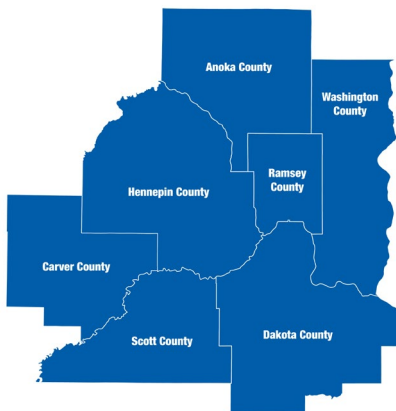
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July 2022

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About the Program

The Plat Monitoring Program (Program) tracks and monitors development in 45 communities in the region, mostly located within areas designated as “Suburban Edge,” “Emerging Suburban Edge,” and “Rural Center” in *Thrive MSP 2040* (Figure 1), the metropolitan area’s development guide. The objective of the Program is to measure the success of local implementation of Council policy by providing an annual report on sewer residential development in some communities, including the average density, the mix of new sewer residential development, the number of units platted, the amount of land developed, and the land use consumption. This data creates a baseline for land supply and tracks the housing mix and density of new residential developments. Twelve communities participated in the pilot Program in 2001, reporting on sewer residential plats approved in 2000. The pilot Program focused on communities with the corresponding designations of “Developing” and “Rural Center” in the *2030 Regional Development Framework* (Figure 2). The Program continues to grow to cover more communities as the Twin Cities region develops.

The Program provides baseline data on residential development trends in participating communities and was designed to help answer the following questions:

- Is residential development consistent with Metropolitan Council policies?
- How are communities accommodating residential development in comparison to their local comprehensive land use plans?
- What is the mix of housing types that communities are approving each year (single family vs. multi-family)?
- How is residential land being developed within the Metropolitan Urban Service Area (MUSA)?
- What is the lot absorption rate for residential plats in the region?

Since 2001, the Council annually reports on residential development in participating communities using data collected through the Program. The Program assists communities and the Council in assessing a community’s consistency with the Council’s residential density policy, which requires sewer residential development to occur at a minimum density of 3 to 5 units per net developable acre for communities with the Suburban Edge, Emerging Suburban Edge, and Rural Center designations. By maintaining a record of approved sewer subdivisions, the Council and metropolitan communities can evaluate the success of communities in implementing the density policy and the extent to which the wastewater treatment system is being used efficiently. In addition, participating communities receive credit for residential plats meeting the Council’s density policy and gain increased development flexibility within the MUSA for approving

Figure 1. Thrive MSP 2040

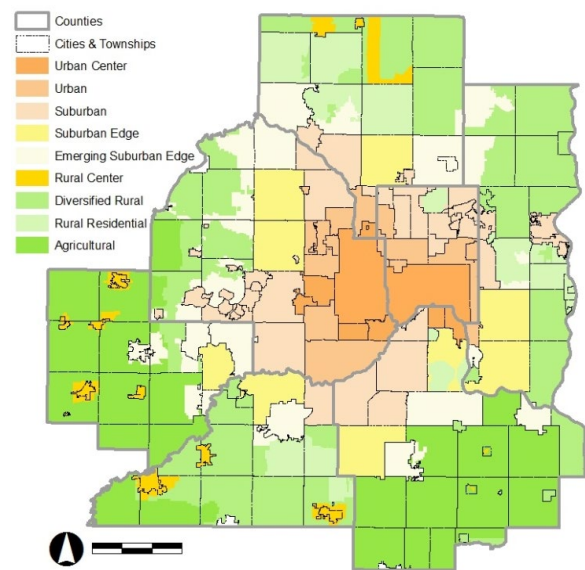
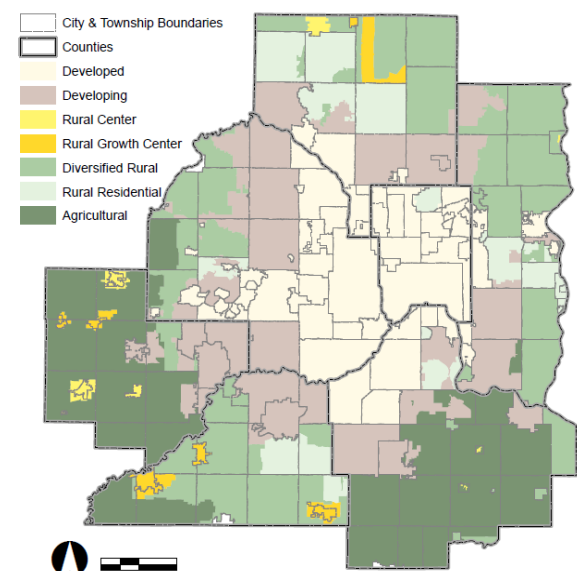


Figure 2. 2030 Regional Development Framework



plats that exceed the density policy. For example, if the overall net density of a participating community is higher than 4 units per acre, that community can approve lower residential densities, so long as the overall net density remains above 3 units per acre. The credit from the Program is crucial information in reviewing comprehensive plan updates and amendments to provide more flexibility for the communities as they consider guiding lower density land uses. It is also a key implementation tool in Council's review of Sanitary Sewer extension permit applications.

History of Program Participants

In 2001, the Metropolitan Council initiated the Plat Monitoring Program with input from the Builders Association of the Twin Cities (BATC), currently known as Housing First Minnesota, and MetroCities (formerly the Association of Metropolitan Municipalities). Participating communities complete an annual summary worksheet and submit copies of plats approved during the calendar year.

The initial 12 volunteer communities included Blaine, Chanhassen, Eden Prairie, Hugo, Inver Grove Heights, Lakeville, Maple Grove, Ramsey, Savage, Shakopee, Waconia, and Woodbury. In 2002, the City of Farmington was added to the Program. As conditions of amendments to expand Metropolitan Urban Service Area (MUSA), Empire Township and the Cities of Andover, Lino Lakes, Medina, Minnetrista, Rogers, Rosemount, and Victoria were added to the Program in 2003. The City of Brooklyn Park was required to report sewer residential plats starting with 2006 plats as a condition of a land use amendment. In 2007, the Cities of Cottage Grove and Orono were required to join the Program as conditions of comprehensive plan amendment requests, while the City of Eagan voluntarily joined the Program.

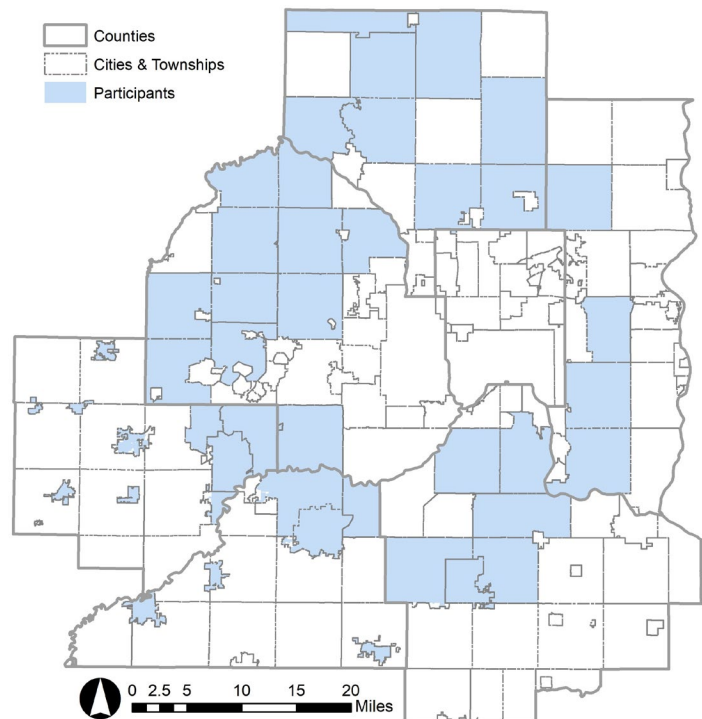
In 2008, as a part of the decennial review of comprehensive plan updates, the Cities of East Bethel, Mayer, and New Germany were added to the Program. Another 18 communities, including a number of communities designated as "Rural Center," joined the Program as part of the decennial review of their 2030 comprehensive plan updates: the Cities of Belle Plaine, Carver, Chaska, Cologne, Columbus, Corcoran, Dayton, Elko New Market, Independence, Jordan, Mayer, Norwood, Young America, Nowthen, Oak Grove, Plymouth, Prior Lake, St. Francis, and Watertown. The City of Lake Elmo also joined the Program in 2013. In 2015, the City of Nowthen was dropped from the Program due to the Council ending its plans for long-term sanitary sewer extension for the community.

Analysis

This report analyzes sewer residential development in 44 cities and one township (see Figure 3). This report also shows the trends for all the participating communities since the inception of the Program for years with submitted data, including year-to-year density and housing mix comparisons.

From 2000 to 2021, participant communities platted an average of 5,747 single-family and multi-family housing units each year. After peaking in 2003 with over 10,000 housing

Figure 3. 2021 Participating Communities

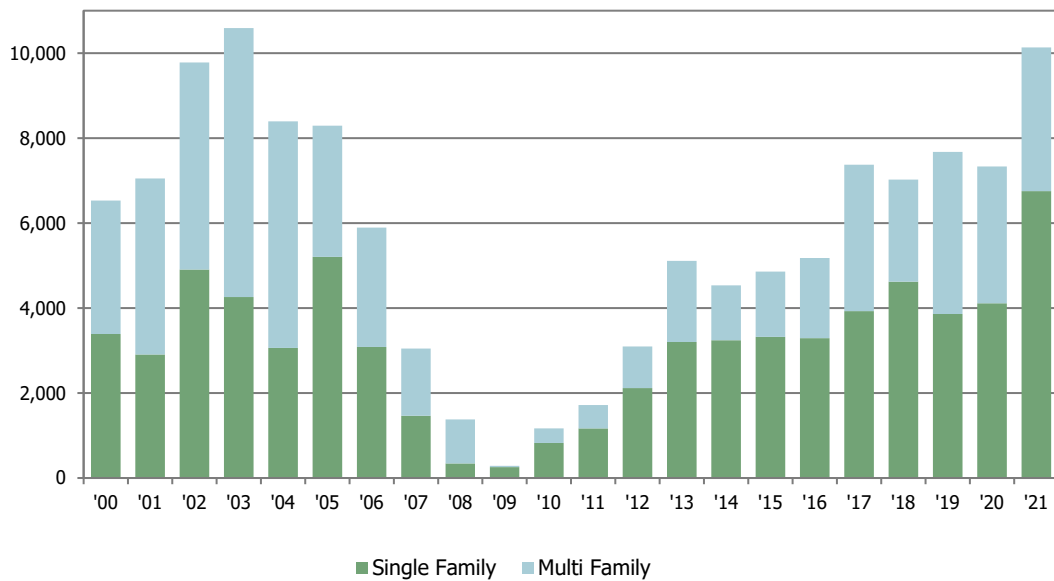


units platted, this number declined from 2004 to 2009 when only 286 units were platted, which was the lowest number of plats recorded in the history of the Program. Since 2009, the participating communities have seen an overall increase in the number of platted units. In 2021, the number of housing units platted nearly matched the peak in 2003 with 10,135 units platted. A total of 179 plats were recorded by 45 participating communities in 2021, which is the highest number of plats reported during the Program.

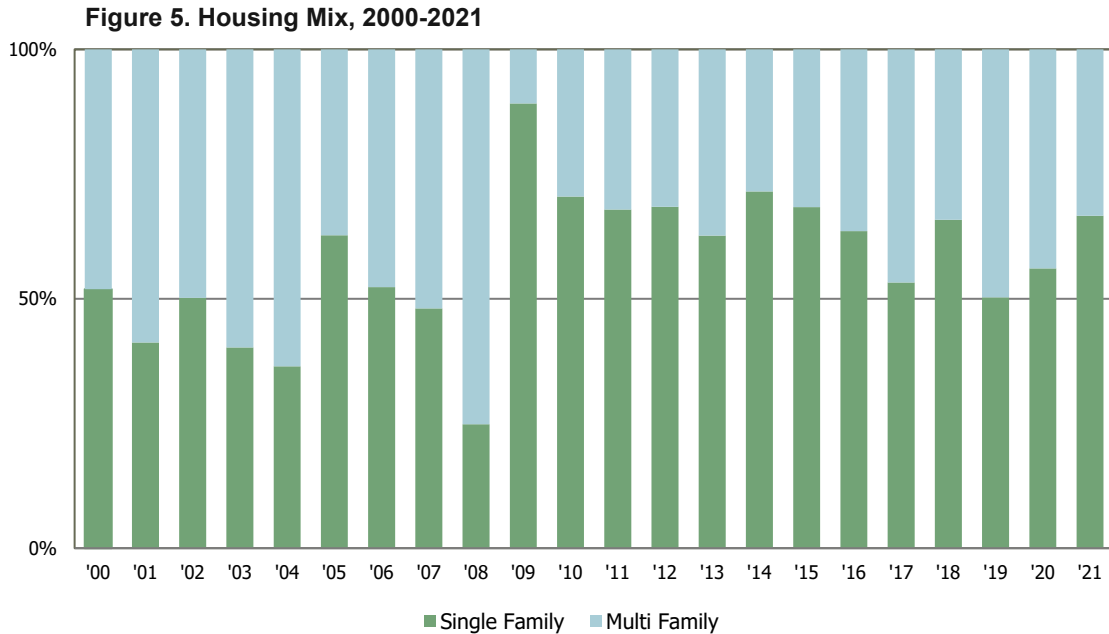
Total housing units and housing mix

In 2021, communities experienced an increase in platting numbers compared to 2020. The increase could be attributed to the thriving housing market despite the supply chain and labor challenges caused by the COVID-19 pandemic. As shown in Figure 4 below, platting activity has been increasing steadily since 2009.

Figure 4. Total Units Platted, 2000-2021



During 2021, 33% of the platted units were multi-family, for a total of 3,381 units. While the total number of multi-family units platted in 2021 is higher than in 2020, multi-family units represent a smaller share of total housing units in 2021 compared to 2020, when 44% of platted units were multi-family. There was also an increase in the number of single-family units platted in 2021 with 6,754 units representing 66% of total housing units platted, which is the highest number of single-family units platted in a year since the inception of the program. The next highest was in 2005 when 5,204 single-family units were platted. Additionally, although the share of single-family housing units in 2021 is 10% higher than in 2020, this is not abnormal. The composition of housing mix since 2000 (Figure 5) shows that, while there is variability from year to year, overall, there is almost an equal number of multi-family and single-family units platted over the course of the Program, for a total of 126,443 units. Since 2000, 55% of all units platted were single-family and 45% were multi-family.



Consistency with local comprehensive plans

Every year since the start of the Program, participant communities have approved plats that are consistent with the guided densities in their local comprehensive plans. The allowable density is measured based on the corresponding land use designation and density range described in local comprehensive plans for the platted properties.

As shown in Figure 6, the actual number of units platted in 2021 is within the range of overall allowable units for the participant communities as a group, although it is slightly closer to the lowest allowable number of units. The lowest allowable unit total is the sum of the number of units anticipated if all 179 plats were subdivided at the lowest allowable density defined in the applicable comprehensive plan. Likewise, the highest allowable units would have been expected if all the plats were subdivided at the highest allowable density based on the land use designation.

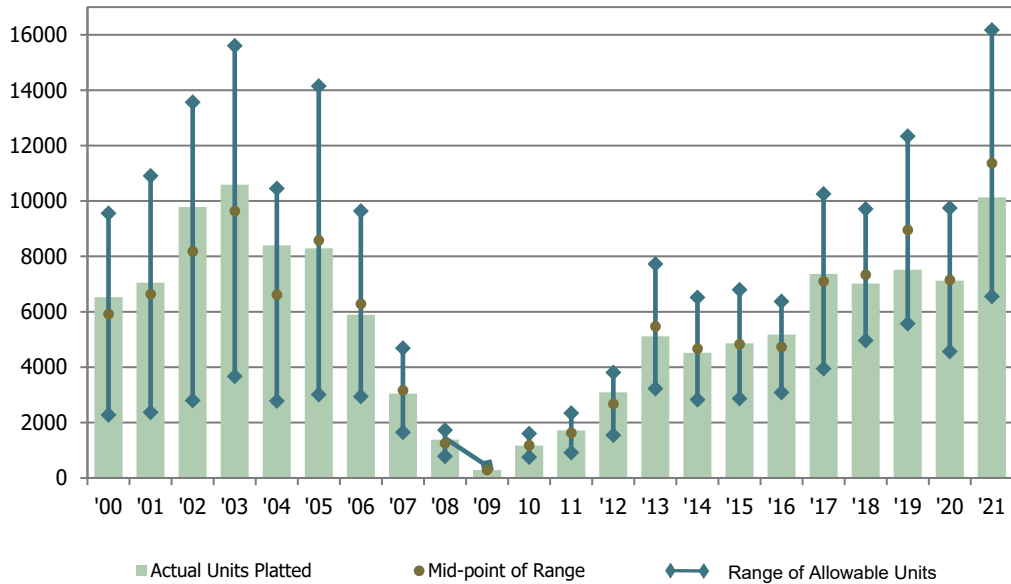
Figure 6. Allowable Number of Units and Number of Units Platted in 2021

Lowest Allowable Units	6,941
Highest Allowable Units	17,125
Actual Units Platted	10,135

Since 2000, participant communities have generally platted at a density around the mid-point of the overall density range. However, the total number of actual units platted has been below the mid-point of allowable units for the past five years.

The annual fluctuation of the number of units around the mid-point is not significant over the course of the Program. However, since 2005, the number of platted units has mostly been below the mid-point of allowable density range, except in 2008, 2012, and 2016 as shown in Figure 7. This trend shows both a demand in the market for lower densities in these communities, even during the market rebound, as well as the propensity of some communities to encourage development at densities lower than what might be proposed.

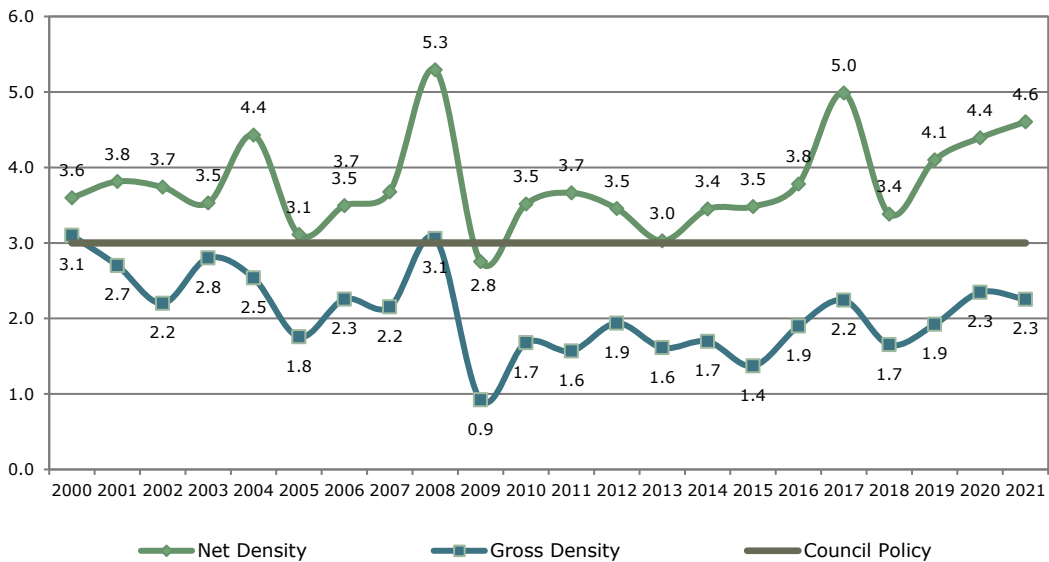
Figure 7. Planned and Actual Units



Overall density and Council policy

Based on the Council's *Thrive MSP 2040* and Council policies, Suburban Edge, Emerging Suburban Edge, and Rural Center communities are to maintain an average density of at least 3 units per acre. From 2000 to 2021, Plat Monitoring Program participants, as a group, have generally platted sewered residential developments at or above 3 units per developable acre (Figure 8), except for 2009, when recorded average density fell below 3 units per acre (2.8 units per developable acre).

Figure 8. Overall Densities, 2000-2021



During the reporting year of 2021, 20 communities reported two or fewer plats, while 14 communities approved five plats or more. Of the plats approved in 2021, seven of the participating communities had annual platted net densities below 3 units per acre: Cities of Carver, Hugo, Mayer, Medina, Orono, Prior Lake, and Victoria. Additionally, 10 participating communities did not record any plats in 2021, which is a decrease from 15 communities in 2020.

Since 2009, the number of units platted has been generally increasing, with the overall net density of platted units at 4.6 units per acre in 2021. While this density conforms to Council policies, there is still a gap between overall density in 2021 and the recorded peak of 5.3 units per developable acre in 2008. This gap reflects a change in market production towards larger-lot single family homes in these communities. From 2000 to 2021, the overall average net density of the plats in all participating communities is 3.8 units per acre.

Land utilization

The net developable acres in each plat are calculated based on an analysis of land cover and land uses on that property. Wetlands, natural bodies of water, publicly owned park and open space, arterial road rights-of-way, and land set aside for future development are subtracted from the gross residential acres to determine the net residential area. Communities are encouraged to take the most advantage of developable land to plan for anticipated units in order to achieve or exceed the minimum required net residential density of 3 units per acre.

Figure 9 shows the breakdown of land consumption from 2000 to 2021. The year 2009 marks the lowest use of platted land for residential development and the highest percentage of land reserved for future development, which is in sync with the economic downturn. With decreased housing demand and the economic crisis, about a third of gross residential acres had been reserved for future development as outlots (“Other use” in Figure 9). Despite the increase in the share of net residential acres since 2009, the percentage of net residential acres has yet to reach the highest levels in 2003 (79%), compared to 49% in 2021.

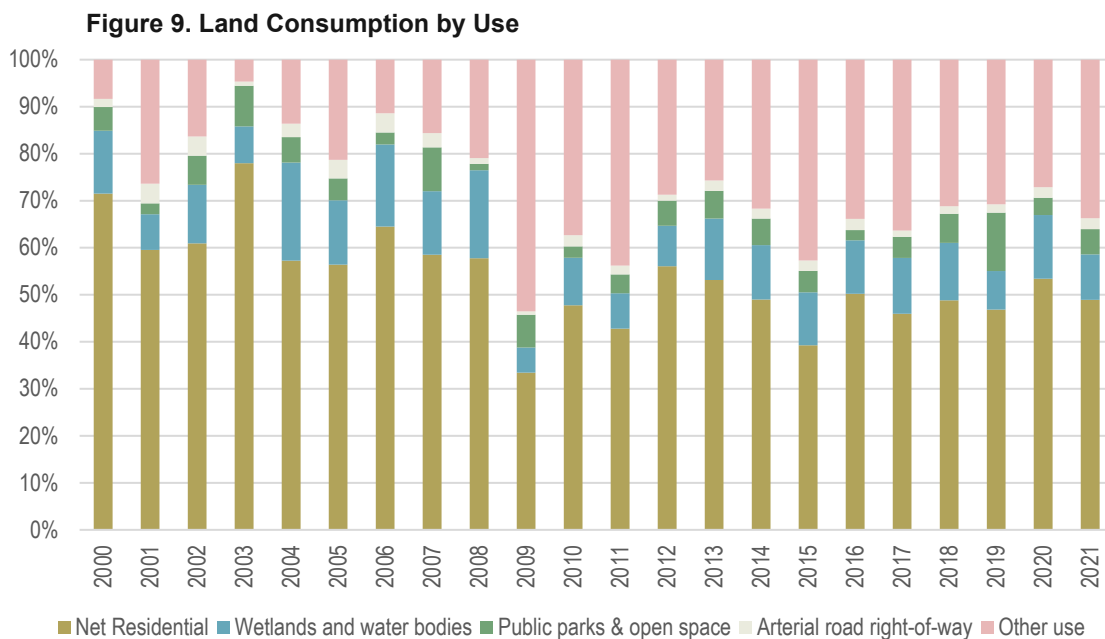
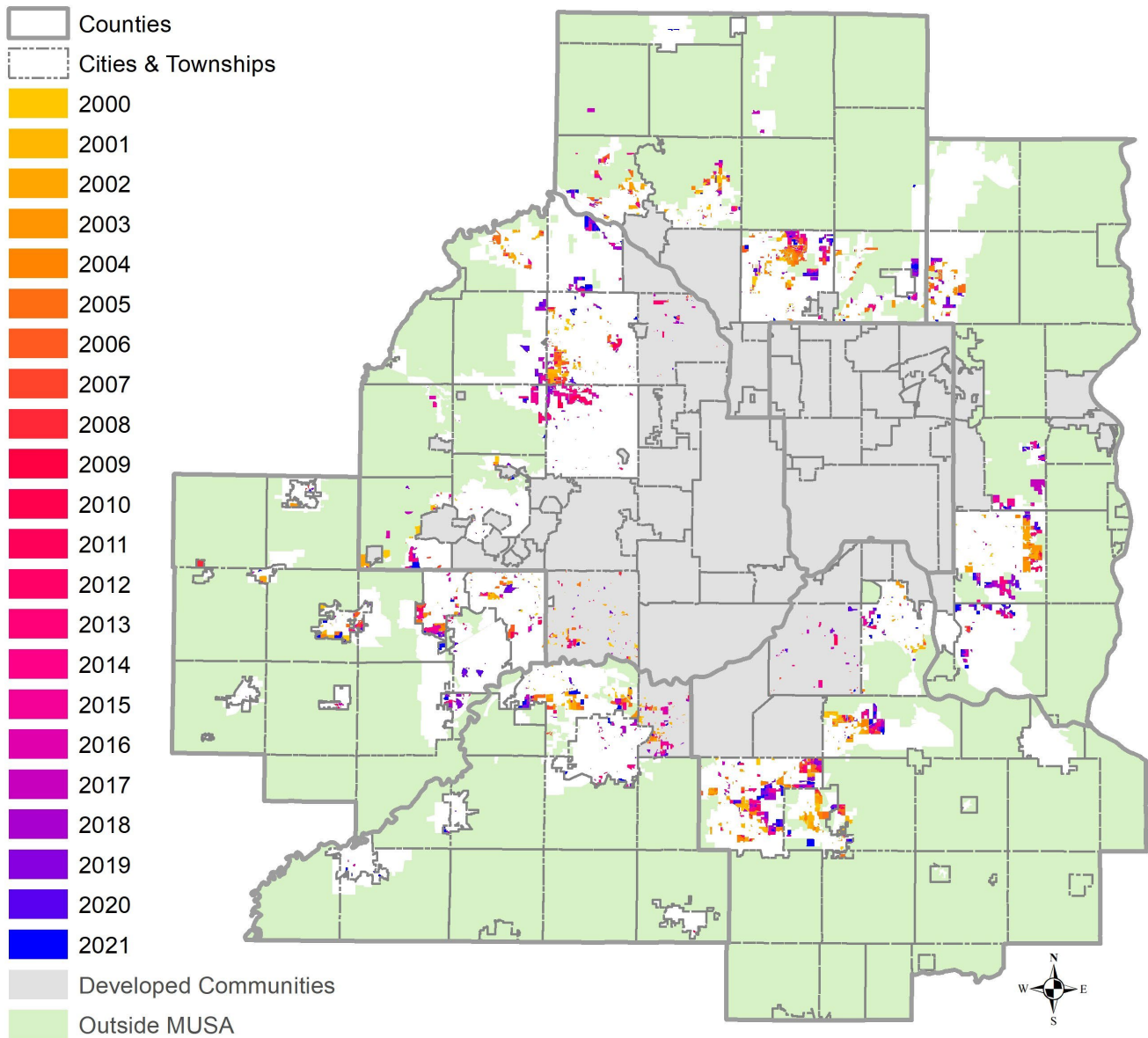


Figure 10 shows all the plats approved in the participating communities between 2000 and 2021 by year. Areas shown in gray are communities with the designations of Urban Center, Urban, and Suburban in *Thrive MSP 2040*, which correspond to the Developed Communities category in the previous development guide, *2030 Regional Development Framework*. Areas in light green are rural and agricultural communities which are not within MUSA and are mostly not part of the Plat Monitoring Program. The remaining communities are those that are part of the Program and have been approving plats within the sewered areas. With the exception of the Suburban cities of Brooklyn Park, Eagan, Eden Prairie, and Savage, all of these communities represent the designations of Suburban Edge, Emerging Suburban Edge, or Rural Center in *Thrive MSP 2040*.

Figure 10. Platting Activity by Year in Twin Cities



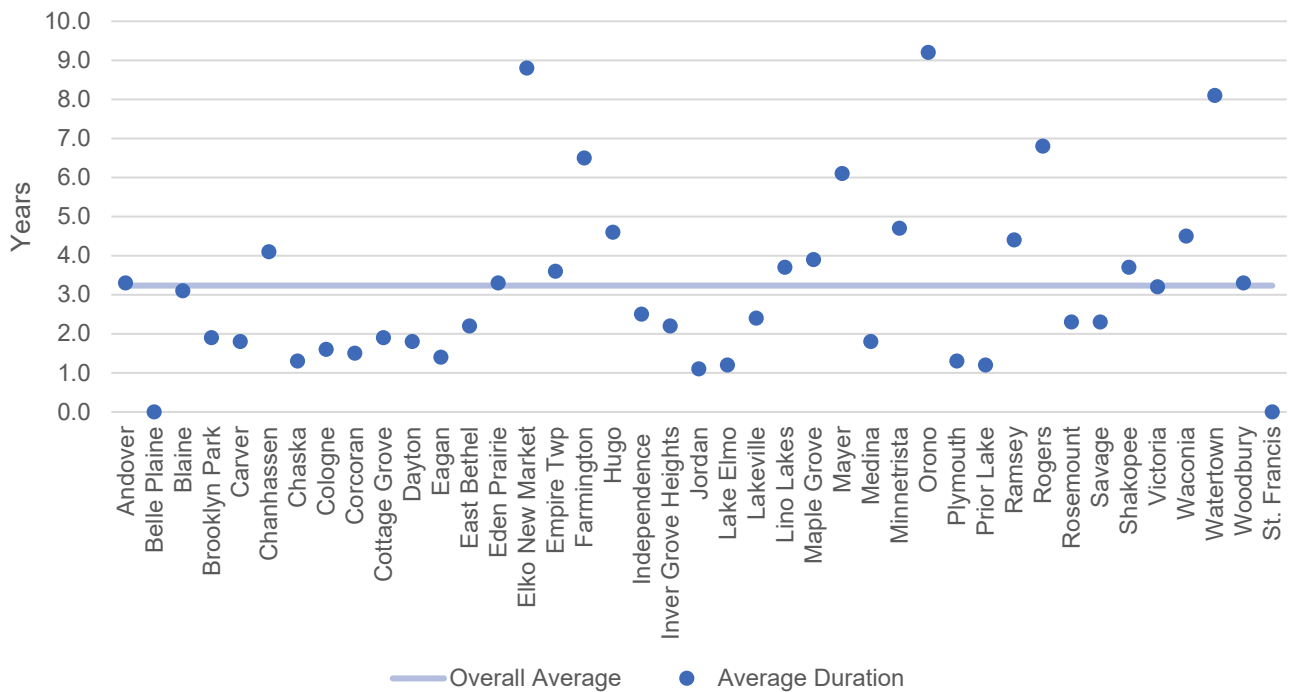
From a plat to permit

While analyzing platting activity is valuable to understand development patterns in the region, plats are only one step of the development process. For a residential plat to be realized as a development, building permits need to be issued by the local authority.

The Council’s Research department collects annual residential permitting activity around the region. Overlaying plat data with permit information reveals the amount of time that it takes from the initial platting of a site to the development being built. Development proposals can be platted and permitted in the same year or take more than ten years before being constructed. This timeframe, often referred to as lot absorption, can vary based on a variety of factors, most importantly economic stability and housing demand. Since the geocoded permit data goes as far back as 2009, the analysis only includes the plats that were permitted in the last twelve years (2009-2021).

It has taken between zero and 20 years for the plats in all the counties to receive a building permit, zero signifying that the permit was issued the same year as the plat was approved. Between all the Program participants, there is a wide range of duration from an average of zero (Belle Plaine) to 9 years (Orono), as shown in Figure 11, which only shows the communities with recorded plats. Overall, participating communities have experienced an average of 3.2 years for the platted lots to receive building permits, for permits issued between 2009 and 2021.

Figure 11. Average Duration (Years) by Community



Lot absorption shows the availability of platted lots and the community’s capacity to issue building permits, if the demand is there. The longer the lot absorption, the more platted land is readily available for permitting and development. Shorter lot absorption shows a stronger demand and rapid growth in an area. Tracking this information can help inform growth patterns, land capacity, forecasting, and permitting process.

While there is a wide range of lot absorption between communities, the majority of plats have taken up to three years to be developed. As shown in Figure 12, over 60% of plats received development permits in less than two years. 11 percent of plats were realized as development permits within the same year, 32% in one year, and 20% in two years of the lot being platted.

Similar to 2020, only 4% of the plats had a time period of longer than 10 years from the time of platting activity to the time of permit issuance. These results restate the overall conclusion of a strong market demand in the developing suburbs in the metro area.

Recorded plats are in areas with a variety of community designations, as shown in Figure 13. The time from platting a site to issuing a permit was the shortest in the Rural Residential designation, being within the same year (value of 0 in Figure 12). However, this average reflects only one or two plats, as there is relatively less platting and permitting activity in rural settings. Most of the activity has occurred in Suburban Edge and Emerging Suburban Edge communities, with 51% and 39% of the overall platting and building activities respectively. The time between platting and permitting was 2.7 years in Suburban Edge and 3.3 years in Emerging Suburban Edge areas.

Figure 12. Duration (Years) Breakdown

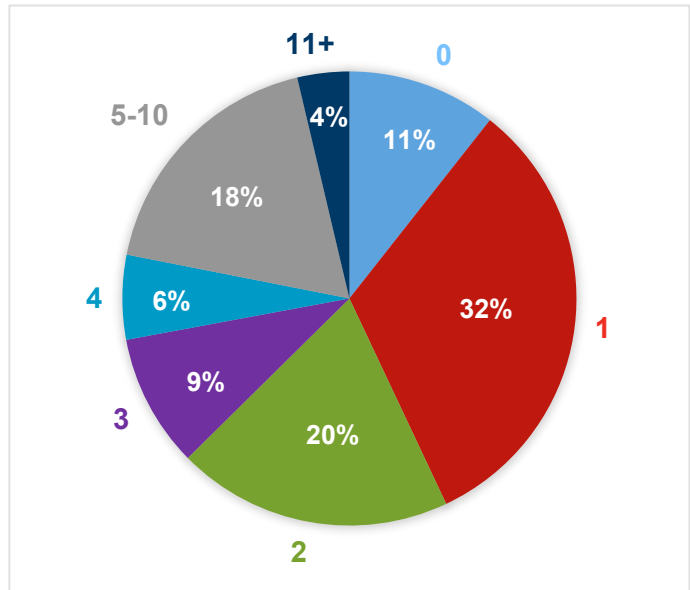
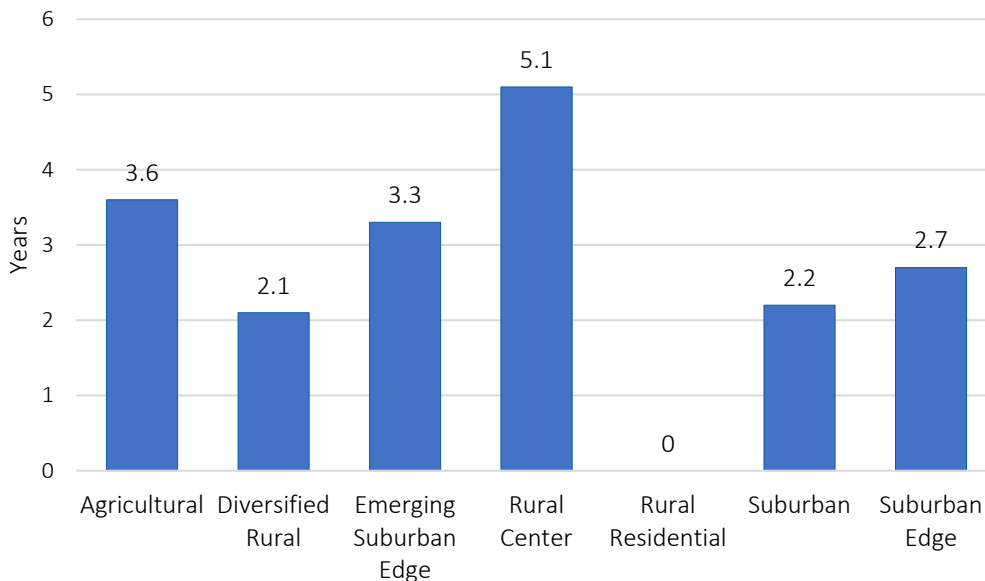


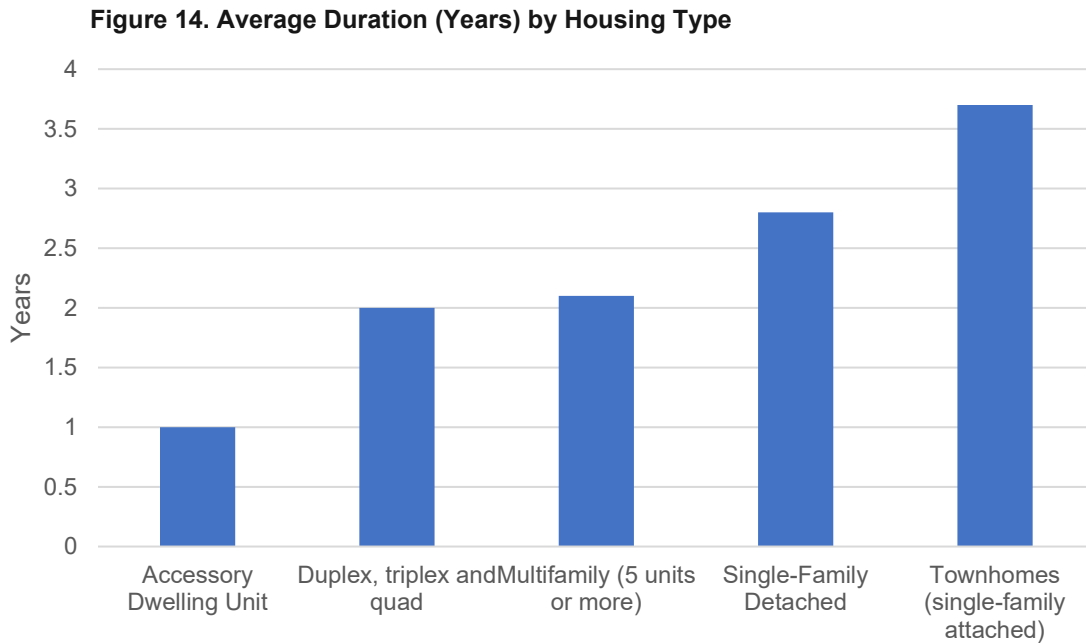
Figure 13. Average Duration (Years) by Community Designation



Additionally, based on the issued permits, communities have permitted Accessory Dwelling Units (ADU) and Duplex/Triplex/Quad units in the shortest amount of time after platting, within one and two years. This did not change from 2020. However, it is still too early to draw conclusions for ADUs given that there was only one ADU permit issued between 2009 and 2021. Townhomes (single-family attached) have taken the most amount of time with an average of 3.7 years. Single-Family Detached units

represent the majority of issued permits (85%) and have taken an average of 2.8 years between platting and permitting.

Density by community



The attached 2021 Plat Monitoring Program Summary Sheet outlines the number of submitted plats, number of units platted, housing mix, and the average net density for each community and for all communities overall. Most of the participating communities have been developing with an average net density of 3 units per acre or above.

Based on the submitted data since the beginning of the Program and the history of communities' participation, 16 participating communities have an overall density falling below 3 units per acres since their involvement in the Program: Andover, Carver, Chaska, Cologne, Columbus, Corcoran, East Bethel, Empire Township, Independence, Mayer, Minnetrista, New Germany, Norwood Young America, Orono, Rogers, and Victoria. Ten of these communities joined the program in 2008 or later. Most of the other communities joined the Program around 2003. In 2015, the City of Nowthen was removed from the Program due to lack of sewer extension plans in that area. Additionally, one community (Oak Grove) has not reported any plats since joining the Program in 2009.

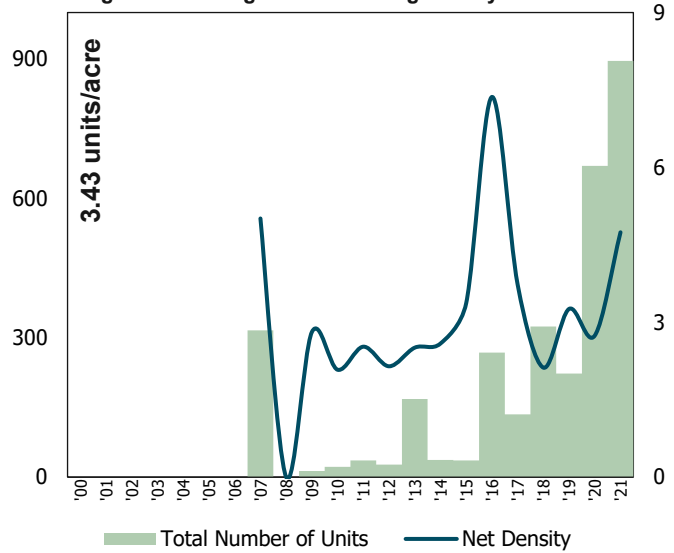
Below are a few examples of participating communities and their platting and density pattern since the beginning of the Program, representing a variety of platting histories.

City of Cottage Grove

The City of Cottage Grove joined the Program in 2007 as a condition of a comprehensive plan amendment. Cottage Grove has approved a total of 58 plats since then, with an overall net density of 3.43 units per acre. Despite peaks in 2007 and 2016 with annual net densities of 5.0 and 7.4 units per acre respectively, the annual net density usually stays within 2-4 units per acre.

The City has platted a total of 3,171 units over 924 net developable acres, 74% of which are single-family residential units. The City reported an average of two plats per year between 2007 and 2017, but has reported higher numbers of plats in recent years with eight in 2020 and 14 in 2021. This correlates with an upward trend in the total units platted each year.

Figure 15. Cottage Grove Platting History

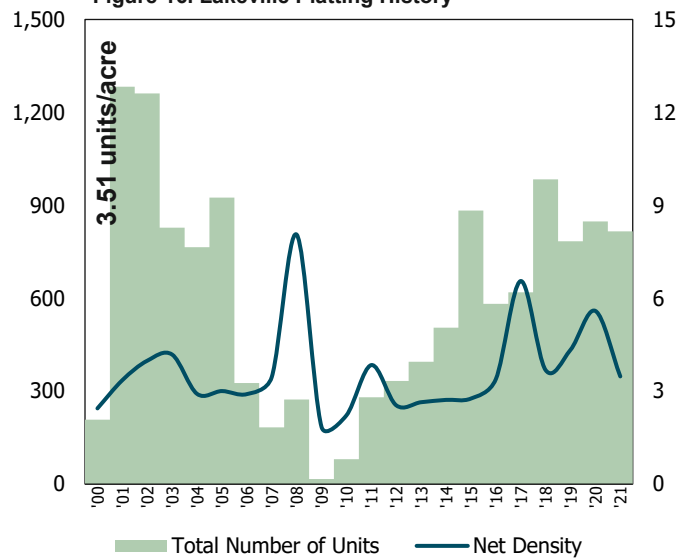


City of Lakeville

The City of Lakeville voluntarily joined the Program in 2000 and has reported plats every year since then. Lakeville has reported a total of 256 plats, which is the second highest number of plats reported by a community in the Program. These plats cover 3,757 acres with 13,177 housing units.

The City has reported an average of 12 plats every year with its lowest year being 2009 when the City reported two plats. In 2021, the City approved 17 plats with 519 single-family units and 297 multi-family units. This resulted in the net residential density of 3.48 units per acre, which is comparable to the City's overall net residential density of 3.51 units per acre.

Figure 16. Lakeville Platting History

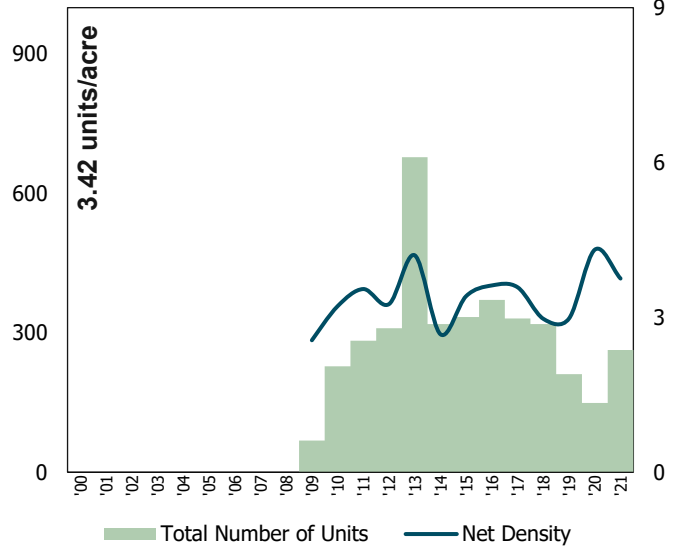


City of Plymouth

The City of Plymouth joined the Program in 2009 as part of the decennial review of its 2030 comprehensive plan update. Plymouth has approved a total of 130 plats since then, with an overall net density of 3.42 units per acre. This platting activity has resulted in a total of 3,864 units over 1,129 acres of net developable land.

The City's platting activity has been fairly consistent throughout its participation in the Program, apart from a peak in 2013 when the City platted 678 units. During this peak, Plymouth reported a nearly equal split of single-family and multi-family units platted with 336 and 342 units respectively. Compared to the City's average annual units platted (322 units per year), the total units in 2013 is more than double.

Figure 67. Plymouth Platting History

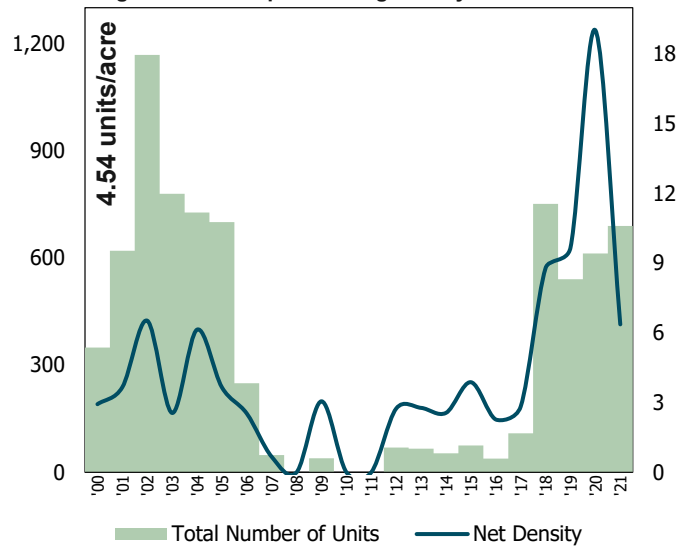


City of Shakopee

The City of Shakopee voluntarily joined the Program in 2000. Since then, the City has reported 105 plats over 1,692 net developable acres with an overall average of 4.54 units per acre. This platting activity has resulted in a total of 7,681 housing units, with 53% single-family and 47% multi-family residential units.

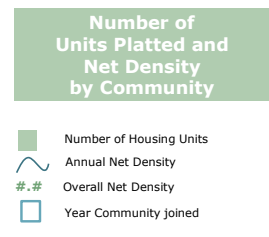
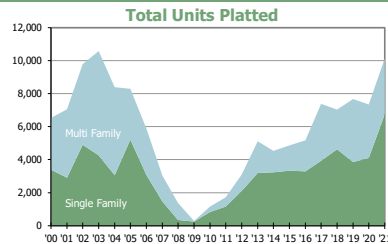
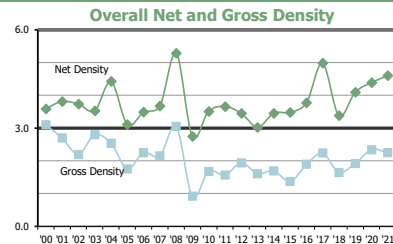
Between 2007 and 2017 the City experienced an overall decline in the total number of residential units platted compared to earlier years. This correlates with a decline in the average number of plats reported each year, which was two during this period. In 2018, the City's platting activity seemed to return to pre-2007 levels and has continued through 2021 when the City reported seven plats with 689 residential units.

Figure 78. Shakopee Platting History



Plat Monitoring Program: 2021 Summary

2021 SNAPSHOT	
Participating Communities	45
Total Number of Plats	179
Gross Acres Platted	4,498.7
Net Acres Platted	2,201.2
Number of Units Platted	10,135
Single Family	6,754
Multi-Family	3,381
Housing Mix	
Single Family	67%
Multi-Family	33%
Average Net Density (00-21)	3.79





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