

Community Development Committee

Meeting date: December 5, 2016

Subject: MUSA Discussion (continued)

District(s), Member(s): ALL

Policy/Legal Reference: Minn. Stat. § 473.145 and § 473.851

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Division/Department: Community Development / Regional Planning

Environmental Services / Finance & Revenue

Proposed Action

None.

Staff seeks direction revising the MUSA Implementation Guidelines. Staff also requests additional feedback on other work that we should undertake to inform the next round of regional planning.

Background

At the October 17, 2016 committee meeting, staff presented information on the history and evolution of the Metropolitan Urban Service Area (MUSA), in response to a request from the Committee.

In *Thrive MSP 2040*, the Council set the land use policy for the region, including differentiating among communities via the MUSA and through the use of Community Designations. Specifically, Thrive states:

The Metropolitan Urban Service Area includes a diverse set of communities ranging from the urban cores of downtown Minneapolis and Saint Paul to edge communities planning for staged growth and expansion. Developing at different times in the region's history, these communities include a variety of residential neighborhoods, housing types, and densities, as well as a varying mix of commercial and industrial areas. The Council supports the Metropolitan Urban Service Area through investments such as regional wastewater services, regional highways, transit service, the Regional Parks System, and programs that support redevelopment. In turn, the Council works with local communities to support growth that best capitalizes on regional infrastructure and systems. To respond to this variation in development patterns, the Metropolitan Urban Service Area is divided into five community designations:

- Urban Center
- Urban
- Suburban
- Suburban Edge
- Emerging Suburban Edge (p. 94)

Thrive provides further direction on land use expectations, including overall density expectations for new growth, development, and redevelopment in the Orderly and Efficient Land Use Policy (p. 116, *Thrive MSP 2040*). These density expectations vary by community designation, as shown in Figure 1.

The Policy states that “[t]he region is able to provide cost-effective infrastructure and services when it is able to anticipate where, when, and to what extent growth will occur. ...Density thresholds are based on an understanding of future regional growth, market demand in different parts of the region, existing development patterns and redevelopment opportunities, existing planned land uses in local comprehensive plans, and regional policies to support the concentration of higher density growth around transit stations.”

Figure 1. *Thrive MSP 2040* Overall Density Expectations

OVERALL DENSITY EXPECTATIONS FOR NEW GROWTH, DEVELOPMENT, AND REDEVELOPMENT	
Metropolitan Urban Service Area: <u>Minimum</u> Average Net Density	
Urban Center	20 units/acre
Urban	10 units/acre
Suburban	5 units/acre
Suburban Edge	3-5 units/acre
Emerging Suburban Edge	3-5 units/acre
Rural Service Area: <u>Maximum</u> Allowed Density, except Rural Centers	
Rural Center	3-5 units/acre minimum
Rural Residential	1-2.5 acre lots existing, 1 unit/10 acres where possible
Diversified Rural	4 units/40 acres
Agricultural	1 unit/40 acres

Thrive further states that “[b]ecause each community and its values are unique, precisely how and where density is guided is determined by each community consistent with regional policies.” The policy also defines how minimum net density is calculated:

The Council measures minimum net density across all areas identified to support forecasted growth by taking the minimum number of planned housing units and dividing by the net acreage. Net acreage does not include land covered by wetlands, water bodies, public parks and trails, public open space, arterial road rights-of-way, and other undevelopable acres identified in or protected by local ordinances such as steep slopes.

The Council recognizes that not all new development may meet the minimum standards and conversely many other new developments may exceed the minimum standards. Setting minimum average densities for new development provides communities with the flexibility to determine which areas are best suited for higher or lower density development under the framework of meeting that overall minimum on available developable lands. All other communities in the Rural Service Area are expected to set maximum allowable densities. Additional detail regarding density and development patterns is contained in the Land Use Policy by Community Designation. (p. 117)

Following the MUSA policy overview at the last committee presentation in October, staff indicated the need to update the MUSA Implementation Guidelines. The MUSA Implementation Guidelines (attached) were last revised in 2007 in preparation for the Council’s review of the 2030 comprehensive plans. Revisions to the guidelines will be how the Council implements the policies in *Thrive* and the *2040 Water Resources Policy Plan*. The guidelines outline how the Council will consider plan amendment requests from communities for MUSA staging and service expansion and how the Council will consider density in its review of comprehensive plan updates. It is necessary to update these guidelines to:

- Reflect the Council’s adoption of *Thrive MSP 2040*, in which the Council’s methodology for calculating density was defined;

- Clarify plan review expectations for communities as they prepare their comprehensive plan updates in preparation for the forthcoming 2040 comprehensive plans; and
- Incorporate considerations from the *2040 Water Resources Policy Plan* and staff's experience implementing the existing guidelines over the last 9 years.

Staff have identified the following revisions needs:

- Housekeeping to reflect Thrive MSP 2040 and current practice implementing existing guidelines
- Consideration for failing sub-surface sewage treatment systems (SSTS)
- Incorporate into density calculations publicly-owned stormwater management facilities that use best management practices (BMPs)

Staff are seeking Committee direction on needed revisions to the guidelines.

At the October CDC meeting, committee members requested additional information as part of the discussion:

1. **Densities in the Plat Monitoring Program** – Staff annually collect data from Suburban Edge, Emerging Suburban Edge, and Rural Center communities on approved plats in their communities. The [2015 Plat Monitoring Report](#) shows a leveling of platting activities in these communities across the region, but with overall densities continuing to exceed 3 units per acre. Additional detail by participating community can be found in the report.

In addition to the long-range planning use of the Plat Monitoring Program information, Council staff also use a community's platting information in the evaluation of sewer connection permits. Environmental Services staff coordinates with Local Planning Assistance staff in review of connection permits to ensure that communities are approving subdivisions that are consistent with their local comprehensive plans and are not causing the community to fall below the minimum overall density required for their community.

The Council also collects building permit data annually for all building activity across the region. Staff will present density data for residential building activity between 2010 and 2015.

2. [2013 SAC Report](#) – A Sewer Access Charge (SAC) work group had been convened three years in a row (2011, 2012, and 2013) to address various issues related to SAC. The 2013 work group issued their final report in January 2014.

As part of the presentation, Council staff from Community Development and Environmental Services will provide additional information on the following:

1. Commonalities, if any, among amendments that included MUSA changes since 2010
2. Metrics to measure efficiency of the regional wastewater system
3. Extension of the sewer system: debt service and how the regional system is financed

Attachments

- Attachment A: MUSA Implementation Guidelines (November 2007)



Revised Metropolitan Urban Service Area (MUSA) Implementation Guidelines

November 2007

Background

Local comprehensive plans for “developing” communities submitted in the 1998 comprehensive plan updates (CPUs) identified the timing and staging of lands available for urban development to 2020; and, in many cases, areas planned for longer-term urbanization, often described as urban reserve areas. These areas planned for new development were expected to ultimately achieve a minimum net residential density of 3 dwelling units per acre when wastewater services became available.

To ensure an adequate supply of urban land to accommodate future regional growth the Council continues to monitor the region’s land supply. Monitoring includes designation of 2020-2030 land uses; enforcement of minimum urban density standards of 3-5 dwelling units per net residential acre in sewered areas; and planning for additional MUSA in the 2008 round of comprehensive plans that extend the planning horizon to 2030. In addition, the Council has a plat monitoring program that reports annually on development density trends in several developing communities and will be required in all developing communities following Council review of the 2008 round of comprehensive plan updates.

Revised Guidelines

In October of 2004 the Council adopted “Guidelines for Evaluating Plan Amendments Proposing Changes to Metropolitan Urban Service Area (MUSA) Timing Staging.” Since early 2007, the Metropolitan Council and Metro Cities staffs have discussed the guidelines relative to the density calculation and the 2008 comprehensive plan reviews. Metro Cities requested that the Council consider revising its implementation guidelines to be more flexible, more responsive to market forces, and to acknowledge the performance of individual communities in achieving the Council’s policy of a minimum of 3 units per net acre.

The Council agreed with Metro Cities’ principles. In an attempt to respond to Metro Cities’ concerns while maintaining the Council’s objective of efficient, economical growth, the guidelines were revised as follows on September 12, 2007:

1. The city’s overall residential density for development since 2000 must be a minimum of three units per developable acre. Determination of this density will be based on constructed residential units and approved preliminary plats.
2. Cities that have participated in the Council’s Plat Monitoring Program beginning in 2000 or submitted the necessary plat data from 2000 will be credited on a 1:1 basis for housing units platted or developed that yield an overall average density in excess of 3 units per net developable acre. The housing unit credits will be applied to areas guided for 2020-2030 urban services and to any other proposed reguided areas. The combined overall average density needs to be a minimum of 3 units per net developable acre based on an acreage average of the city’s actual development and platting since 2000, the lowest allowable density in 2020-2030 guiding, and any reguided land.

3. Without development history from 2000, the Council will use the lowest allowable density on land guided for development from 2020-2030 and any reguided land from within the 2020 MUSA as changed from the city's 1998 CPU.
4. The Council will not figure into the density calculation remaining undeveloped land within the 2020 MUSA per the city's existing 2020 plan, with the exception of areas that are being reguided in the 2030 CPU.
5. If an area is replatted, the Council will not recalculate the density for this area in the plat monitoring program.
6. Existing developments that are part of townships or areas being annexed from townships, or areas that were developed prior to 1985 with failing septic systems and no on site alternative septic locations will not be counted against a city's density calculation.

Implications for Planning

Forecasts/planned growth and minimum density requirements are separate but interrelated issues. The Met Council requires an overall minimum density in MUSA areas of at least 3 units per net developable acre. However, this minimum requirement represents a 'worst case' scenario. In accordance with the Regional Development Framework, cities should plan to meet growth forecasts with density ranges between 3-5 units per acre for the MUSA area within each community. The Council also understands the community's need to plan for what their expectations will be for development patterns to accommodate forecasted growth. It is likely that this will in fact result in density that is greater than the lowest end of a density range. Therefore communities and the Council should plan to meet growth forecasts on the basis of a density somewhere between the lowest and highest numbers in the range of land use guiding.

Example:

- Forecast:** Growth of 3,000 sewered housing units, 2020-2030
- Guiding:** 3-5 units per acre
- Question:** How much land is needed to accommodate this much development?
- Answer:** Community may/should plan based on reasonable expectations (e.g., 4 units per acre => 750 acres) rather than lowest allowable (i.e., 3 units per acre => 1,000 acres). The Council is already planning on this basis (ES sewer planning expects 4 units per acre).

Application

For all comprehensive plan amendments, the community needs to complete the comprehensive plan amendment submittal form. If a comprehensive plan amendment proposes a MUSA expansion, change in MUSA timing or staging, or sewer staging changes at less than 3 units/acre, the community will also need to complete the question(s) which address each of the MUSA expansion guidelines. The submittal form can found on the Council's website at <http://www.metrocouncil.org/planning/assistance/resources.htm>.