Meeting Date: July 1, 2024

Topic
Density Analysis with Recommendations

District(s), Member(s): ALL
Policy/Legal Reference: Minn. Stat. § 473.175
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Division/Department: Community Development / Regional Planning

Background
The Community Development Committee discussed density approaches in land use policy on February 20, 2024, and as the Committee considered land use objectives, policies, and actions throughout the year. Also, included in the materials at the May 10, 2024, along with the 60% draft of the land use objectives, policies, and actions, the Density Report was published and shared with the Committee. Staff have worked extensively with the Land Use Advisory Committee throughout 2023 and 2024 on this analysis and the implications of the approaches evaluated. Discussions with the RDG Council member Work Group also informed this analysis and recommendations.

At the Committee meeting on July 1, 2024, staff will discuss the recommendations for these policy approaches and seek feedback from Committee members regarding next steps for these potential policies and practices. While the information contained in this memo represents the full analysis with recommendations and methodology, the Committee members have seen earlier drafts of the analysis, so much of this content should be familiar. At the meeting, staff will review the recommended approaches and the minimum density recommendations by Community Designation for Imagine 2050 and seek Committee feedback on the recommendations. Attached to this memo is the Imagine 2050 Density Report and Qualitative Density Analysis which supplements the Density Report.

Summary
Below is a recap of the findings from the density analysis, the list of nine approaches evaluated, and the recommendations for the land use and density approaches that will be reviewed at the meeting.

Conclusions from the Qualitative Density Analysis (see Supplement to the Density Report)
The qualitative density analysis supports increased densities and compact development patterns. Key takeaways from both the Young Leaders Collaborative and the Community Leaders Collaboration emphasizes the need for dense and compact development across the region:

- to preserve and restore green and open spaces
- for equitable development and housing affordability
Conclusions from Density Analysis (starts on page 4 of the Density Report)

- Despite higher density ranges developed in the past decade, overall developed density remains below planned minimum densities.
- Higher developed densities in the recent decade are insufficient to bring the overall density of development up to minimum planned densities.
- Despite some communities building at higher densities, very low densities are still being developed in other communities within the same community designation.
- Recent development trends in Suburban Edge communities are consistent with the planned 2040 densities.
- Overall developed density in Emerging Suburban Edge communities is lower than the minimum requirements.
- Platted density is higher than developed density, suggesting that many plats remain undeveloped.

Possible Land Use/Density Approaches (starts on page 8 of the Density Report)

Each approach below includes a description and identification of some associated implications, advantages, and potential considerations. None of these approaches are meant to exist in isolation but can be paired with other approaches to achieve both more consistent development densities for use of the regional wastewater system, and some flexibility for local planning purposes. These approaches are separated into density policy decisions included in either land use policies or actions (1-4 below); or administrative practices or guidelines developed to implement comprehensive planning requirements (5-9 below).

1. Increase minimum density requirements.
2. Restrain MUSA expansion and establish criteria for when expansion would be authorized.
3. Establish a minimum density requirement for all new connections to the regional sewer system.
4. Evaluate the feasibility of demand and development of land uses based on practicality.
5. Include all land guided to support growth within the planning period, not just areas of change in density calculations.
6. Identify forecasted growth and land supply by decade, meeting the density requirements within each planning decade rather than over the planning horizon.
7. Include all existing developments in density calculations.
8. Establish a target density in addition to minimum density requirements.
9. Use a performance-based approach to explore flexibility in minimum planning requirements while advancing regional goals.

Recommendations on Land Use/Density Approaches (starting on page 13 of the Density Report)

After careful consideration of the various density approaches, the following are recommended:

1. **Minimum Density Requirement by Community Designation:**
   - The overall minimum density requirements for development and redevelopment for communities within MUSA based on community designations in Imagine 2050, are recommended as follows:

<table>
<thead>
<tr>
<th>Community Designation</th>
<th>Minimum Density Requirement (units per acre)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>25</td>
</tr>
<tr>
<td>Urban Edge</td>
<td>14</td>
</tr>
<tr>
<td>Suburban</td>
<td>7</td>
</tr>
<tr>
<td>Suburban Edge</td>
<td>4</td>
</tr>
<tr>
<td>Rural Centers</td>
<td>3</td>
</tr>
</tbody>
</table>

2. The maximum density requirements for communities in the Rural Service Area including Diversified Rural (4/40 u/a), Rural Residential (1/10 u/a), and Agricultural (1/40 u/a) are not proposed to
change and should be carried forward unchanged from Thrive.

3. Approaches 7 and 8 are not recommended to move forward.
   • Approach 7 suggested including all existing developments in density calculations, which would unfairly penalize communities for historical development patterns, creating a barrier to achieving planned growth objectives.
   • Approach 8 suggested setting a target density along with minimum density requirements, which would primarily serve as a communication tool rather than a substantive change to planning practices. It was less desirable due to the resources and time required to develop.

4. All approaches should be considered collectively, as they are not mutually exclusive and can potentially complement each other to achieve more consistent and flexible development densities. Specifically, incentives should be integrated with various approaches to increase effectiveness and encourage consistency with regional goals.

5. Further work is needed to implement approaches including development of MUSA expansion criteria, a performance-based incentive program to permit flexibility, and development of methodology to assess the feasibility of demand and development of land uses.

6. An assessment to consider whether to change density requirements in Transit Station Areas is underway.

Discussion
For discussion at the meeting, please consider the following questions:
• Do you have any immediate reactions about the approaches presented?
• Are there additional insights or ideas to consider?
• Are there areas we can clarify or better explain?
• Do you need any additional information to make decisions on density policies and approaches?
• Do you have any other questions related to density policy?