

# Information Item

Community Development Committee



Meeting Date: February 20, 2024

## Topic

2050 Regional Development Guide: Density and Land Use Approaches

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**Division/Department:** Community Development/Regional Planning

## Background

As part of the regional development guide and land use policies, Council staff worked with the Land Use Advisory Committee (LUAC) in 2022 and 2023 to establish proposed 2050 community designations (see Figure 1), which the Council endorsed at its meeting on March 15, 2023. While proposed community designations were developed based on similarities and differences between the communities in the region, using the planned residential densities identified in the 2040 local comprehensive plans as one of the variables, density requirements are determined as part of land use policy discussions.

Council staff are in the process of exploring various approaches to density policy and planning requirements aligned with regional goals. The possible approaches are based on extensive analysis of planned and developed densities in the communities within Metropolitan Urban Service Area (MUSA). This analysis reveals that the development trends in the region do not align with current regional land use and density policies, and overall do not achieve minimum requirements, despite communities appropriately planning for those requirements.

## Density Analysis

To conduct an analysis of current development density trends in communities within MUSA, staff compiled several pieces of data:

### 1. Net Developed Overall Density

The overall net developed density illustrates community-wide density of existing residential development in each jurisdiction in the region. This measure uses the number of all the housing units in a community based on the 2020 census and the areas identified as residential in the Council's 2020 Generalized Land Use information. The acreage excludes areas that are not developable and only includes the developed portions of the land.

### 2. Net Developed 2010-2020 Density

This measure is the net density of developments that occurred between 2010 and 2020 in each community using two factors: 1) the number of housing units added between the 2010 and 2020 census; and 2) the change in residential acreage between the Council's 2010 and 2020 Generalized Land Use information, where change refers to movement from a non-residential use or vacant land to any residential use.

### 3. Minimum 2030 Planned Density (2030 CPU Planned)

The minimum 2030 planned density includes the overall minimum density of new development and redevelopment within each community. This measure is extracted directly from each 2030 local comprehensive plan.

### 4. Minimum 2040 Planned Density (2040 CPU Planned)

The minimum 2040 planned density includes the overall minimum density of new development and redevelopment within each community. This measure is extracted directly from each 2040 local comprehensive plan.

### 5. Plat Monitoring 2000-2022

Communities that participate in the Council's [Plat Monitoring Program](#) (Program) annually report their sewer residential platting activity. The Program started in early 2001 and includes data from these communities going back to 2000 and provides credit to communities that assist with meeting minimum density requirements. There are 45 communities included in the Program. Platting activity demonstrates a stage between planning and permitting development. As such, not all plats are realized into actual developments, or may be realized with a several-year delay. This measure shows the density of the plats submitted by each participating community during the Program.

## Conclusions from Density Analysis

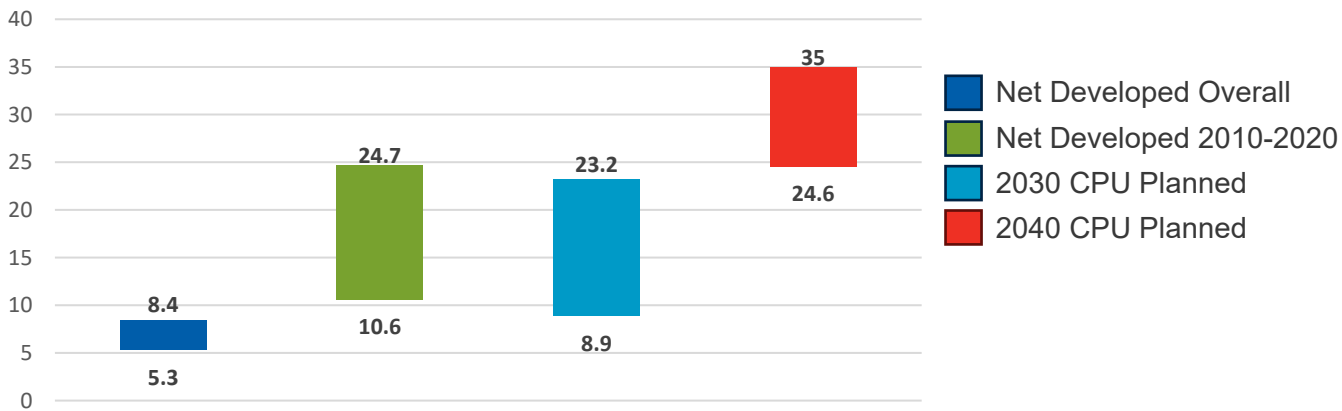
The following charts show the range of densities in each category described above, within the *Thrive MSP 2040* community designations. Overall, the charts below show:

- 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.

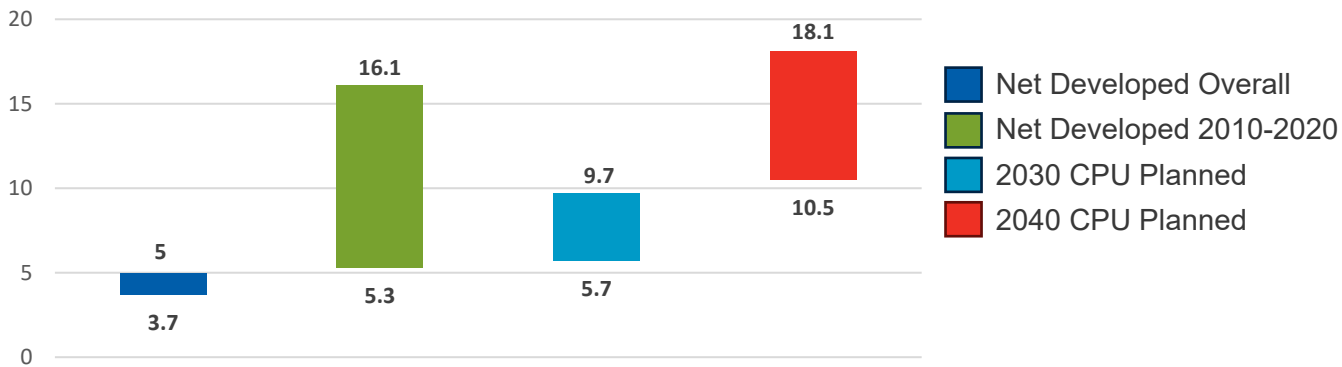
The ranges shown on the charts represent the middle spread of densities in each category and exclude outliers. Middle spread refers to the data between 25% and 75%, excluding the lowest and highest values.



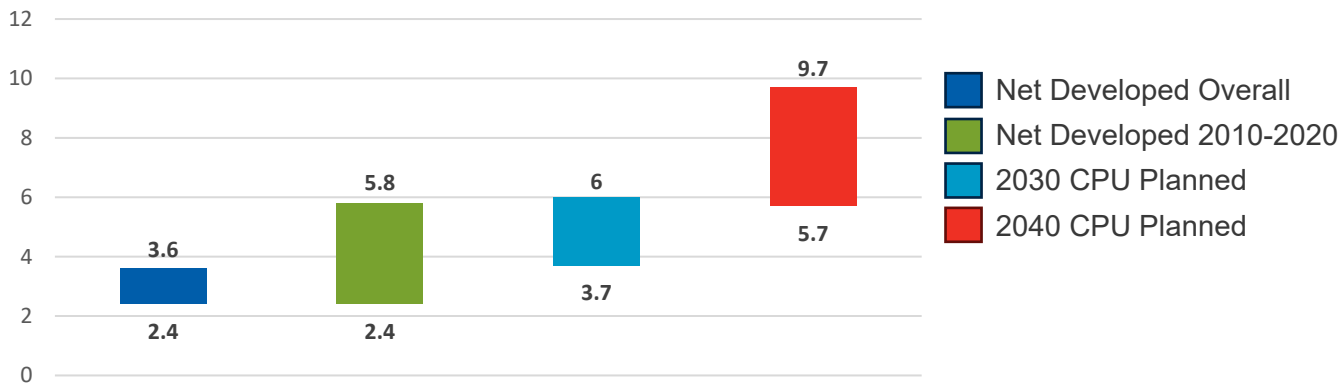
### Urban Center



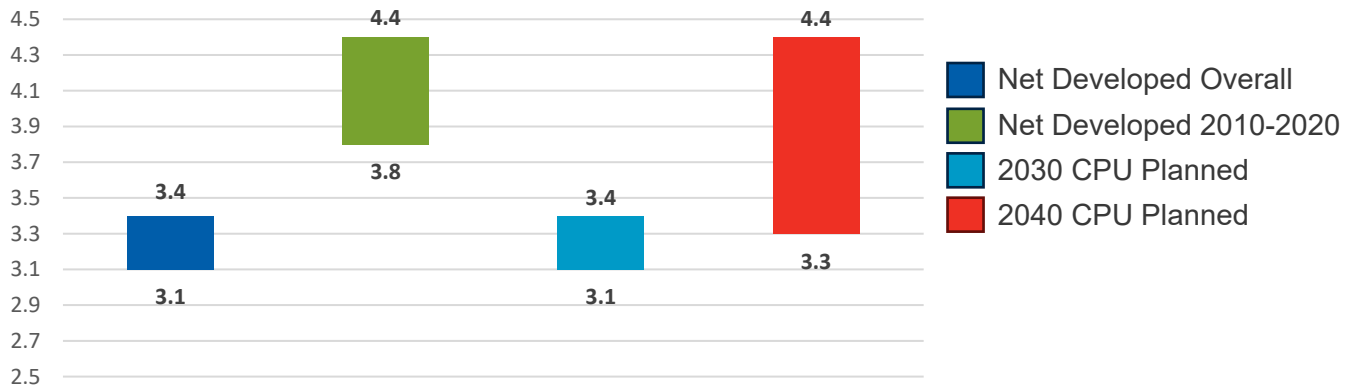
### Urban



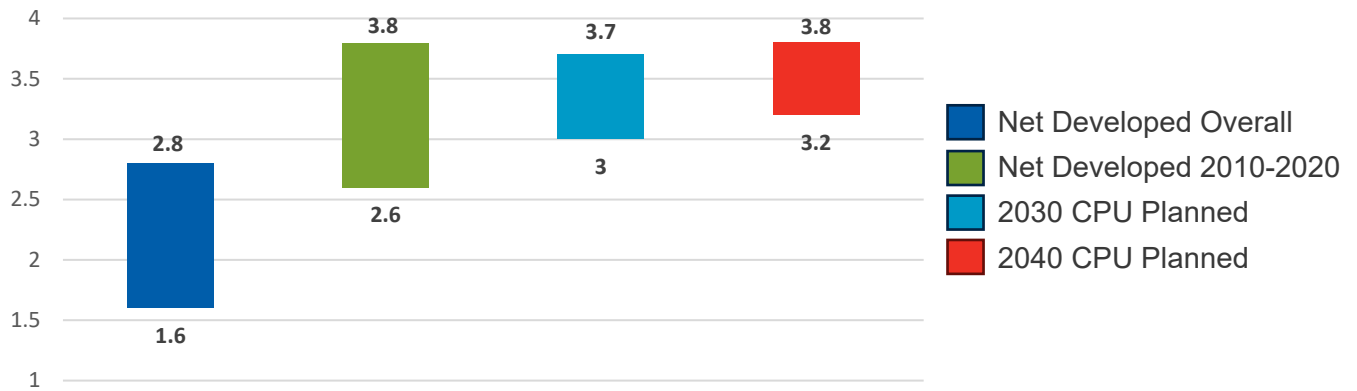
### Suburban



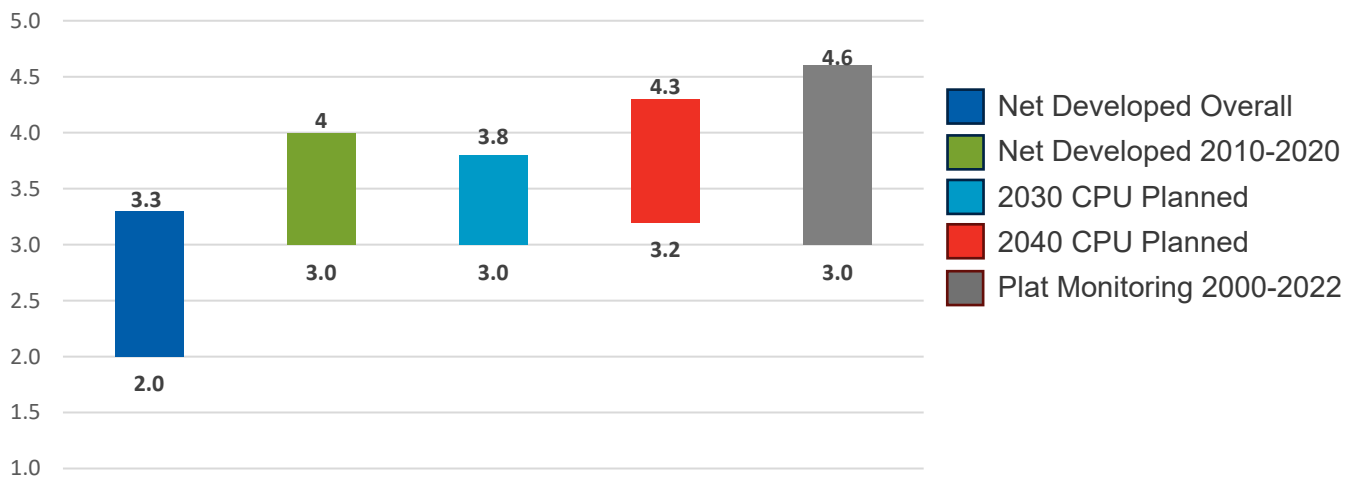
### Suburban Edge



### Emerging Suburban Edge



### Plat Monitoring Participants



## Possible Land Use/Density Approaches

Staff is working on exploring approaches associated land use objective 1 in addressing the findings from the density analysis. Each approach below is described and identifies some associated implications, advantages, and potential considerations for discussion. 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 in those to be included in either land use policies and actions (1-3 below), or considered in administrative guidelines and comprehensive planning requirements (4-8 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. Consider all land guided to support growth, not just areas of change.
5. Calculate density requirements per decade rather than over the planning horizon.
6. Include all existing developments in density calculations.
7. Establish a target density in addition to minimum density requirements.
8. Explore other incentives that advance regional goals as part of flexibility in meeting density requirements.

## Density Policy Decisions

### 1. Increase minimum density requirements.

Minimum density requirements are based on community designations. Raising the minimum requirements means that communities will have to plan for higher density developments in their comprehensive plans. Communities with limited land supply will need to achieve this density mostly through redevelopment.

Increasing the minimum density requirements could encourage communities to overall plan for higher-density, more compact development and better align with regional goals. Over time, as communities plan for higher minimum densities, it can contribute to an overall increase in the density of existing development, compensating for lower-density areas within communities. Additionally, compact development has been shown to lower greenhouse gas (GHG) emissions, irrespective of the development trajectory, which is crucial in meeting the State's new GHG reduction targets and regional goals.

However, without accompanying measures that require communities to meet minimum density requirements within specific timeframes, communities may maneuver the numbers in subsequent decades to merely meet the minimum number without real progress. There may be pushback from communities that wish to preserve their "small town character," potentially leading to resistance and conflict. It is advisable to pair this increase with a strong collaborative effort, engaging all stakeholders in exploring how such an increase can be implemented, emphasizing the benefits for communities.

### 2. Restrain MUSA expansion and establish criteria for when expansion would be authorized.

The MUSA boundary is informed by local comprehensive plans and based on the Council's capacity to provide wastewater service in an orderly and efficient manner. Currently, MUSA expansion can occur as part of the comprehensive plan update process or through amendments to those plans. As long as the regional system has capacity in the respective period and the site is within the Council's service area, these MUSA expansions are typically authorized. Analysis shows that the region has more than adequate land supply within the current MUSA boundary to accommodate the growth forecasted to 2040. The Council can restrain MUSA expansion and limit or preclude these requests. The Council can establish standard criteria for when MUSA expansion meets regional policies and goals to signal a commitment to efficient and cost-effective growth management.



This approach encourages more efficient infrastructure utilization by directing development to areas already equipped with infrastructure, which includes small and developing cities. It also helps mitigate inefficient, dispersed development patterns. It also facilitates the protection of agricultural lands and natural resources.

However, this approach may be perceived as limiting the outward expansion of areas receiving services. Communities may view Council policy as inflexible, not accommodating local needs, and may strain relationships with local governments.

### **3. Establish a minimum density requirement for all new connections to the regional sewer system.**

Any new development within the MUSA can apply for a sewer extension permit, which are reviewed by the Council and approved by the Minnesota Pollution Control Agency (MPCA). As part of the review of these permits, the Council ensures consistency of the development with the future land use guiding of the site. While communities have to meet an overall minimum density requirement based on their community designations, they still accommodate land uses with densities lower than that minimum requirement. This provides flexibility within local boundaries to plan for a variety of development densities. This approach would require any development with a new connection to the regional sewer system to meet the minimum density requirement based on community designation, even if the land use category of the site allows for a lower density development.

Implementing this policy could contribute to increasing the overall net density of existing development in communities, addressing situations where density falls below 3 units per acre. It encourages higher-density, more compact development and promotes efficient platting practices, particularly in single-family attached and detached developments, to meet minimum density requirements. Additionally, it streamlines the review of sewer service extension permits, ensuring the efficiency of the overall wastewater system.

However, this approach can be perceived as limiting local communities' flexibility to plan for lower density, sewer development, a practice they have been accustomed to in the past, and therefore may receive significant resistance. In practice, it may render all future land use designations with minimum densities lower than 3 units per acre ineffective and applicable only to existing development. It should also be noted that meeting the 3 units per acre requirement can be challenging for developments within existing local regulatory practices and may require subsequent changes to local ordinances.

This approach also highlights the concept of zoning within the context of land use policy. Changes to local zoning ordinances are required by state statute following every decennial comprehensive plan update to ensure local zoning conforms to adopted land use plans. Local governments are also required to submit to the Council any necessary zoning ordinance updates within 9 months following local adoption of their decennial comprehensive plan update. This provision is currently not well adhered to, although the Council does have the authority to establish a more precise submittal schedule. Historically, the Council has not done this. Inconsistencies between the local land use plan and the underlying zoning district have resulted in misinterpretation and errors in implementing the land use plan locally. It can also result in challenges with local sewer permit review until the comprehensive plan is amended so that the site aligns with the local land use plan.

### **Administrative Practices and Guidelines**

#### **4. Consider all land guided to support growth, not just areas of change.**

The Council calculates the overall density of development and redevelopment for each community based on areas identified to accommodate future growth. Currently, it is the Council's policy to give deference to the previously approved comprehensive plan and only review the new plan, based on areas of change between the two planning documents. Communities, of course, are able to start each comprehensive planning process anew and completely redo their plan and many do. However, some communities opt for only looking at areas of change, which in turn means that the Council may authorize a plan that does not meet minimum density requirements only considering



the areas of change. This approach will ensure that every comprehensive plan is reviewed based on all areas that are identified to accommodate future growth and not just those that are changing from the previous plan.

This approach can help communities plan more effectively for change in their communities and not focus on previous planning decisions and approaches that may not fit the evolving regional and local needs well.

However, for very built-out communities, complying with minimum density requirements could prove challenging if all land to accommodate growth is factored into the calculations. This could lead to difficulties in meeting regional density minimum requirements.

#### **5. Calculate density requirements per decade rather than over the planning horizon.**

The Council calculates the minimum density requirement based on the acreage identified for new development or development between the date of the plan (ex. 2018) and the planning horizon (ex. 2040). For land use and density purposes, communities are not required to divide the planning period into smaller timelines and only need to meet the minimum density requirement over the entire period. However, that approach has led to more of the lower density developments being planned for near future and the higher densities mostly postponed to a later time in the planning period and never realized. Calculating minimum density by decade will ensure that the communities meet their density requirements in each decade and higher density developments are also planned for more immediate future.

Shifting to per-decade density calculations may result in fewer lower-density developments being planned for the initial decade of the period, aligning with regional objectives for increased density. This approach could assist some communities in meeting their affordable housing planning requirements for the first decade without postponing higher-density development to later periods to achieve overall density targets. Additionally, this approach does not require new planning tools. Local comprehensive plans already identify stages or phases of growth in ten-year increments, so the foundation for this work already exists as part of planning requirements.

#### **6. Include all existing developments in density calculations.**

Currently, the overall density of a community for purposes of meeting minimum requirements only includes acreage planned for new development and redevelopment. Areas already developed do not count towards a community's overall density. But since land use decisions have long-lasting effects, many communities' existing densities are in fact much lower than the minimum density requirements. This approach ensures that past planning practices play a role in the planned density of each community.

Incorporating existing developments into density calculations can serve as a means for the Council to acknowledge and account for the current realities of the region, providing a more accurate reflection of the existing state. If implemented effectively, this approach could hold communities more accountable for the existing pattern of development within their boundaries, potentially preventing them from designating lower-density future land uses without justification. This approach could complement other measures and provide valuable context for evaluating and achieving density goals.

However, this approach could potentially make it considerably more challenging for communities to meet minimum density requirements, which may lead to resistance in some cases, particularly in communities facing constraints that make achieving higher densities difficult.

Alternatively, this approach could be implemented first as a tracking measure to assess overall community progress towards higher density of existing development. This could raise awareness of the overall impact each community's existing development density has on the overall development pattern observed in the region. Community targets could be shared as a means to first encourage consideration of this issue before initiating any kind of requirement related to existing development densities.





## **7. Establish a target density in addition to minimum density requirements.**

Communities have to plan for development and redevelopment in a manner that meets the minimum density requirements based on community designations. [Communities with transit investments](#) need to meet higher average minimum densities around the station areas, depending on the transit type. Additionally, the *2040 Transportation Policy Plan (TPP)* identifies higher target densities that best support transit, and communities are encouraged to explore opportunities to guide land at these higher densities. One approach in regional land use practices can be to establish a community-wide target density to encourage communities to plan at higher than minimum densities.

Implementing a mechanism for establishing target densities alongside minimum requirements could empower local staff to negotiate higher minimums for their land uses by showcasing the potential for even higher target densities. When complemented with additional incentives, this approach has the potential to drive higher-density developments.

However, historically, target densities for transitways have lacked significance and proper tracking, raising concerns about their effectiveness. Communicating the impact and significance of this policy to local communities may pose challenges, as it could be perceived as symbolic rather than effecting tangible changes in permitted and developed projects. Ensuring clarity will be essential to its successful implementation and effectiveness.

## **8. Explore other incentives that advance regional goals as part of flexibility in meeting density requirements.**

Net density calculations take into account areas that are undevelopable, such as wetlands, steep slopes, and arterial rights of way. While some natural areas are protected as a result and do not have to be planned for development, the scope of such protections is very limited and not widespread. The Council can implement an approach that provides additional flexibility in meeting minimum density requirements, if certain conditions are met locally, such as protection of Regionally Significant Ecological Areas. Communities will need to systematically implement such protections through ordinances, in order to ensure their lasting impact.

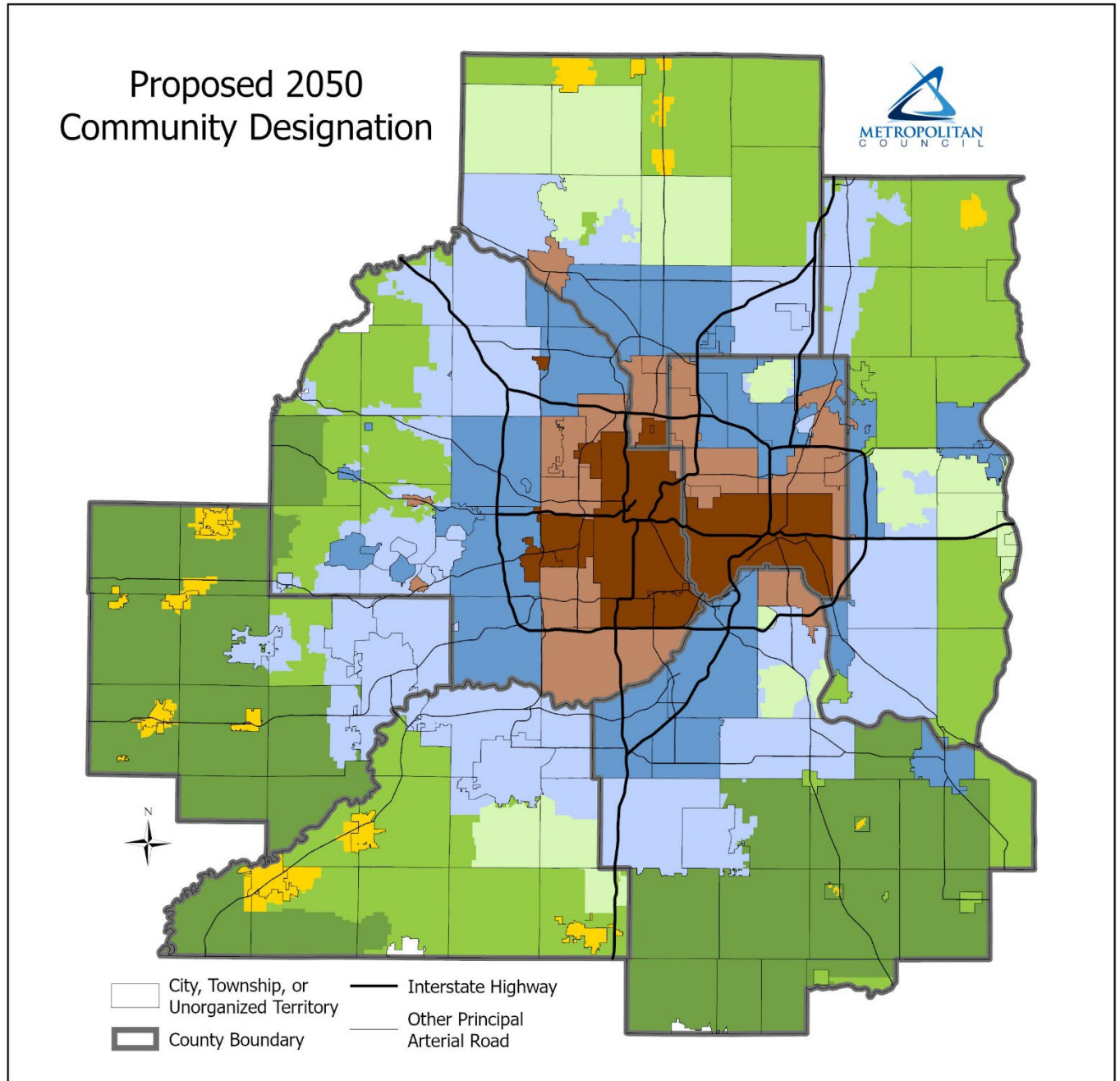
Implementing such incentives could provide more flexibility locally and improve the Council's relationship with local governments. Incentives have historically proven to be effective in encouraging desired behaviors and outcomes at the local level.

However, the proposal needs more specific details about the nature and design of these incentives, and additional effort at the Council to develop, administer, and track.





**Figure 1. Endorsed 2050 Community Designations**



- Urban
- Diversified Residential
- Urban Edge
- Rural Residential
- Suburban
- Agricultural
- Suburban Edge
- Non-Council Community
- Rural Center