



Minneapolis-St. Paul, MN-WI MSA

Regulatory Order/Family: Traditional/Middle America (Minnesota portion)
Traditional/Extreme Exclusion (Wisconsin portion).

Summary

The Twin Cities region is renowned for regional governance and growth management. City and county governments in seven of the 13 counties conduct their planning and zoning within the context of the governor-appointed Metropolitan Council's plan and policies for growth, development, and infrastructure provision. The best-known of these policies is the provision for orderly extension of sewer and water infrastructure within a 20-year metropolitan urban service area (MUSA), the outermost boundary of which is known as the MUSA line. A fairly large number of medium-sized cities inside the MUSA line accommodate high-density development. A dozen counties both under and beyond the Metropolitan Council's jurisdiction maintain lower densities and generally plan for the protection of rural resources. Regional containment has had limited success in the past because local policies failed to promote high enough density inside the MUSA line. Also, some counties and townships failed to restrict small-lot rural residential development on private infrastructure outside it. Regional policies also result in the adoption of incentive based affordable housing programs among a greater number of municipalities than elsewhere in the Midwest.

Governance Framework and Growth Trends

The 3 million residents of the Minneapolis-St. Paul MSA live in 195 municipalities and 13 counties, with 175 cities and villages and 11 counties in Minnesota and the balance of jurisdictions, with about 100,000 residents, in Wisconsin's Pierce and St. Croix Counties. Cities and villages account for 93 percent of the residents in the Minnesota portion but only 51 percent in the Wisconsin portion. Minnesota's incorporated jurisdictions are larger, averaging about 15,000 residents as compared with 2,000 in Wisconsin. Minneapolis and St. Paul together account for about 670,000 residents, but 9 other cities each have between 50,000 and 90,000 residents. In both states, some of the counties defer to townships for land use decision making in unincorporated areas, but this appears to be the exception rather than the rule. In all, there are 99 townships on the Minnesota side of the St. Croix River and 38 in Wisconsin.

Minneapolis-St. Paul is unusual for having a regional governing body, which covers seven of the Minnesota counties in the core metropolitan area. In 1967, the State Legislature created the Metropolitan Council to "coordinate the planning and development of the metropolitan area." The Council provides this coordination in two main formats. First, based on laws passed in 1974 and 1994, the Council plans and coordinates infrastructure and affordable housing in the metropolitan area. Second, under the terms of a 1976 statute, the Council reviews state mandated comprehensive plans of municipalities and counties for consistency. Only since 1995 have local



comprehensive plans trumped the local zoning ordinance, meaning that only in the past 10 years has local zoning been subordinate to regional review.¹

The Metropolitan Council has had very limited effect in recent years at either stopping sprawl or encouraging affordable housing in the Twin Cities metropolitan area.² But the 1976 planning legislation clearly has an important impact. By requiring county and municipal planning, it sets the stage for local growth management efforts that would distinguish the Twin Cities from other Midwest metropolitan areas even without regional coordination.

One of the key tools of the Metropolitan Council in setting regional policy is tying infrastructure capacity to land use planning. It does this through the Metropolitan Urban Services Area (MUSA) line, a boundary for the orderly extension of public sewer and water that is supposed to accommodate 20 years' development at moderate density. The MUSA line is amended frequently to allow growth and the Metropolitan Council has been criticized for past tendencies to assume that almost all new development would occur on greenfields as opposed to through redevelopment and infill. But a recent regional planning document, *Blueprint 2030*, substantially increases the goals for accommodating new growth along transit corridors in developed areas.³

Despite its metropolitan planning institutions, Minneapolis-St. Paul sprawled dramatically in the 1980s and 1990s, with a 54 percent increase in its urbanized land base between 1982 and 1997. Population grew only 25 percent during that period, meaning that density declined 19 percent, from 4.3 to 3.5 people per urban acre. Sprawl occurred despite population growth of about 15,000 residents each in Minneapolis and St. Paul. About 9 percent of the metro area's land is publicly owned, the largest share of which (4.3 percent of the total) is in state ownership.

Regulatory Environment

Practically the entire land area of Minneapolis-St. Paul is zoned by a municipality, county, or township. All the land in the Minnesota portion of the metropolitan area is zoned, and only 2 townships in the eastern portion of St. Croix County, Wisconsin are not. To the extent that other townships also have zoning, their zoning tends to be stricter—with lower permitted density—than that established by the county.

Municipalities and counties differ substantially in their permitted density. About 30 percent of the municipalities have maximum densities under 8 dwellings per acre. About 28 percent of the cities in the Minnesota portion of the metro area have low-density only zoning; they account for almost a fifth of the municipal land area but only 7 percent of the population. Most of these municipalities are at the edge of the 2020 MUSA line or beyond. Our hypothetical apartment development would not be

¹ For more information on the Met Council, see: Ted Mondale and William Fulton, "Managing Metropolitan Growth: Reflections on the Twin Cities Experience" (Washington: Brookings, 2003). Available at http://www.brookings.edu/es/urban/publications/200309_fulton.htm.

² Edward Goetz, Karen Chapple, and Barbara Lukerman, "Enabling Exclusion: The Retreat from Regional Fair Share Housing in the Implementation of the Minnesota Land Use Planning Act," *Journal of Planning Education and Research* (22) (2003): 213–225.

³ Metropolitan Council, "2030 Regional Development Framework" (Minneapolis, 2004). Available at <http://www.metrocouncil.org/planning/framework/documents.htm>.



permitted in about 13 percent of the Minnesota municipalities in any zone and 30 percent of those in Wisconsin. County governments tend to be more restrictive. In unincorporated portions of all the Minnesota counties and St. Croix County, development is restricted to fewer than four dwellings per acre. Some counties have much more restrictive zoning districts requiring 40-acre minimum lot sizes in many areas. About two thirds of the counties would not permit our hypothetical apartment development under any circumstances. As a consequence of the restrictions on high-density development in unincorporated areas, about 52 percent of the land area on the Minnesota side of the metro area and an estimated 38 percent of that on the Wisconsin side lies in jurisdictions that would not allow our hypothetical apartment development.

Jurisdictions inside the MUSA line generally accommodate denser development than those outside. In fact, 85 percent of residents in the municipalities on the Minnesota side (2.3 million residents in all) live in cities that allow development to exceed densities of 15 dwellings per acre. This accounts for 65 percent of the municipal land area; in all, about 18 percent of the metropolitan land area on the Minnesota side is in jurisdictions that would allow at least 15 dwellings per acre. The permissiveness toward apartments and higher density development may relate in part to the Metropolitan Council's fair share housing system, which has been on the books for three decades but has recently been poorly enforced.⁴ As development expands toward and beyond the current MUSA line more townships are likely to incorporate as cities.

Comprehensive plans are mandatory only inside the seven counties under the jurisdiction of the Metropolitan Council (for county and city governments alike), but we estimate that all the other counties have comprehensive plans as well. Our survey suggests that the smaller cities outside the jurisdiction of the Metropolitan Council often do not adopt comprehensive plans, however. As a consequence, we estimate that only 87 percent of the cities in the Minnesota portion of the metro area and 80 percent of those in Wisconsin have plans. But these 25 to 30 municipalities are small, with a total of about 70,000 residents and 125 square miles of a 3 million person, 6,000-square-mile metropolitan area.

Urban containment dominates land use in Minneapolis-St. Paul. The MUSA line shapes both urban development and local policy, with about half of municipalities and all the counties in the Minnesota portion of the metropolitan areas estimated to have a containment program of some kind. (Two of the four Minnesota counties outside the jurisdiction of the Metropolitan Council did not respond to the survey, but the two respondents did report a containment program of some sort (St. Croix County, Wisconsin, also reports a containment program.)) Impact fees are quite common among the cities; an estimated 65 percent of cities in both states with about the same share of the municipal population has impact fees, and a third of the Minnesota cities have adequate public facilities ordinances. Four of the five jurisdictions that reported APFOs in our survey also had impact fees. Perhaps because development at urban densities tends to be restricted to cities and areas within the MUSA line, the counties tend not to have other growth management measures; only one—Wright County, which lies outside the Metropolitan Council's jurisdiction—reported having impact fees, and none reported an APFO.

⁴ Goetz, Chapple, and Lukerman (2003).



Minneapolis-St. Paul also differs from other Midwestern metro areas in that its local governments frequently adopt affordable housing programs. About a quarter of municipalities in the Minnesota portion of the metro area have at least one incentive based program; about 15 percent of cities have inclusionary zoning or density bonus programs. A quarter also have some dedicated source of funds for affordable housing. A small minority of the Wisconsin municipalities may also have incentive based programs. The counties, however, do not have incentive based housing programs.