C Community Development Committee

Meeting date: July 16, 2012

ADVISORY INFORMATION

Date:	**July 11, 2012**
Subject:	**Population Estimates and Development Patterns**
District(s), Member(s):	**All**
Policy/Legal Reference:	**Minnesota Statute 473.24**
Staff Prepared/Presented:	**Libby Starling, 651-602-1135**
Division/Department:	**Community Development / Research and Regional Policy**

Proposed Action

None. Information only.

Overview

Under Minnesota Statute 473.24, the Metropolitan Council is responsible for preparing local population and household estimates for the cities and townships in the Twin Cities seven-county area. These estimates are the official population and household estimates for State government purposes and are used to determine local government aid (LGA) and local street aid allocations. By July 15 of each year, the Metropolitan Council certifies the estimates of population and the average household size to the State Demographer and to the Commissioner of Revenue.

The Council will release its 2011 population estimates to the media on July 16, and the July 16 Community Development Committee presentation will include these newly-available numbers.

The Council's population estimates are based on changes in a local jurisdiction's housing stock – primarily new residential construction – and changes in residential vacancy rates. As a result, patterns in residential building permits predict future population growth. The Council has recently finalized its collection of residential building permits in 2011 (note, however, that the population estimates rely on permits issued in 2010 to allow time for construction and occupancy by the April 1, 2011 benchmark date of the population estimates), and these will also be presented to the Community Development Committee on the 16th.

In 2011, local jurisdictions across the region issued 6,029 residential building permits, up slightly from 5,810 in 2010 but still the fourth lowest number of permits issued in a single year since the Council started collecting data on residential building in 1970. 46 percent of 2011 permits were for single-family detached housing, and 45 percent were for multifamily units in structures of 5 units or more (the remainder were primarily townhomes).

Top issuers of Residential Permits in 2011:	
Bloomington	645
Minneapolis	583
Blaine (Anoka Co. part)	338
Plymouth	288
Woodbury	286
Maple Grove	261
Lakeville	223
Roseville	187
Chanhassen (Carver Co. part)	167
Burnsville	150

Top issuers of Non-residential Permits in 2011:	
St. Paul	$132,575,533
Minneapolis	$83,132,241
Minnetonka	$77,975,000
Chaska	$51,000,000
Burnsville	$34,509,500
Brooklyn Center	$29,475,834
Bloomington	$27,696,991
New Hope	$27,271,703
Little Canada	$17,600,000
Roseville	$16,500,000

The Council also collects data on commercial, industrial and public / institutional permits. In 2011, local jurisdictions issued building permits for $700 million for commercial, industrial or public / institutional construction, up 12 percent from 2010's low of $626 million but just 30 percent of 2006's high of $2.3 billion (in 2011 dollars).

The 2011 building permits data suggest the following questions about Council policy:

- The 2030 Regional Development Framework set goals that half of new housing units would be attached, including townhomes and multifamily buildings. Among the permits issued in 2011, 54 percent were for attached housing. Since adoption of the Framework in 2004, 58 percent of permitted housing units have been for attached housing. Housing preference surveys do show greater interest in rental housing at this point, but it is too soon to know if this is the result of changing preferences or reduced financial means.
    - o Given changing household demographics balanced by future job growth, what distribution of new housing stock between attached and detached might be appropriate for the *Thrive MSP 2040* plan?
- The 2030 Regional Development Framework set goals that at least 27 percent of new housing would be in the developed area (including the center cities), 59 percent would be in the developing suburbs, 6 percent in rural centers, and not more than 8 percent in other rural areas. Among the permits issued in 2011, 47 percent were in the developed area (11 percent in the central cities, 36 percent in the developed suburbs), and 49 percent were in developing suburbs -- the first time in over ten years that less than half of the residential building permits have been in developing suburbs. The share of permits in the developing suburbs has been declining since 2008 when 66 percent of permits were in the developing suburbs. Since adoption of the Framework in 2004, 56 percent of permitted housing units have been for in the developing suburbs.
    - o Given changing household demographics balanced by future job growth, what geographic distribution of new housing stock might be appropriate for the *Thrive MSP 2040* plan?
- More than two-thirds of building permits in the developed suburbs are in multifamily developments in 11 suburbs.
    - o Given that many of the developed suburbs are aging and are in need of redevelopment, do local governments have the redevelopment tools they need?
- The shares of 2011 permits that are for sites within ½ mile of the 2030 transitway network are 66 percent of new attached residential development, 66 percent of the permitted public and institutional construction (by permitted value), 64

percent of the permitted commercial construction (by permitted value), and 38 percent of permitted industrial construction.

  - How can the region most effectively leverage development along transitways to promote expanded ridership into the future?

- 56 percent of permitted industrial construction in 2011 is within ½ mile of major highways, 38 percent is within ½ mile of the 2030 transitway network and 12 percent is within ½ mile of the high-frequency transit network.

  - While industrial development in 2011 was low (less than $70 million in permitted value), these numbers indicate that the region's high-frequency transit and transitway network is less effectively reaching industrial jobs which do tend to congregate in areas with good highway access. Are there opportunities to improve how transit provides access to industrial jobs?

  - How can the region most effectively leverage development along highways to promote efficient use of the existing highway network into the future?