

Flexible Development Guidelines and Examples Update Coming in 2026

Flexible Residential Development Ordinance Guidelines for the Diversified Rural Area

August 2008

Background

The *2030 Regional Development Framework* (RDF)ⁱ indicates that land use patterns in Diversified Rural Area Communities “include a mix of a limited amount of large-lot residential and clustered housing with agriculture and other uses” (RDF p. 27). The RDF further states the communities in the Diversified Rural Area should preserve areas where post-2030 growth can be provided with cost-effective and efficient urban infrastructure and accommodate growth without prematurely requiring the provision of regional urban services. In addition, the *2030 Water Resources Management Policy Plan* (WRMPP) identifies areas for post-2030 wastewater investment and service. These areas are described in the text of the document as well as illustrated in Appendix E on a map titled *Regional Wastewater System Long-Term Service Areas*.

The existing regional wastewater treatment plants and the broader infrastructure efficiency of contiguous sewer development are predicated on a residential densityⁱⁱ of three units per acre or greater (WRMPP p. 54). The Council’s planning strategies for Diversified Rural Areas call for communities in those areas to have land use plans that “[a]ccommodate growth not to exceed forecasts and clustered development not to exceed 1 unit per 10 acres” (RDF p. 32). However, the results of a recent study of “flexible residential development ordinances” employed in Diversified Rural Area communities show that some communities have implemented ordinances that permit activities that are in conflict with metropolitan system plans.ⁱⁱⁱ Density bonuses, large-lot development, and open space preservation ordinances sometimes permit residential development at densities that will severely limit the ability of some communities to achieve (in the future) the minimum density requirement of at least three units per net developable residential acre that is necessary for future cost-effective and efficient regional wastewater treatment services.

The Council has developed guidelines for flexible residential development ordinances applied in communities in the Diversified Rural Area and identified as a Long-Term Service Area (LTSA) for regional wastewater services. These areas are essentially staging areas for future urbanization, and so development ordinances and land use patterns should reflect as much and not preclude future development on appropriate lands in those areas. A purpose of flexible residential development ordinances in these areas should be to preserve land for post-2030 growth and to accommodate the future extension of regional urban services.

Communities should study and assess their landscapes to refine their development priorities. There may be areas within the community that contain an abundance of sensitive natural resources or that the community has identified as a greenway or conservation corridor. These areas may not be most suitable for future urbanization as the capability of the land to support development is low and constrained. In these cases, open space development or cluster development may be adapted to protect those resources to meet the community’s goals.

These guidelines are not intended to replace the work that has been done by numerous communities and organizations in developing flexible development ordinances. Rather, these guidelines are intended to be used along with those methods and standards for the varying types of flexible development ordinances.

Guidelines for Flexible Residential Development Ordinances^{iv}

Areas immediately beyond the current urban services boundary within the LTSA are considered temporarily rural. Residential development ordinances in these areas should limit densities to one unit per 10 acres, or allow the clustering of dwellings in a manner that will reserve land for future sewered development, in addition to protecting any sensitive resources that may exist. Ordinances providing for residential clustering in the above-described areas should take the following guidelines in consideration when developing or adapting flexible residential ordinances for these areas.

1. Provide a purpose within the ordinance that describes the need to reserve land resources for efficient future urbanization when appropriate infrastructure is available to support that development.

Defining the purpose and intent of any ordinance provides the local unit of government with a basis for the regulations that follow. Clearly stating that a purpose of the flexible residential development ordinance is to reserve land resources for future development will allow potential applicants to better understand the regulations as they apply to individual properties. The local unit of government may also wish to apply aspects of an open space ordinance to other areas within the community that have different characteristics that they wish to set aside or protect; this distinction should also be stated and defined within the purpose section of the ordinance.

2. Describe the characteristics of the land required for future urbanization and seek to reserve tracts of land in a size and configuration capable of supporting future development (for example, non-hydric soils, location in relation to existing development, etc.).

The ordinance should define the lands that are considered “buildable,” as these lands are considered the most suitable for development. Removing lands that are restricted due to federal and state regulations, as well as any features that the local government has defined for protection or conservation, will allow the community to preserve sensitive natural features and to ensure the availability of land to accommodate future development.

Density bonuses are commonly used by local communities as a means to encourage developers to use a non-conventional development ordinance. However, without specifying the types of lands that are required for future development, many communities have inadvertently encouraged large-lot development in which the private lots often consume most of the developable land and leave little remaining developable acreage available for future development. The lots within the development are often too large to efficiently extend urban-level services to the development.

3. Allow no more than 25% of the developable land in a project to be developed. For the purposes of future urbanization, larger future urbanization parcels should be reserved, limiting the cluster to a development area that covers a minority of the area.

To ensure that land is available for future development, the local unit of government should specify the maximum amount of developable land that is allowed to be used for the initial residential development. For the purposes of future urbanization, communities should limit the initial development envelope to no more than 25% of the total buildable area of the project parcel.

4. Require that the parcel(s) set aside for future urbanization be covered by a temporary development agreement or deed restriction, rather than a permanent conservation easement or other permanent restriction.

In a typical open space development, with the purpose of long-term preservation of natural resources, communities usually ensure the long-term maintenance and protection of sensitive natural resources through the placement of a permanent conservation easement that is often conveyed to a trust or public entity. When seeking to reserve land for future development, however, the community should not place permanent restrictions on the capability of the land to be developed. Instead, communities should place on the future urbanization parcel temporary development agreements or deed restrictions that contain “triggers” for the removal of such restrictions. The restrictions prevent the land from being developed before urban services are available. The ordinance should also detail the “triggers,” or conditions, under which such restrictions would be removed and the parcel made available for development. Such conditions may include the rezoning of the parcel, a change in the comprehensive plan, and the provision of urban infrastructure and utilities, among others deemed appropriate by the local unit of government.

Portions of the development that are designated as undevelopable or are to be set aside for recreational use or conservation purposes, on the other hand, should be either dedicated to the public or covered with a permanent conservation easement or permanent deed restriction.

5. Provide for the rezoning of the future urbanization parcel to a residential zoning classification at densities consistent with Council policy at such time that urban services are available to the parcel.

To ensure the efficient utilization of urban services, communities should allow for the rezoning of the future urbanization parcel to densities that, at a minimum, are consistent with Council policy. This rezoning should only occur in conjunction with or after the provision of urban services, when the land is served by the infrastructure required to support higher density uses.

6. Encourage the use of community wastewater treatment systems to serve the temporary cluster and to allow for smaller lot sizes within the development.

Clustering homes on smaller lots facilitates the connection of those homes to future sewer services and ensures that these services are being efficiently and economically utilized. These small lot sizes, however, are often too small to provide the necessary space for individual sewage treatment systems on each lot, in addition to a back-up site in case of primary system failure. Using a community treatment system resolves that issue: by employing a shared drainfield located in a common open space area, individual lots no longer need to be large enough to accommodate two on-site septic treatment sites. The use of smaller lot sizes will not only facilitate future connection to sewer services, once they become available, but also will reserve more developable land for future development.

ⁱ This memorandum references the online versions of the *2030 Regional Development Framework* (as amended through December 14, 2006), the *2030 Water Resources Management Policy Plan* (with revised forecasts as of January 9, 2008), and the *Local Planning Handbook*.

ⁱⁱ The Council defines “residential density” as the “number of dwelling units per net residential acre of land” (WRMPP p. 111). For planning purposes, the Council uses a standard calculation of net developable acres and net density to measure a community’s capacity to accommodate residential development.

The minimum density requirement is three units per net developable residential acre. Net residential acreage is calculated by subtracting from gross acres wetlands and water bodies, public parks and open spaces, arterial road right-of-way, and natural and other resources mapped and protected by local ordinances and in the comprehensive plan update. (*Local Planning Handbook* p. 3-5)

ⁱⁱⁱ Under Minnesota Statutes sections 473.858, subdivision 1 and 473.865, subdivision 2, a local governmental unit cannot adopt any official control of fiscal device which is in conflict with its local comprehensive plans “or which permits activity in conflict with metropolitan system plans.” Official controls are:

ordinances and rules which control the physical development of a city, county, or town, or any part thereof or any detail thereof and implement the general objectives of the comprehensive plan. Official controls may include ordinances establishing zoning, subdivision controls, site plan regulations, sanitary codes, building codes, and official maps. (Minn. Stat. § 473.852, subd. 9)

The “metropolitan system plans” are the “transportation portion of the Metropolitan Development Guide, the policy plans, and capital budgets for metropolitan wastewater service, transportation, and regional recreation open space.” (Minn. Stat. § 473.852, subd. 8)

^{iv} Minn. Stat. § 473.854 authorizes the Council to “prepare and adopt guidelines and procedures relating to the requirements of sections 462.355, 473.175, and 473.851 to 473.871 [the Metropolitan Land Planning Act] which will provide assistance to local governmental units in accomplishing the provisions of [the Act].”

FLEXIBLE RESIDENTIAL DEVELOPMENT EXAMPLES FOR THE DIVERSIFIED RURAL AREA

Background

Thrive MSP 2040 indicates that land use patterns in [Diversified Rural](#) communities are home to a variety of farm and non-farm land uses including very large-lot residential, clustered housing, hobby farms, and agricultural uses. Some Diversified Rural communities are also located in the Long-term Wastewater Service Area (LTSA). These areas are designated to ensure land availability to accommodate growth post-2040 at the edge of the urbanizing area.

Purpose

The purpose of flexible residential development ordinances and tools in these areas should be to preserve land for post-2040 growth and to accommodate the future extension of regional urban services. In August 2008, the Council adopted [Flexible Residential Development Ordinance Guidelines for the Diversified Rural Area](#) that describes the factors communities should take into account if they are considering allowing residential development at densities greater than 4 units per 40 acres in their communities. The Council has since incorporated these guidelines into *Thrive MSP 2040*.

Function

For those communities on the edge of the urbanizing area, designated as part of the LTSA, residential development ordinances should provide for interim land uses without precluding the opportunity for future development at densities of at least 3 units per net developable acre to ensure future, cost-effective and efficient regional wastewater treatment services. For areas outside of the LTSA, the Council also encourages the clustering of homes, particularly when communities are considering densities greater than 4 units per 40 acres.

Communities should study and assess their landscapes to refine their development priorities. There may be areas within the community that contain an abundance of sensitive natural resources or that the community has identified as a greenway or conservation corridor. These areas may not be most suitable for future urbanization as the capability of the land to support development is low and constrained. In these cases, open space development or cluster development may be adapted to protect those resources to meet the community's goals.



The Fields of St. Croix, Lake Elmo

Flexible Residential Development Guidelines

In considering ordinances and development that exceeds the 4 units per 40 acres density, communities should apply the following guidelines:

1. Include the need to reserve land resources for efficient future urban development as part of the ordinance purpose.
2. Identify the land characteristics required to support future urbanization.
3. Allow no more than 25% of the developable land in a project to be developed, reserving larger future urbanization parcels.
4. Protect future urbanization parcels with temporary development agreements, easements, or deed restrictions.
5. Provide for the rezoning of the future urbanization parcels to a residential zoning classification at densities consistent with Council policy at such time that urban services are available.
6. Encourage the use of community wastewater treatment systems to serve the temporary cluster.

Please refer to the full document, [Flexible Residential Development Ordinance Guidelines for the Diversified Rural Area](#), for more information on these six guidelines.

Flexible Residential Ordinance Tools

If a community wishes to allow for increased densities within the Diversified Rural area beyond 4 units per 40 acres, the community should use mechanisms to allow for the future development of the land at urban development densities of at least 3 units per net developable acre. There are a number of tools that communities have utilized to meet these goals, including but not limited to the following:

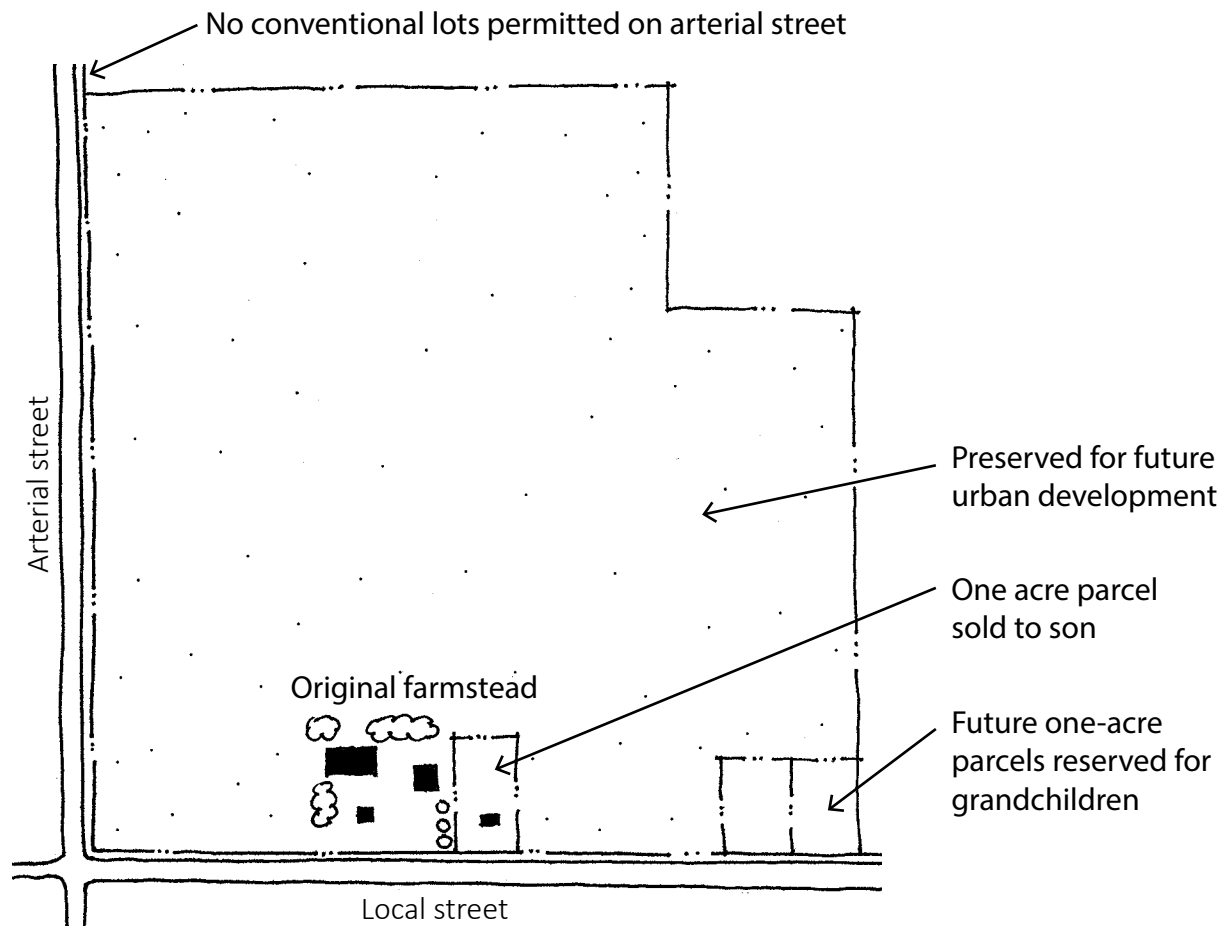
1. Adopt Cluster Ordinances to preserve open space and allow future urbanization.
2. Permit density bonuses for meeting certain specified ordinance requirements.
3. Use of Planned Unit Development (PUD) regulations to manage development and preserve open space.
4. Require Build-Out Plans (Ghost Platting) to demonstrate future subdivision for the delivery of urban services.
5. Employ platting techniques along with deed restrictions, easements, and covenants to protect open space for future development.
6. Use of overlay districts in specified areas to ensure mandatory clustering; for example, on land adjacent to urban service areas.

If a community adopts regulations to allow densities in the Diversified Rural area which exceed 4 units per 40 acres, the Metropolitan Council will need to review any revised ordinance details to ensure compliance with the community's Comprehensive Plan and future expansion of urban services.

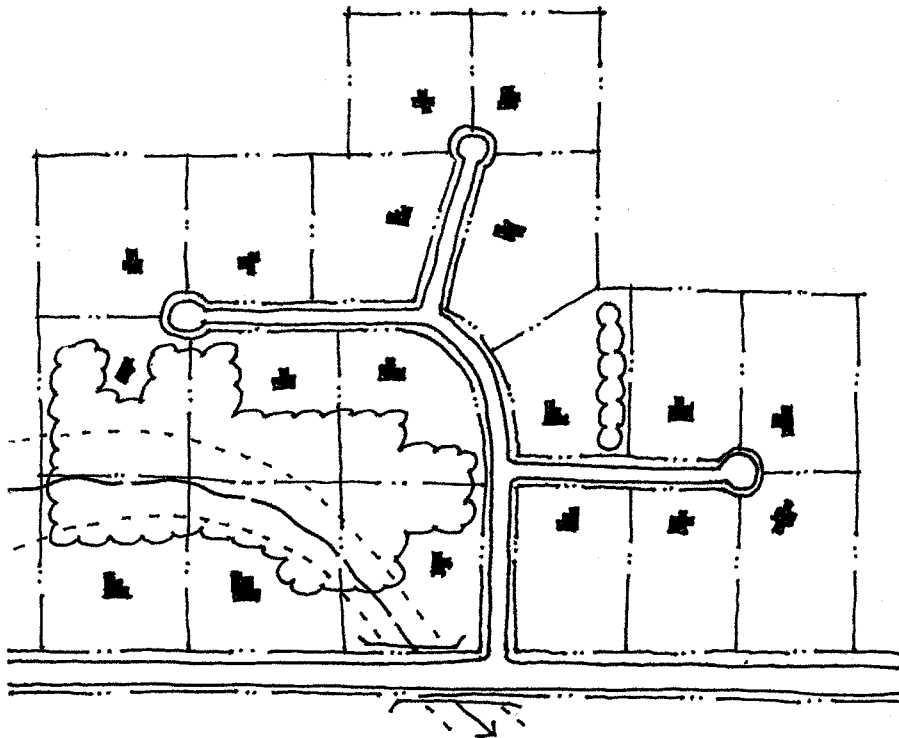
FLEXIBLE RESIDENTIAL DEVELOPMENT EXAMPLES

There are many different development styles a community might use to allow for current development while reserving land for future urban development. This section describes some of the development patterns available to communities.

Traditional Rural Cluster



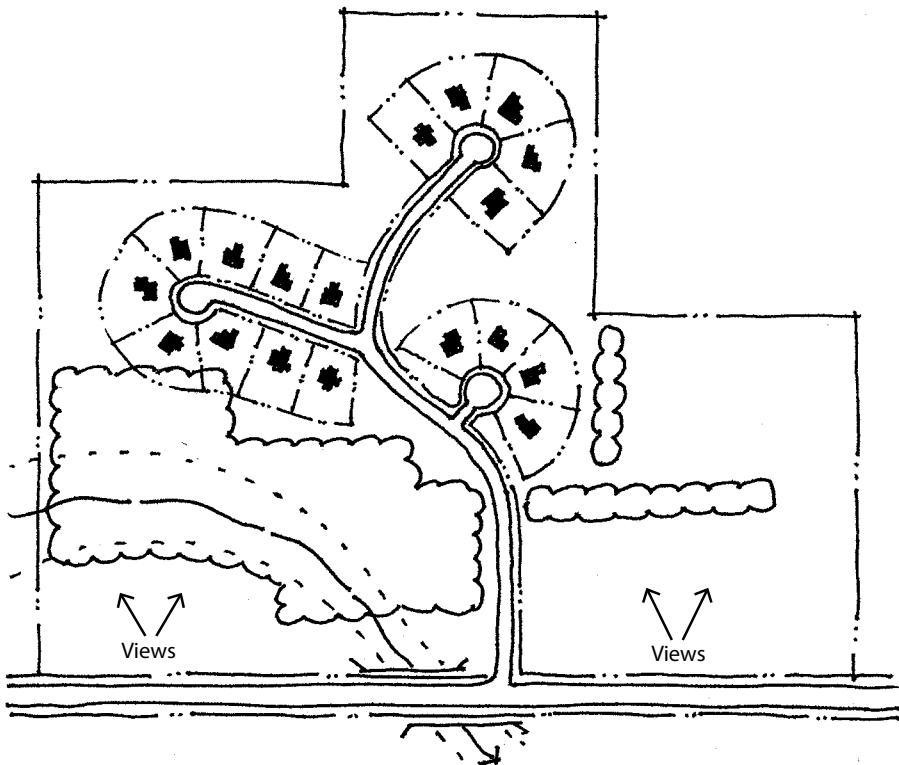
The traditional rural cluster above shows that a mandatory cluster district may allow for a defined, limited number of lot splits within a contiguous rural acreage if certain parameters are met, such as specified lot sizes and frontage on a local street. The above example allows for future subdivision of the residual parcel to allow for urban services. This method of subdivision would need to be tracked by the municipality over time to ensure that sufficient land is preserved to allow for a subdivision layout at acceptable densities and access to allow for future urban services.



Conventional Development

Acres: 80
Lots: 18
Density: 1 unit per 3.3 acres
Minimum lot size: 3 acres
Common open space: 0%

Note: No conventional lots are typically permitted on an arterial street.



Rural Cluster

Acres: 80
Lots: 18
Density: 1 unit per 3.3 acres
Minimum lot size: 1/2 acre
Common open space: 75%

Credit: Adapted from Rural Cluster Development Guide, Southeastern Wisconsin Regional Planning Commission

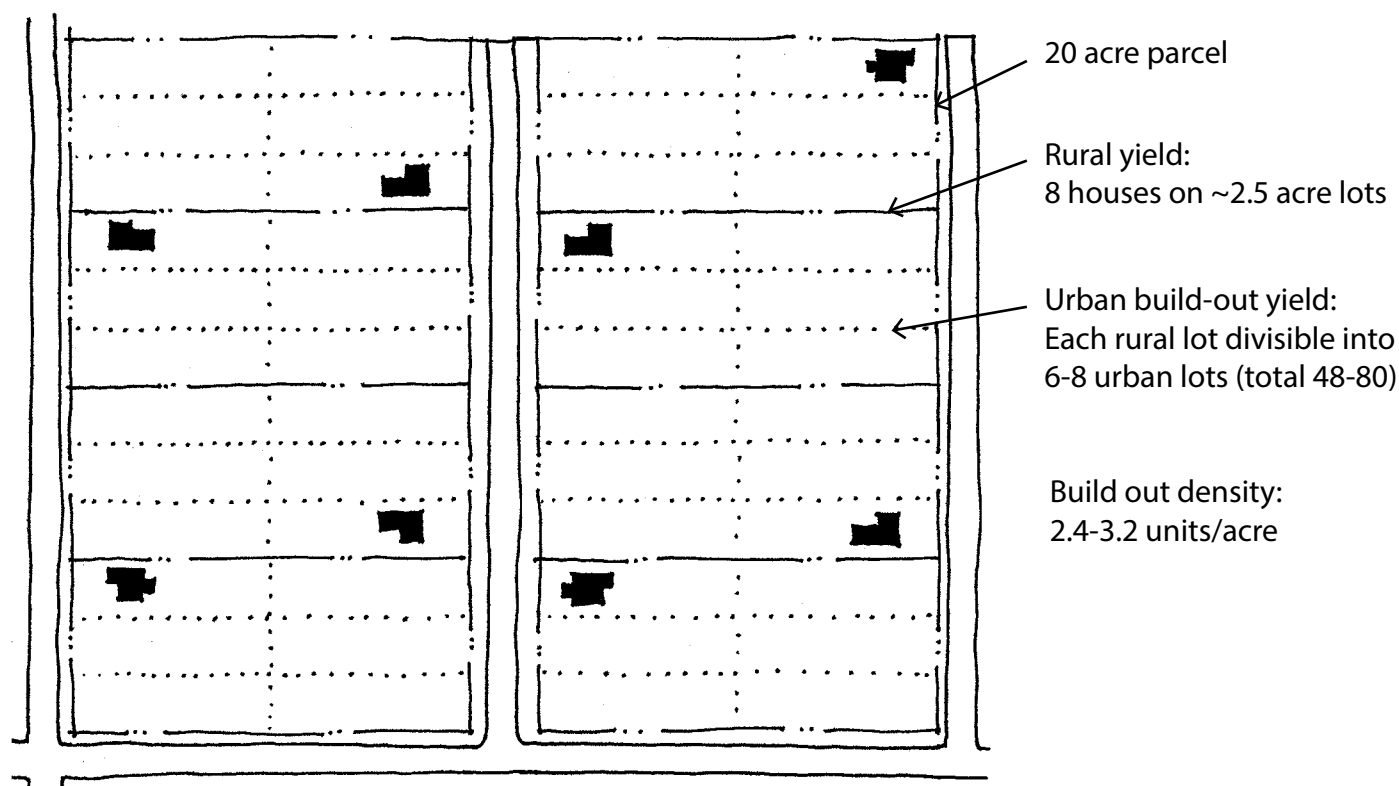
The Rural Cluster Development shows a more proactive approach to the preservation of land for future urban service balanced with the preservation of natural resources.

The first image shows a conventional large-lot rural development which precludes the provision of urban services due to the ineffective lot layout and inefficiency of multiple or long-distance connection points to urban services. The Council has found that this style of large-lot rural development does not advance the mission of ensuring orderly and economical development in the region.

The second example, of a rural cluster development, preserves high amenity open space for resource protection and recreation, while ensuring a compact lot layout which allows for effective delivery of urban services. Additional urbanized development may be accommodated in the eastern portion of that site as well. The Rural Cluster Development may utilize a communal septic system until such time that urban services become available.

Build-Out Plan (Ghost Platting)

The Build-Out Plan, or ghost platting, is a method of master planning for future urban densities in rural large-lot subdivisions. The subdivision is organized in a way that will facilitate a transition to higher density at some future date, perhaps through the use of development or service infrastructure triggers. This is often achieved by restricting the location of buildings to avoid obstructions to future utility and roadway easements. Platting for future urban densities is achieved by establishing lines for future splits of large lots into smaller lots and dedication of rights-of-way and easements for future streets, utilities, storm water facilities, etc. This method of subdivision is another front-loading process which preserves land for future urbanization. Oftentimes, the Build-Out Plan may limit the location and size of the residential footprint to more effectively allow for future subdivision of lots.

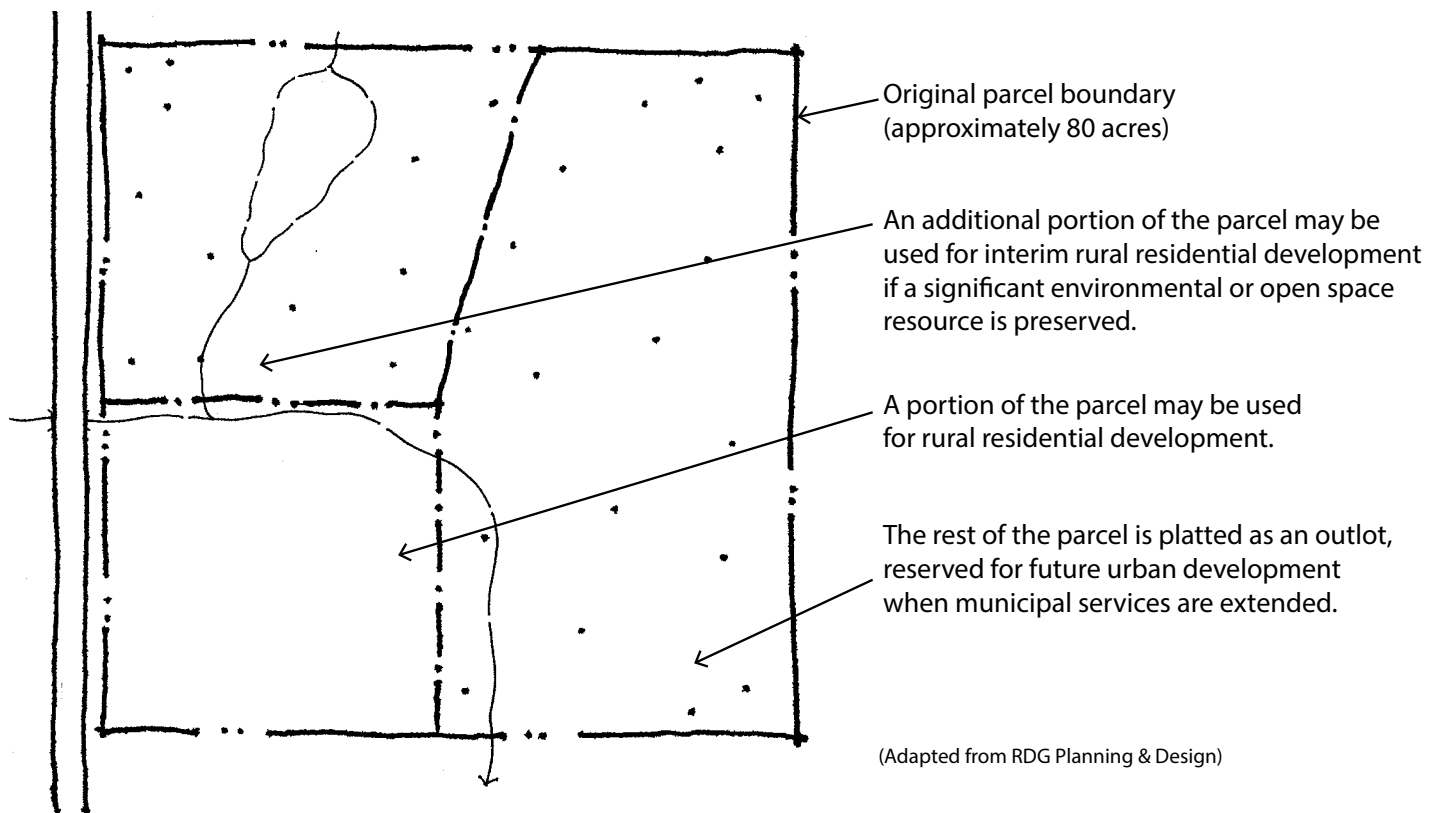


Note: In this scenario no conventional lots are permitted on arterial street, but rather all front on local streets.

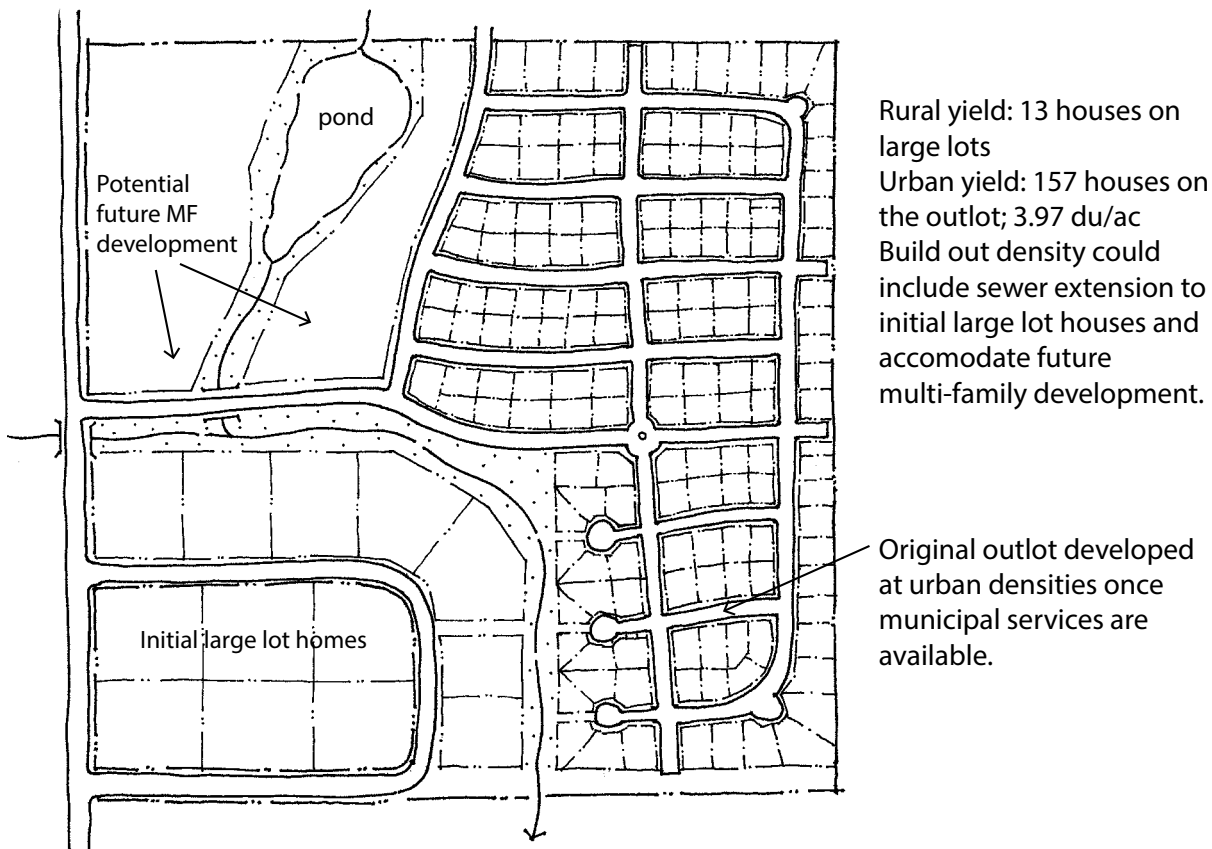
Build Through Acreages

Build Through Acreages can allow for development at lower densities while preserving open space for future development through the platting process. A large outlot can be established to allow for future development at densities that can allow for urban service expansion. The outlot may also be encumbered with deed restrictions, covenants, or easements to provide the interim protection of open space and maintain subsequent triggers for development and service delivery.

This method can also be useful in areas in a Rural Residential community designation that may benefit from clustering, but are still undeveloped in the conventional large-lot pattern. In these cases, it may be advisable to preserve land for future residential development if the outlot abuts land within the Council's Long Term Service Area.



The example below, adapted from Bismarck, North Dakota, shows an historic outlet which was subdivided into smaller lots once urban services became available to the east.



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