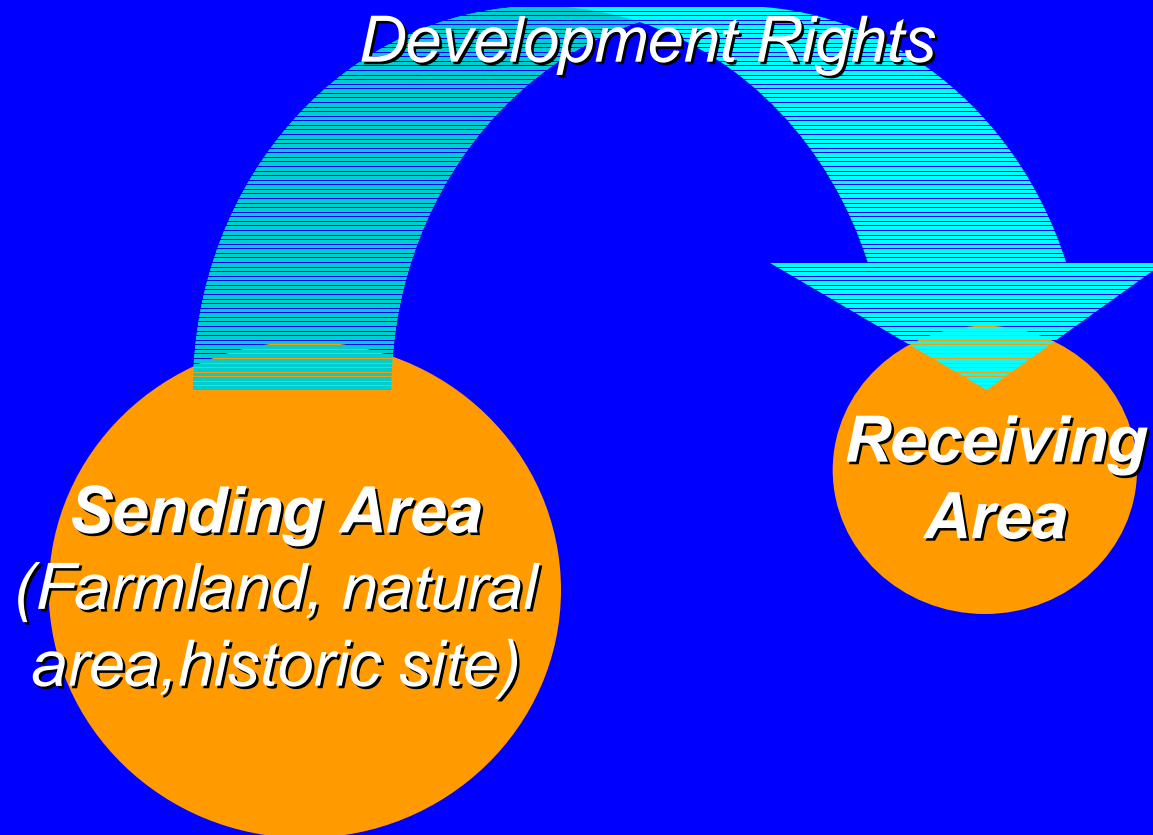


Transferable Development Rights (TDRs)



Office of Public Service & Outreach
University of Georgia
Institute of Ecology

TRANSFERABLE DEVELOPMENT RIGHTS (TDRS)



What are TDRs?

- Development rights are separated from one parcel & sold for use on another parcel.
- Landowner enters into conservation easement permanently restricting development on original parcel.

Why use TDRs to preserve green space?

Landowners:

- retain land & continue traditional uses
- are compensated for lost development potential

Communities:

- preserve green space without paying for land

TDRs are used to protect resources such as:

- agricultural land
- groundwater recharge areas
- wetlands
- woodlands



and

- endangered species habitat
- areas of historical & cultural significance
- green space



TDRs can direct growth to:

- areas in need of revitalization
- areas where infrastructure exists
- other areas
where growth is
desirable



A TDR Program needs:

- well-defined goals
- significant public input
- sending & receiving areas
- formula for allocation & use of development credits
- incentives
- review & adjustment process

A TDR Program can include:

- TDR bank or exchange
- alternative uses to residential density increase
- affordable housing component

Successful TDR programs are:

- based on market analyses
- incorporated in zoning code & provide only means to increase density
- used with other land preservation strategies

Public involvement in development is key to success

- increases participation in the program
- defuses NIMBY phenomenon

Strategies

- Citizen Advisory Council w/ representatives of all stakeholders
- public meetings at all stages
- on-going public education
 - web site
 - news articles
 - radio PSAs

Sending areas

may be chosen based on criteria of varying specificity, either as a class or on a case-by-case basis.

Receiving areas

- developer can build more units per acre than underlying zoning allows
- can be designated as a class or by application from developers for specific parcels.

Fact finding studies

- Survey of developers
 - Will they use TDR?
 - What will they use TDR for?
- Housing sales study in receiving area
 - Determines drivers of price
 - Estimates clearing price of TDR
- Analysis of sending area
 - Determines allocations of TDRs
 - Incentives necessary to entice participation

When choosing receiving areas, consider:

- existing infrastructure
- surrounding land uses
- market demand
- community needs & interests
- NIMBY syndrome

Allocation of development credits can be calculated:

- on per acre basis
- depending on development pressure on particular types & parcels of land
- depending on value of resources on particular types or parcels of land

Credit/density formula incorporates:

- projected housing needs
- market demand
- total number of acres to be protected

Result should be a higher demand for credits than there is supply.

Providing other incentives to use the program can increase its effectiveness.

Other incentives can include:

- streamlined/fast-track planning approval process
- waiver of certain landscaping/design requirements
- preference in infrastructure improvement

Other purposes for TDRs

Potentially, TDRs can be used for other purposes than residential density bonuses. Some possibilities:

- increased floor area for commercial or residential buildings
- mitigation for development of certain types of land (e.g. wetlands or woodlands)

Publicly funded TDR bank

- a matchmaker between sellers & buyers
- a buyer of last resort
- a means of inspiring confidence in the program
- a record keeper

Affordable housing

- Palm Beach County, FL
 - protects especially sensitive land
 - sells credits at reduced rate to add affordable housing units

Review & Adjustment

Program should be monitored & adjusted as necessary

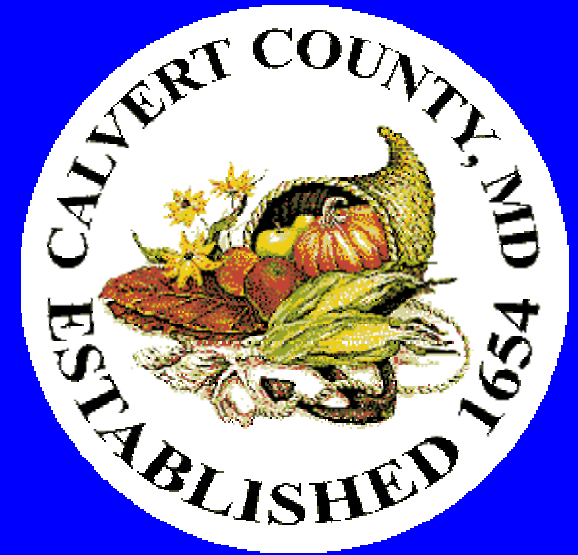
- set benchmarks for achievement
- set timeline for review

TDR success stories

- Calvert County, MD
- The New Jersey Pinelands
- Montgomery County, MD

Calvert County, MD

- 140,000 total acres
- Purpose: preserve farmland
- saved 9,000 acres so far
- due to success, upped preservation goal from 20,000 to 40,000 acres
- current price per TDR: 2,500/acre



Why so successful?

- maximized citizen involvement from start
- receiving areas based on market demand
- must do conservation subdivision to use TDRs
- TDRs only way to increase density in receiving areas
- low density in Ag reserve sending areas – can't subdivide there
- additional incentives

Unexpected bonus

- Land from which TDRs have been sold fetches higher price than land retaining development rights!

New Jersey Pinelands



- over 1 million total acres
- multi-jurisdictional
- purpose: protect natural resources
- saved 25,000 acres so far
- current price per TDR: \$8,000

Why so successful?

- TDRs only way to increase density in receiving areas
- low density in sending areas; can't subdivide there
- fewer available credits than opportunities to use them
- TDR bank facilitates transactions

Montgomery County, MD

- 318,000 total acres
- purpose: preserve farmland
- saved 43,000 acres through 1997
- over 6000 TDR purchases



Why so successful?

- public education/outreach
- additional incentives
- TDRs only way to increase density in receiving areas
- low density in sending areas; can't subdivide there except at 1 unit/25 acres
- fewer available credits than opportunities to use them
- simple process

Programs with problems

- Collier County, FL
- San Luis Obispo, CA

Collier County, FL



- purpose: protect 40,000 acres of environmentally sensitive land
- only 1 transfer in 10 years

Problems

- minimal public education
- no market demand in receiving areas
(not chosen based on market analysis)
- development is allowed in sending areas
- daunting bureaucracy

San Luis Obispo, CA

- purpose: preserve farmland and natural resources
- no transfers to date

Problems

- intense NIMBY reaction, leading to litigation
- lack of public information/involvement
- development allowed in sending areas

Some new & innovative programs



- Hadley, MA
 - TDRS from ag land used for commercial floorspace increase
 - developers can make in-lieu donation to preservation fund for reduction in required # of parking spaces
- Whatcom County, WA
 - use of web site for public education



To set up TDR program, first:

- create Citizen Advisory Committee
- define goals
- begin ongoing public education/input
- market research/feasibility studies
- choose sending areas
- choose receiving areas

Next:

- decide allocation/density formula
- decide on other incentives
- decide on alternatives to residential density increase
- decide on affordable housing component
- decide on TDR bank/exchange mechanism
- create review/adjustment process

Finally:

- put program in place & stick with it
- ongoing public education



Sources:

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Calvert County Planner Greg Bowen
Collier County Planning Dept.
Hadley Planning Commissioner
MNCPPC Planner Judy Daniel

Pinelands Commission Planner Sue Grogan
San Luis Obispo Planner Kami Griffin
Whatcom County Planner Amy Pedersen