

Transfer of Development Rights in Rhode Island

Mini-Conference: March 27, 2013



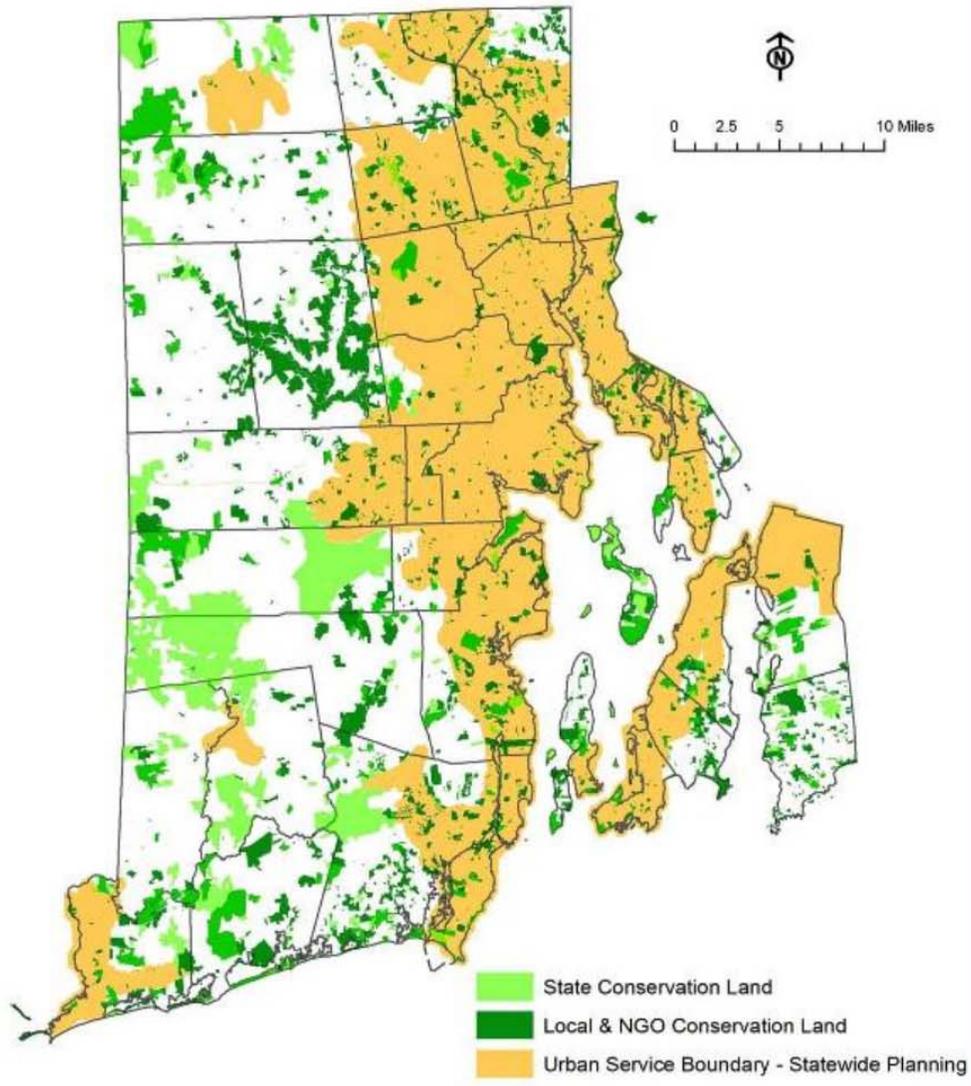
DODSON & FLINKER
Landscape Architecture and Planning



Horsley Witten Group
Sustainable Environmental Solutions

Rick Pruetz, FAICP

Using TDR to Grow Greener









Village Guidance

- TDR
- Model Ordinances
- Design Guidelines
- Lessons Learned
- Economic Incentives
- Existing Impediments

TDR 101

Rhode Island 3-27-13 Part 1
Rick Pruetz, FAICP

- TDR Basics
- Example
- History
- What makes TDC work



TDC Basics

TDC: market-based, zoning tool

- Allows bonus development in appropriate places
- Only when developers provide community benefits (initially preservation of open space and landmarks)

Sending area owners can

- Decline or
- Convey easement (or title) in return for TDCs

Receiving area developers

- Build to baseline or
- Buy TDCs, exceed baseline, achieve greater profit



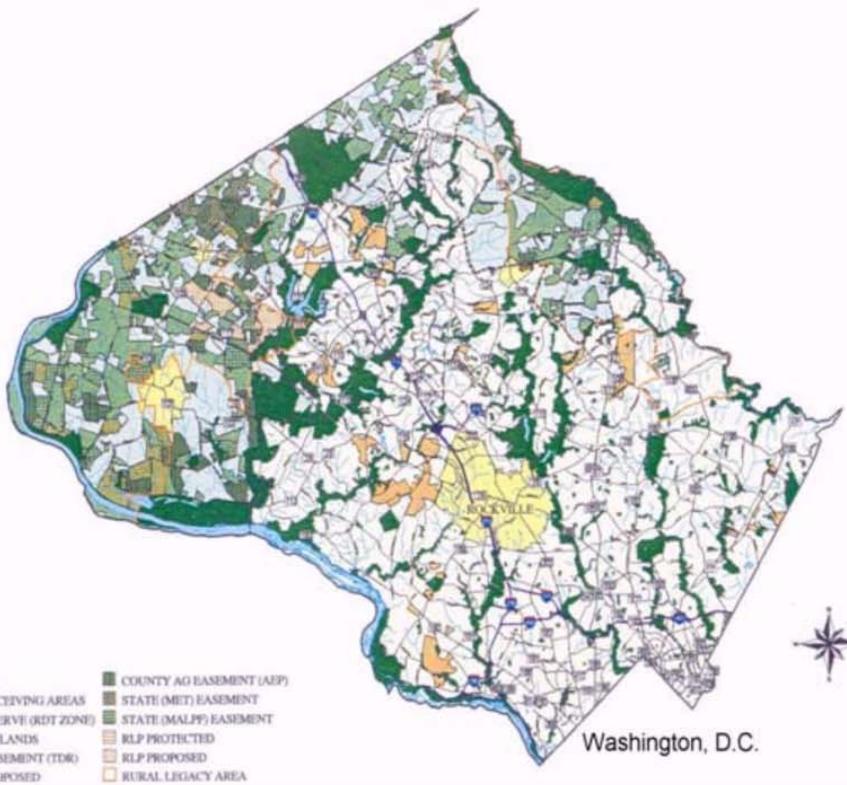
When TDR Works...

- Sending area owners
 - Profit from TDR sales
 - Continue to own and use land under development limitations
- Receiving area developers
 - More profitable density
 - Approval certainty in some programs
- Community
 - Achieves conservation as well as development goals
 - Without reliance on taxes



Montgomery County, MD

- Farmland loss
- County wanted to compensate landowners for preservation
- Traditional compensation sources inadequate
- Adopted 90,000-acre TDR sending area



Without TDR

One Unit Per
25 Acres



With TDR

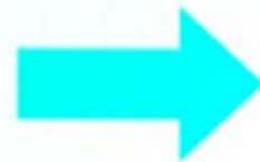
Deed Restrict
Site For
Agriculture



Transfer Five TDR's
To Receiving Site



**MONTGOMERY COUNTY
SENDING SITES**



- Build on-site at density of one unit per 25 acres
- Can deed-restrict site & sell 1 TDR per 5 acres

Montgomery County, MD

Various TDR Receiving Zones



- Choose 5 units/acre without TDR purchase
- Or 7 units/acre by buying one TDR for each extra unit

Results



- Landowners sell development rights and keep farm income
- Developers find TDR option more profitable
- County has preserved 52,052 acres without tax dollars

What can TDR protect?



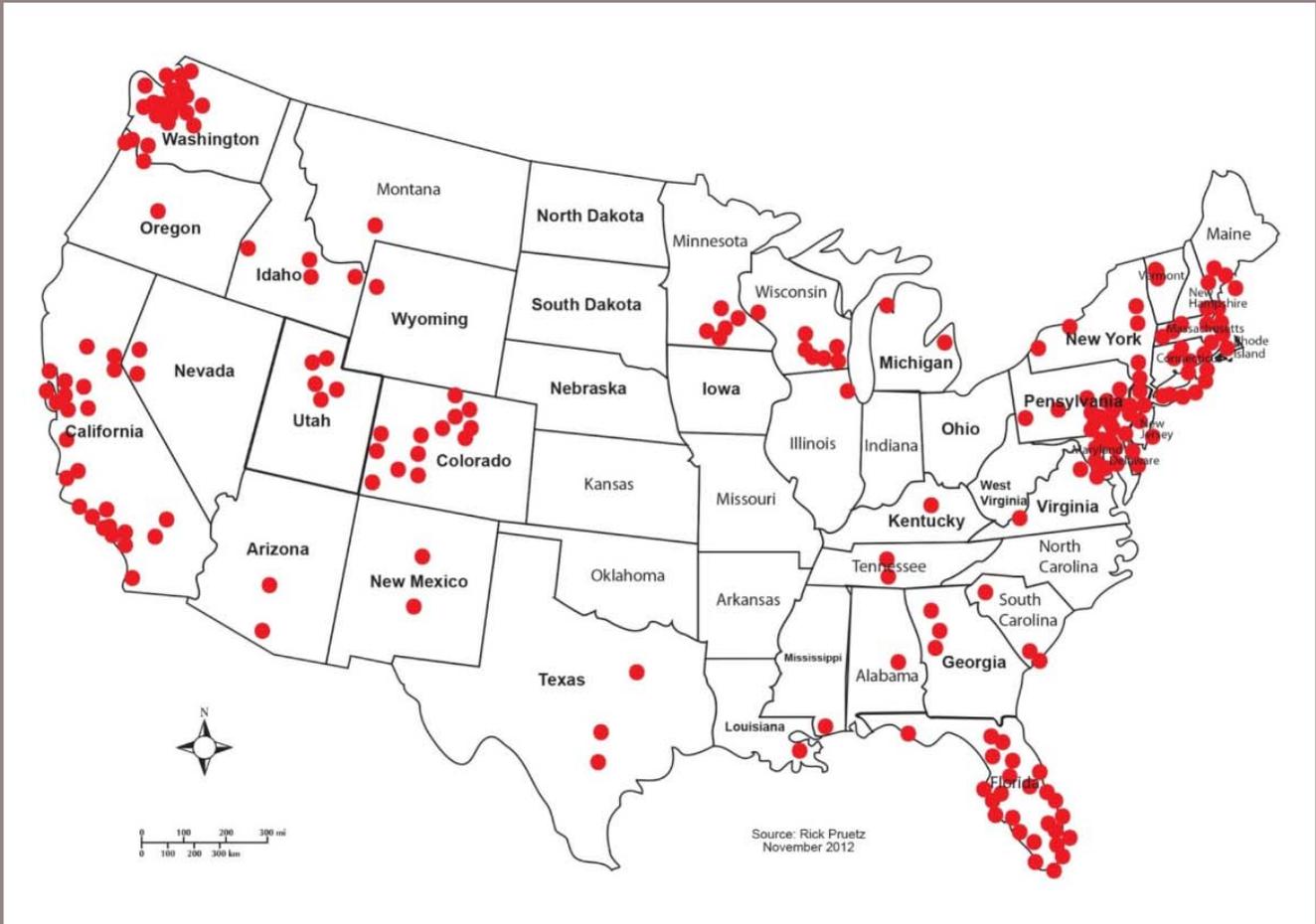
Of 247* TDR programs:

- 205 environment, farmland, open space, hazard avoidance & greenbelts (often multi-purpose including smart growth)
- 20 historic preservation
- 22 other (housing, infrastructure, urban design, revitalization)

* Some communities have multiple programs

US TDC Launched in 1968

247 communities in 34 states



King County, WA: 141,400 acres
New Jersey Pinelands: 58,900
Collier County, FL (RLS): 54,962
Montgomery County, MD: 52,052
Palm Beach County, FL: 35,000
Calvert County, MD: 13,896
Queen Anne's Co., MD: 11,176
Sarasota County, FL: 8,200
Pitkin County, CO: 6,976
Boulder County, CO: 5,900
San Luis Obispo County, CA: 5,463
Blue Earth County, MN: 5,360
Howard County, MD: 4,525
Payette County, ID: 4,200
Miami-Dade County, FL: 4,145
Charles County, MD: 4,089
Rice County, MN: 3,850
Douglas County, NV: 3,728
Collier County, FL (RF): 3,519
Chesterfield, NJ: 2,272

Where does TDR Work Best?

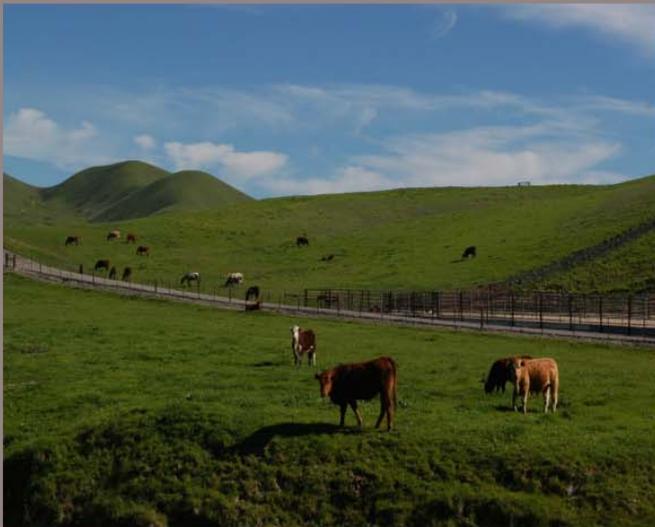
429,213 acres saved by top
20 land-preservation TDR
programs



Top Ten TDR Success Factors

- 1 Demand for Bonus Development**
- 2 Customized Receiving Areas**
- 3 Strict Sending Area Regulations**
- 4 Few Alternatives to TDR**
- 5 Market Incentives**
- 6 Certainty of TDR Use**
- 7 Strong Public Preservation Support**
- 8 Simplicity**
- 9 Promotion & Facilitation**
- 10 TDR Bank**

Create Demand



Reduce baseline

Promote bonus development

Offer wanted bonuses

- Residential density
- Floor area
- Other: lot coverage
- Quota exemptions

Maximize receiving areas

- Downtowns
- New towns
- Low density areas
- All upzoned land
 - Self adjusts to plan changes
 - Separates TDC and upzoning

Few Alternatives to TDC

Problem - bonus development
by:

- Project amenities
- Other approval methods
- Exceptions

Density Transfer Charge

- Option: cash-in-lieu proceeds devoted exclusively to TDC program goals
- Assures compliance
- Priority targeting
- Leverage grants and other funding



Problem: 1:1 Transfer ratio

Solution: Higher TDR allocation ratio

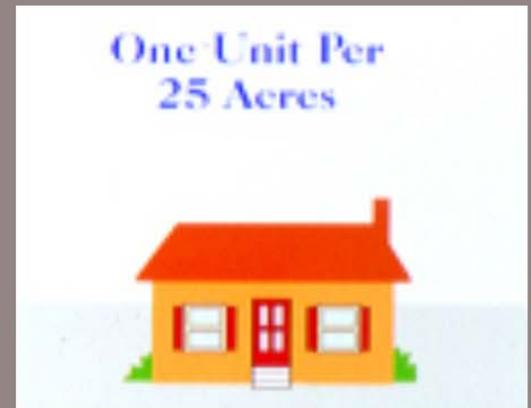
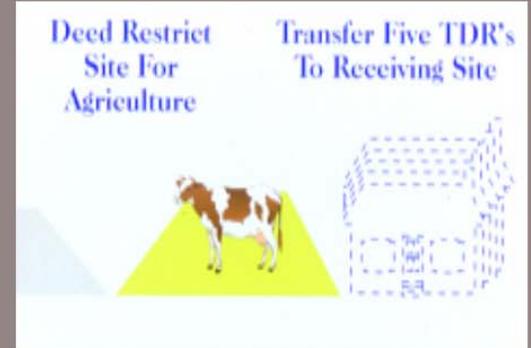
Assume

- Developers will pay \$10,000 per bonus dwelling unit
- One bonus unit per TDR
- Sending area owners will accept \$2,000 per preserved acre

Allocation ratio of one TDR/ five acres should satisfy all parties

Allocation rate might not equal on-site density limit - Montgomery County

Promote Viable TDR Market



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What's Required to Make it Work?

- An understanding that TDR is an implementation tool, not a plan
- Clear program goals that implement Comprehensive Plan policies
- Policy-maker and community support
- An understanding the TDR programs require time to mature



When it Doesn't Work

- When local governments ask too much of the policy tool
- When the program is designed without/in lieu of a long-range plan to accommodate growth
- TDR is not a “silver bullet”. Rarely are all targeted sending areas preserved with private funds, while promulgating economic development in receiving areas.



What's TDR's Role in Local Policy?

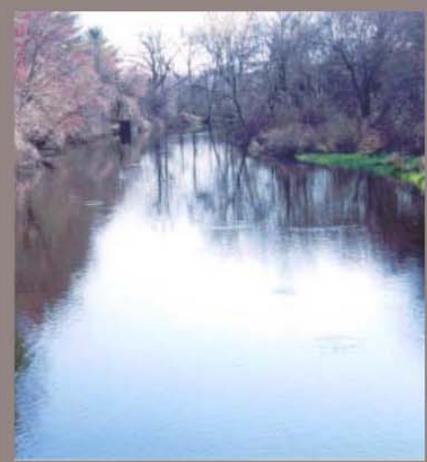
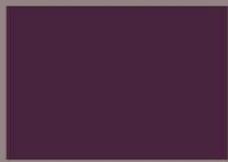
- Are there areas that have PDR and active conservancy groups ?
- Will TDR strengthen land use valuation tax programs?
- Should the TDR program compensate landowners for environmentally sensitive land, even though this land tends to have low real estate value anyway?
- Are there State departments or other programs that can help administer a TDR program? (i.e. manage easements, operate a bank etc.) Or should each local City/Township administer its program?

Is State Help Needed?

- Counties play no role in land use
- State has many incentives for resource protection and targeted growth
- Policy-maker and community support
- State can align incentives to support TDR programs



Regional Examples



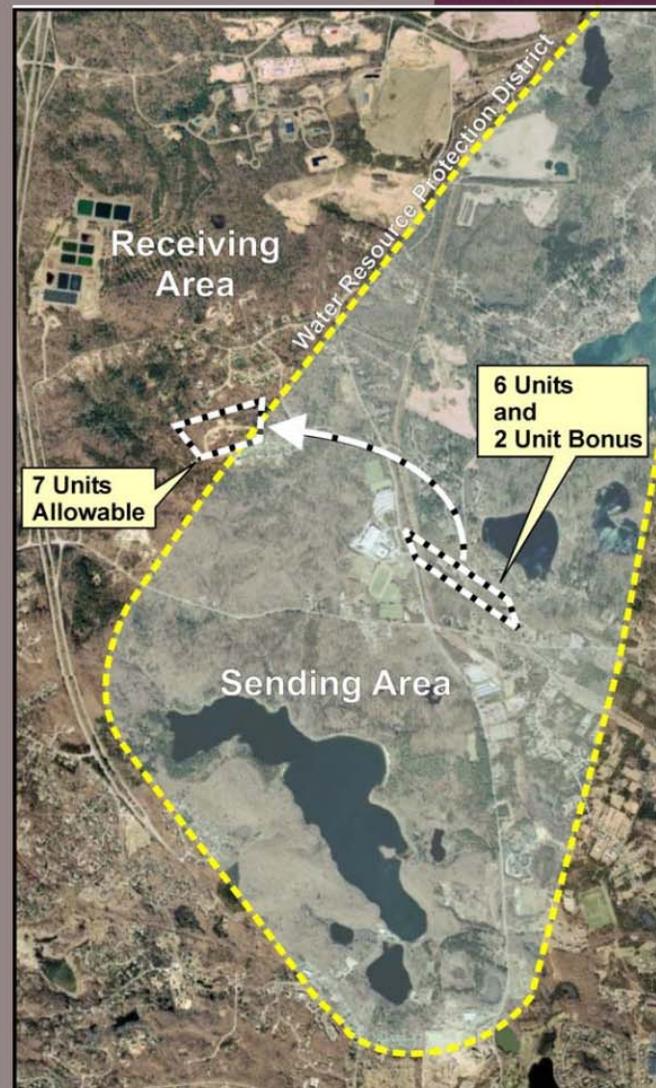
New Jersey Pinelands

- Helps maintain active agriculture
- Protects environmentally sensitive areas
- Has preserved 55,000+ acres of land
- More than 40 transfers per year



Falmouth, MA

- Protects
 - Water Resource Protection District
 - Chapter 61A Parcels
 - Areas of Critical Environmental Concern
 - Coastal Resource Overlay District
- Receiving Areas are eligible for Density Bonuses that vary between 20% to 40% depending on the underlying zoning



Town of Carver, MA

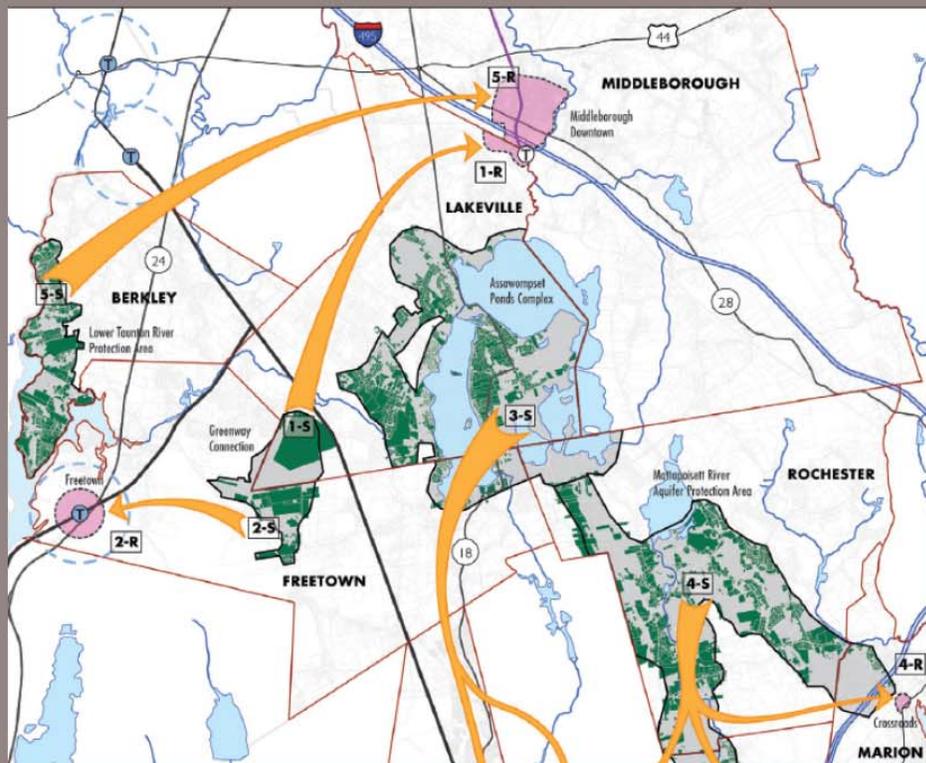
- Has a program but never used
- Seeks protection of sensitive areas
- Insufficient bonus



Multiple Village Scenario

Southeastern Regional Planning and Economic Development District

- Market analysis for regional plan similar to RI Statewide Sustainability Plan
- Included TDR valuation of multiple types of TDR Commodities
- Analysis of State incentives



Local TDR Programs

- Providence
- North Kingstown
- Exeter



City of Providence Skyline



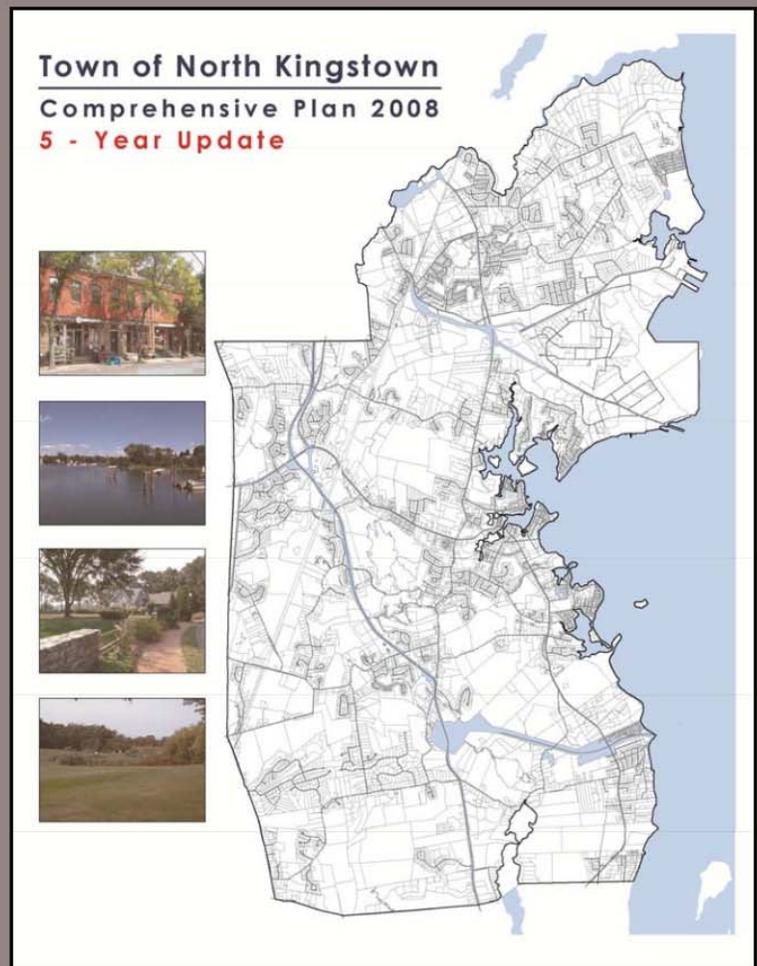
Exeter's Working Landscapes



Post Road Growth
Focus

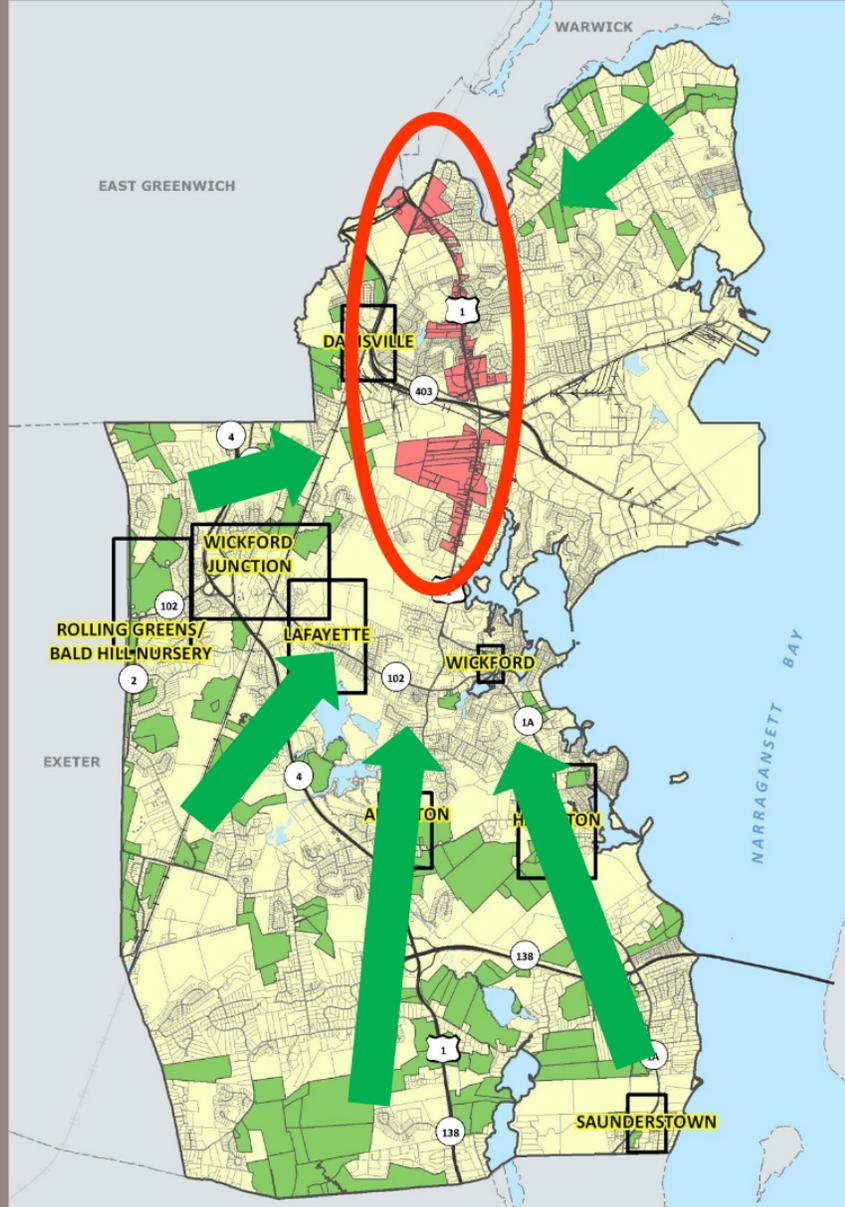
North Kingstown: the First Comprehensive TDR Program

- Post Road has its own Comprehensive Plan Element.
- Post Road has its own focus plan.
- Years of discussion on “growth management”, “density”, “design”, “housing”, etc.



North Kingstown

- Sending and Receiving Areas
- Outlying Farms and Forest lots chosen primarily by size.
- Post Road receives with very large density bonuses.





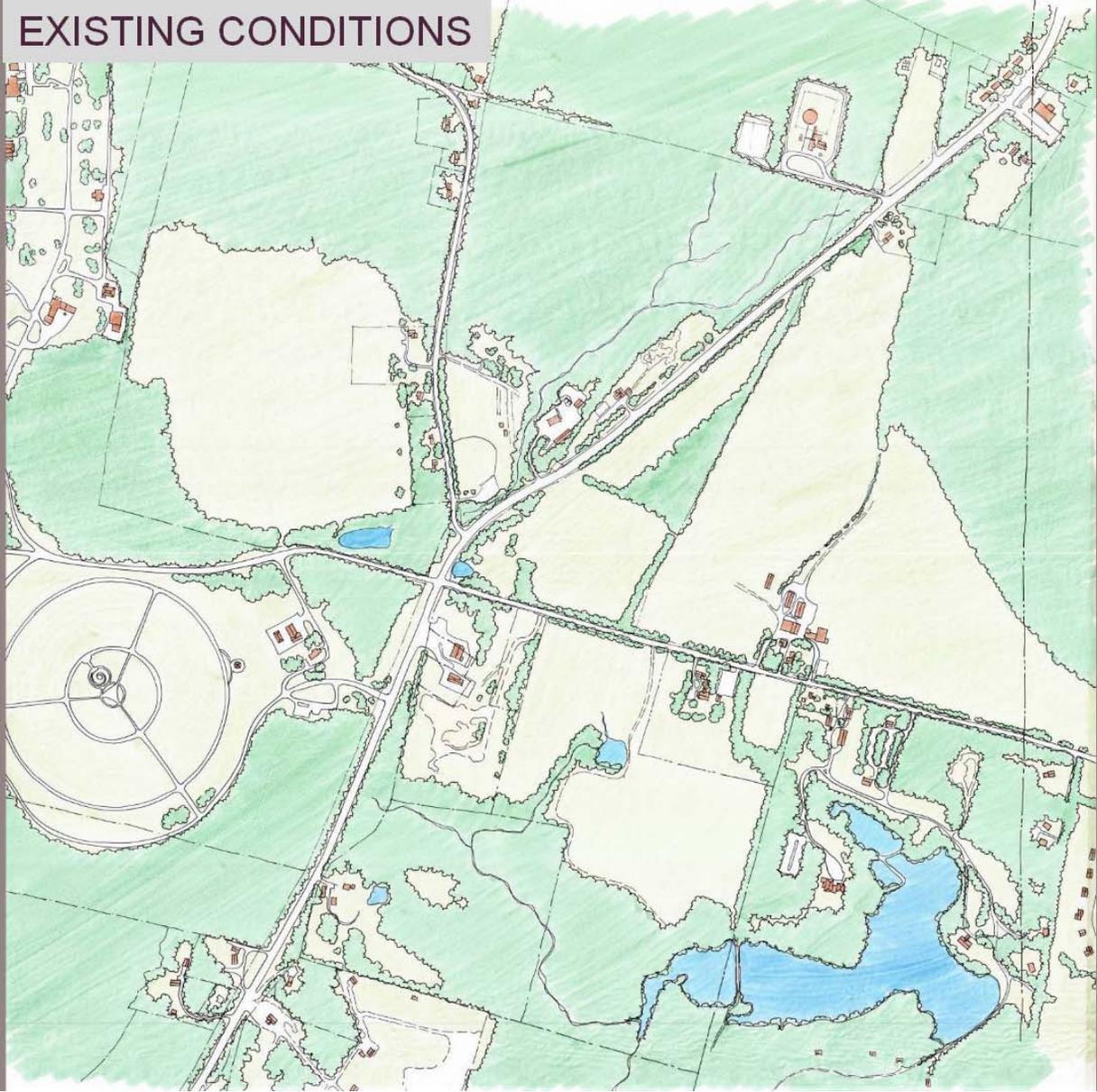


Exeter: Using TDR to Build a Village

- Emerged from a multi-year planning process and a “Vision for Exeter.”
- Part of a strong growth management policy
- Program designed with scenario-based planning



EXISTING CONDITIONS

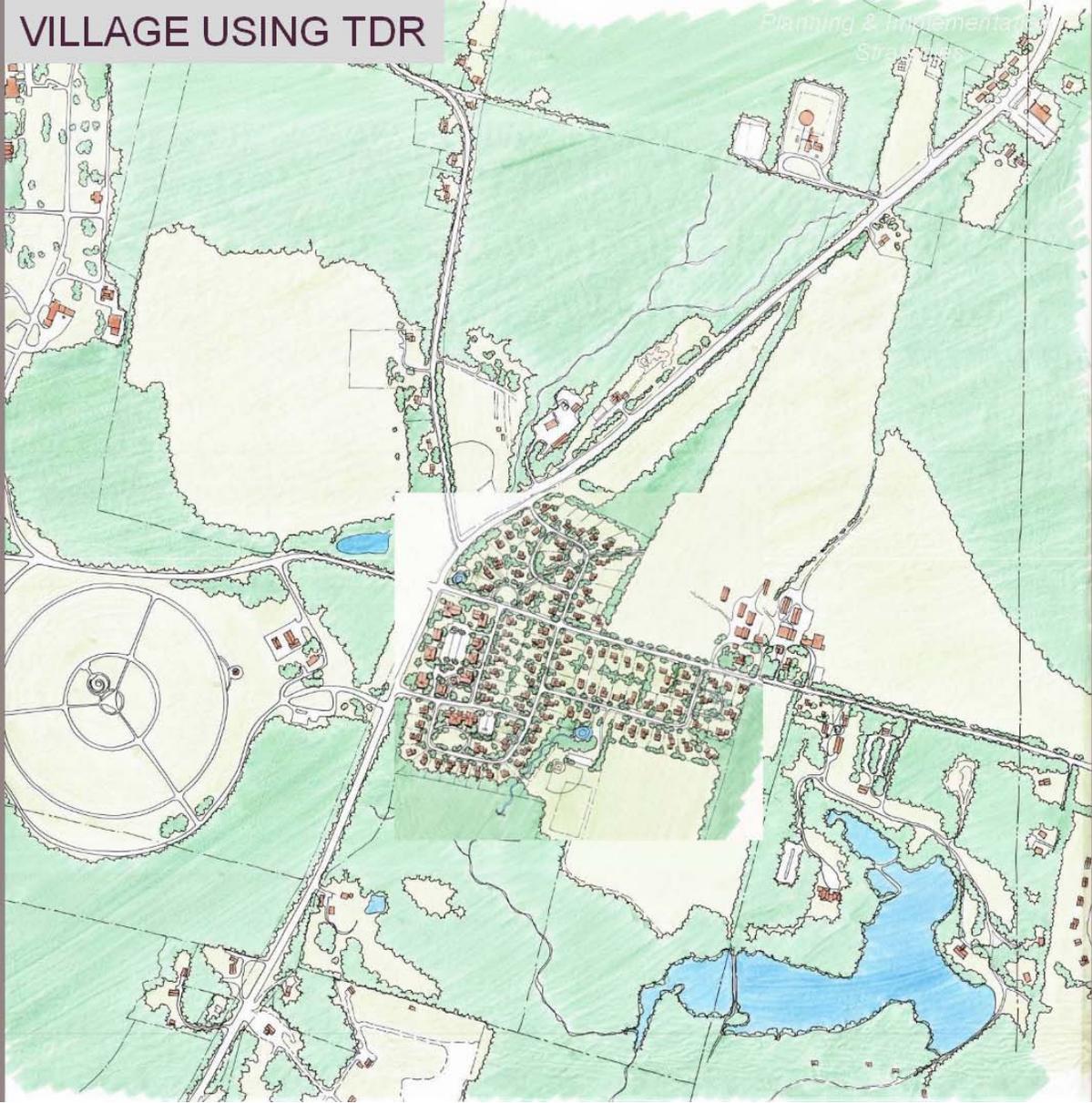


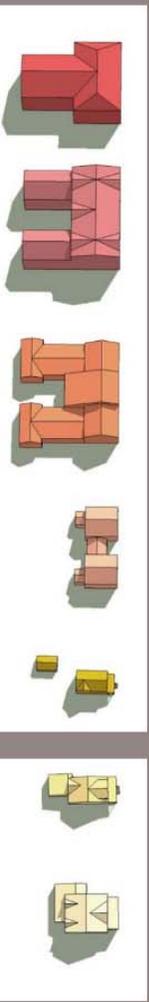
LARGE-LOT BUILDOUT

Planning & Implementation
State



VILLAGE USING TDR





Mixed-Use

Apartments

Townhouses

Duplexes

Cottages

Village Core

Village Edge



Washington County TDR Study

- Examination of TDR in Comprehensive Plans
- State legislation for TDR requires amending
- State “Growth Center” program could be the key to unlocking TDR in Rhode Island

