



**ALLEGHENY
LAND TRUST**

Transfer Development Rights

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About ALT

ALLEGHENY LAND TRUST

Incorporated in 1993, Allegheny Land Trust has protected more than 2,000 acres of biologically diverse land in 27 municipalities of Allegheny County.

- These conservation lands provide public benefits in the form of:
- Natural Stormwater Management
- Passive Recreational Opportunities
- Protection of Unique & Diverse Habitats
- Protection of Scenic Character
- Enhanced Property Values Without Creating a Demand on Municipal Services





Transfer Development Rights Program

**How a Transfer Development Rights (TDR) Program
can accelerate and sustain the transformation of
City/URA-owned, vacant properties**





Transfer Development Rights Program

Pittsburgh's Vacancy

The city and URA own THOUSANDS of vacant parcels that have potential for:

- Greenways
- Gardens
- Green Infrastructure
- Redevelopment

All are currently generating NO tax revenue.



Transfer Development Rights Program

How Can a TDR Program Help?

- Permanently protect greenways, gardens, parklets, etc.
- Fund & steward Green Infrastructure to reduce flooding and combined sewage overflows (CSOs)
- Generate new source of private revenue
- Stimulate development where appropriate, and virtually generate property tax revenue from green space and tax-delinquent real estate

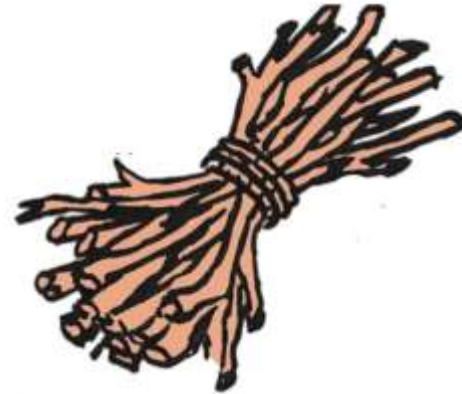


Transfer Development Rights Program

How TDR Works

Real Estate: A Bundle of Rights

- Hunting
- Timber
- Mineral
- Access
- Agricultural
- Development (as per local zoning)
 - Residential
 - Commercial
 - Etc.











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How TDR Works

The Bundle of Rights are Severable

- Hunting 
- Timber 
- Mineral 
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- Development (as per local zoning) 
 - Residential
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 - Etc.

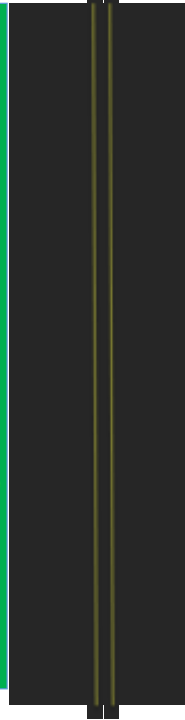


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How TDR Works



3 green parcels with total of
3 development rights under
pressure from development



3 abandon row houses on 3
parcels across street

But the community wants it protected for a community park, garden and green infrastructure



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The Old Way: Typical Scenario



3 houses replace the green space

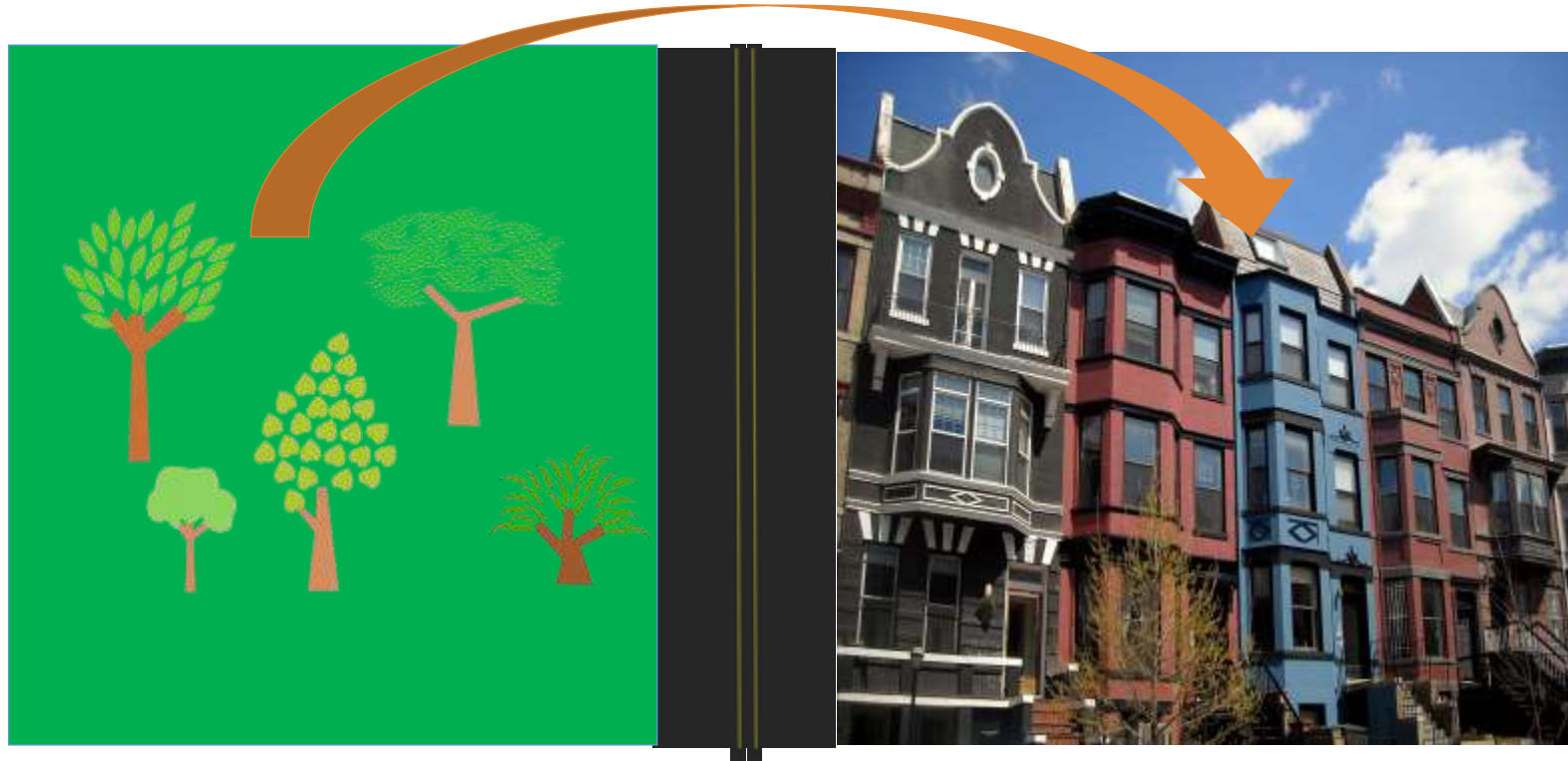


3 houses replace the blight



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TDR Terminology



TDR Sending Area

Keep community green space

TDR Receiving Area

6 houses replace the blight

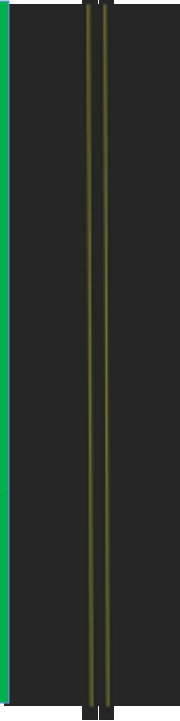


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The New Way: An Alternative with TDR



Keep community green space



6 houses replace the blight



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Benefits of a TDR Program



TDR Sending Area

- **Land dedicated for a public purpose:**
 - Park/Gardens
 - Stormwater Management
 - Greenway
 - Agriculture
 - Floodplains
 - Wetlands



TDR Receiving Area

- **Assessed value and tax revenue increased**
- **Development Rights can be translated into:**
 - Increased density
 - Reduced Setbacks
 - Increased square footage
 - Other incentives created by municipality



Transfer Development Rights Program

Details & Limits

Development Rights can't be simply sold and transferred like other rights. Under the PA Municipalities Planning Code, municipalities can create a TDR program with:

Sending Areas: Where they want to protect land

&

Receiving Areas: Where they want to have development

The municipality can act as a Broker buying and selling the development rights.



Transfer Development Rights Program

Details & Limits

If the municipality acts as a broker buying and selling the development rights,

- TDR Program could generate a new source of private revenue from developers buying the rights
- Revenue generated from the sale of rights could be dedicated to construct and sustain Green Infrastructure or other community green space amenities



Transfer Development Rights Program

Unique Opportunity for the City of Pittsburgh

- 1,255 acres (8713 parcels) owned by the City and URA suitable for community garden or stormwater management

(Source: Appendix B, Suitability Analysis Summary Matrix, OpenSpace Pgh Adopted 07/09/2013)

- Parcels could become TDR Sending Areas with Development Rights being sold for ~\$500/parcel

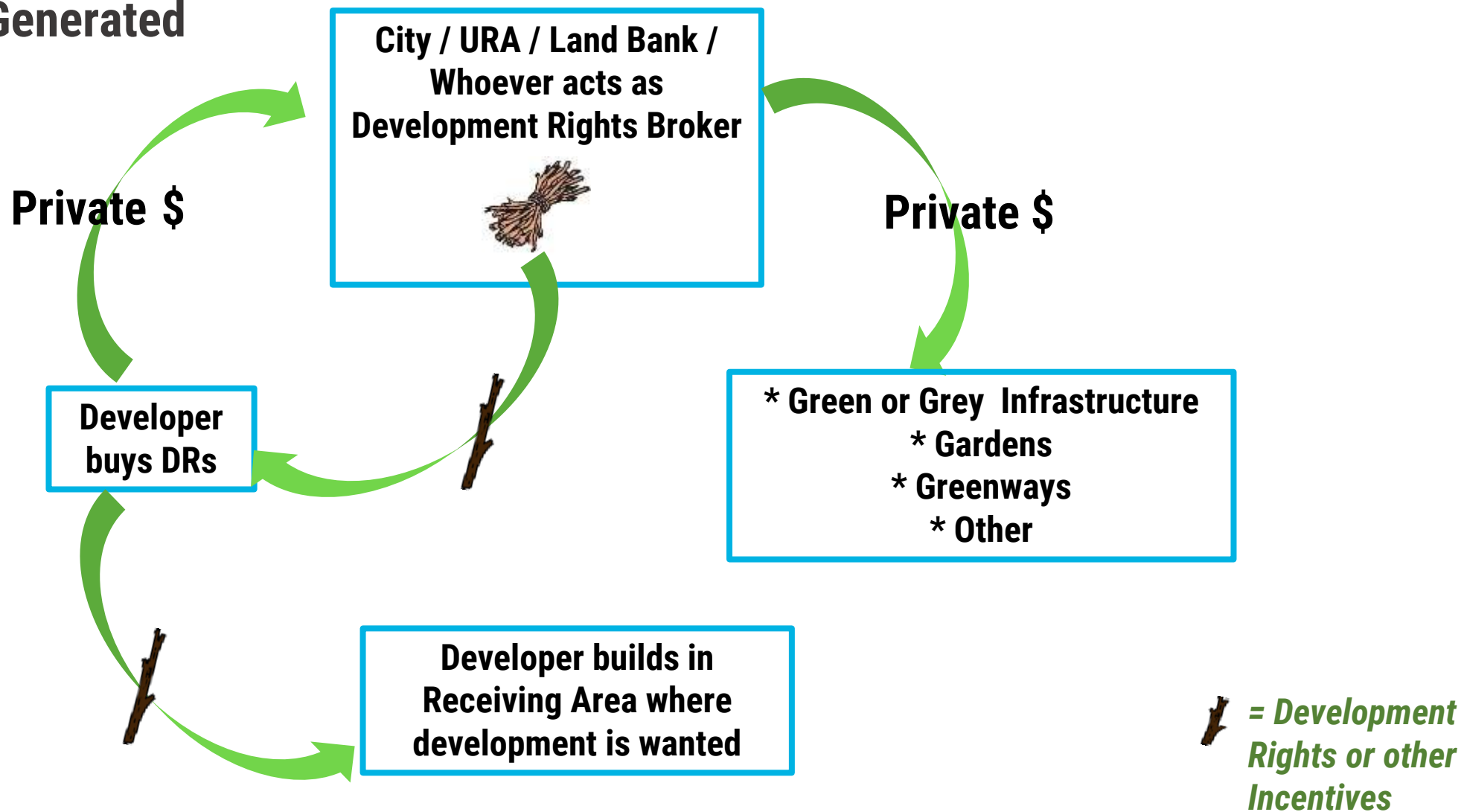
(Warwick Twp. Lancaster Co. sells DR's for \$4,000 each)

- \$4,356,500 in private revenue could be generated if a robust TDR program were created



Transfer Development Rights Program

How Revenue is Generated



Parks = Sending Area
Dev = Receiving Areas



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Your Ideas

In the Garfield example,
what incentives would
drive developers to vacant lots?



Transfer Development Rights Program

Your Ideas

If there is already a robust demand for land:

- Downzone the land to create a demand for the DR's
- Developers then buy TDR's to develop at the traditional zoning density, height, etc.

Outcomes:

- New revenue is generated by selling DR's
- Assessed value of parcels in Receiving Area is higher



Transfer Development Rights Program

TDR Programs Utilized Elsewhere

- ✦ The TDR tool has been available for use by **Pennsylvania municipalities** for more than *two decades*. Provisions for a Transfer Development Rights program are authorized in Sections 603 (c) (2.2) and 619.1 of the PA Municipalities Planning Code.
- ✦ Approximately **33 municipalities in the Commonwealth** had the TDR tool incorporated into their zoning ordinances as of 2008. *Warwick Township, Lancaster County*, has the most active TDR program that has helped to protect more than 1,500 acres of prime farmland.
- ✦ In **Warwick Twp.**, Development Rights are being sold for \$4,000 each to developers who then are allowed to increase density in a new commercial & office park development.
- ✦ **Pittsburgh Cultural District** to protect Historic Buildings (Benedum Theater)



Transfer Development Rights Program

In Summary

- ✦ **Development is directed to where infrastructure exists** and where municipalities prefer it to be.
- ✦ Development rights that are currently tied to property that is not generating any tax revenue are transferred to another parcel and effectively put back into the marketplace where they can **generate property tax revenue**.
- ✦ **A new source of private funding** is generated for the NPO's working to revitalize communities, addressing storm water and CSO issues, creating urban gardens, etc. This capital can be used to improve and steward vacant parcels, increase capacity for the NPO's and thereby accelerate community revitalization.
- ✦ Land used for public purposes **such as green space and community gardens are protected** from being developed for a so called "higher and better use".



Transfer Development Rights Program

FAQ

Q: How will the Sending and Receiving Zones be identified?

A: The Sending and Receiving Zones need to be identified through a public planning process with input from residents, developers and community groups. Sending Zones should be where it is determined that the land has a higher net public purpose than private development would.

Q: Who is eligible to purchase development rights and who would they purchase them from?

A: The most likely buyers would be developers and the seller would be the municipality or private landowner who owns the land.

Q: How are development rights priced?

A: Supply and demand impacts price. The Receiving Zone should be in desirable areas where developers want to invest and build, thereby creating a robust demand for development rights.



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FAQ

Q: What to developers get when they buy development rights?

A: It could be higher density, more square footage or allowing a mixed use that makes their project more profitable. However, the overall density of the larger community hosting the Receiving Zone does not have to change.

Q: Who would benefit from a TDR program in your municipality?

A: Taxing bodies could receive more tax revenue, communities could receive more green space & developers could make higher profits.



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