This report is a deliverable that is part of the Allegheny Land Trust’s Transfer of Development Rights Study.

A Project Of:
Allegheny Land Trust
416 Thorn Street
Sewickley, PA 15143
www.alleghenylandtrust.org

Consulting Firms:
4ward Planning
223 Fourth Avenue, Suite 800
Pittsburgh, PA 15222
www.landuselearning.com

evolve environment::architecture
6020 Broad Street
Pittsburgh, PA 15206
www.evolveea.com
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EXECUTIVE SUMMARY
Study Overview
Pilot Study: TDR Pilot Feasibility Study

Allegheny Land Trust (ALT), a non-profit land conservation organization, believes Transfer of Development Rights (TDR) is an underutilized municipal planning and land-use management opportunity. TDR mechanism’s have the potential to conserve open space in urban areas and generate revenue from the sale of development rights to the private sector. Particularly in Pittsburgh, steep slopes and flood-prone areas weave their way through every neighborhood. Conservation of these spaces can protect them from hazardous and unsustainable development. The TDR mechanism can remove the risk of undesirable development from these locations and, should there be a supportive TDR marketplace, provide funding to monitor and protect open spaces.

ALT is implementing an analysis of the City of Pittsburgh neighborhoods to locate potential pilot TDR projects and has previously developed Neighborhood Criteria to narrow down the most eligible Pittsburgh neighborhoods from 90 to nine. As outlined below and illustrated to the right (presented in more detail on the following page), the 2019 TDR Pilot Feasibility Study used four criteria for screening Pittsburgh’s neighborhoods and thus arriving at the nine evaluated in this study:

- Market Value Analysis
- ALT Partner Status
- Urban Greenprint Analysis
- Existing Community Plan

Figure source: TDR Pilot Feasibility Study, Allegheny Land Trust (ALT), 2019
1 Urban Redevelopment Authority of the City of Pittsburgh (URA), 2016
2 Allegheny Land Trust (ALT), 2018
**Pilot Study: TDR Pilot Feasibility Study (continued)**

- **Market Value Analysis: Economic Need**
  - ALT utilized Urban Redevelopment Authority’s 2016 Market Value Analysis (MVA) data to identify neighborhoods located in either Transitional or Distressed Markets, representing areas that are likely ahead of redevelopment and able to benefit from a TDR Program to control reinvestment.

- **ALT Partner Status**
  - Due to the complicated nature of TDRs, priority was given to neighborhoods in which ALT has a direct or indirect trusting relationship. To develop an effective, in-depth analysis in the selected communities, personal relationships with residents and non-profits on the ground are necessary to understand the needs of the residents and neighborhood.

- **Urban Greenprint Analysis: Potential Sending Areas**
  - Potential TDR Pilot sending areas were evaluated, according to the Urban Greenprint Analysis, to identify project areas with the highest potential for stakeholder collaboration, investment in the extension of current green spaces, new green spaces, or green space serving as hazard mitigation, and to deliver greatest community benefit.

- **Community Plans**
  - ALT identified neighborhoods that have either completed community plans that are no more than five years old or are currently engaged with the City Comprehensive Planning process (e.g., Garfield’s 2030 Plan).

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**City of Pittsburgh Neighborhoods Selected for Further TDR Feasibility Study**

<table>
<thead>
<tr>
<th>Neighborhoods</th>
<th>Market Value Analysis Economic Need (2016)</th>
<th>ALT Partner Status</th>
<th>Urban Greenprint: Potential Sending Areas</th>
<th>Community Plan</th>
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<td>2  Bon Air</td>
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<td></td>
</tr>
<tr>
<td>3  Brighton Heights</td>
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</tr>
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<td>4  Garfield</td>
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<td></td>
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<tr>
<td>8  Larimer</td>
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<td>9  Lincoln-Lemington Belmar (LLB)</td>
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</table>

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4WARD PLANNING INC
Pilot Study:
Neighborhoods

- Brighton Heights
- Beltzhoover
- Bon Air
- Hazelwood
- Hays
- Larimer
- Lincoln-Lemington-Belmar
- Homewood
TDR Study: Scope of Work

This TDR study builds upon ALT’s 2019 TDR Pilot Feasibility Study, which narrowed ALT’s focus from the entire City of Pittsburgh down to nine key neighborhoods. As highlighted below, ALT hired 4ward Planning (lead consultant) and evolveEA to synthesize market receptiveness, development potential, financial feasibility, fiscal impacts, and zoning requirements within these neighborhoods to develop a potential TDR program and ordinance language. This study is intended to demonstrate the benefits of permitting TDR in fully urban contexts, with the goal of facilitating a larger-scale application in the City of Pittsburgh.

This study is designed to answer the following questions:

- What are the general market conditions in each neighborhood?
- What is the land development potential to accommodate new residential development?
- How are the study neighborhoods viewed by area developers?
- Does current zoning permit for sufficient density to make mixed-use residential development financially viable?
- What is the current market value for development rights and revenue potential for the sale of development rights?
- How much private investment is likely to be leveraged?
- What are the prospective service costs and tax revenues from new development?
- Will new infrastructure improvements be required to accommodate the new development?
Background
Transfer of Development Rights: TDR Benefits

Why TDR?
TDR, when paired with good quality community plans that identify preferred areas for density and open space, can be an effective tool to re-shape a more sustainable city fabric. Beyond generating modest revenue to support conservation activities, TDR can permanently protect sensitive areas from being disrupted or disjointed by development. In some of these areas, a group of parcels in which development is prohibited can lead to permanent divestment from the infrastructure that supports those properties. Thus, TDR can help a city to reduce its maintenance obligations, saving money, for streets and other supporting infrastructure in areas where development is not desired. These conserved green spaces, with the proper stewardship, can improve the health and valuation of their surrounding communities.

Additionally, TDR supports smart densification of other parts of a city as the market demands it. Areas well-served by transit and with adequate infrastructure can achieve higher densities of development through a TDR program. This can, in turn, generate greater revenue for a city without necessarily increasing maintenance obligations.

TDRs can help address serious issues, such as rapidly declining green space, landslides, water management, and combined sewer overflows, which have arisen from inappropriate development and poor and aging infrastructure. Furthermore, TDR programs that protect water supplies and other green infrastructure reduce municipal spending on building and maintenance projects.
Transfer of Development Rights: Sending & Receiving Sites

TDR Sending & Receiving Sites
In a TDR transaction, development rights are transferred from a group of one or more parcels to a development site consisting of one or more parcels. Parcels where development rights are being removed are “sending” their rights to parcels where the development rights are being transferred (“receiving” sites). When rights are transferred, a covenant is appended to the deed for the sending parcels that states the limitations on the sending parcels. This section discusses scenarios in which TDR is possible and scenarios in which possible TDRs are valuable and a transaction could be likely. The scenarios are evaluated against the core conditions that determine a property’s highest and best use: physical possibility, legal permissibility, financial feasibility, and profitability.

Graphic: Suzy Meyer, 2019
Transfer of Development Rights: Sending & Receiving Sites (continued)

Preferred Sending Sites
TDR can be a useful aid in environmental conservation by preventing development in places where development is detrimental to the environment or open space is desired, and by supporting ongoing conservation through revenue creation. While the market will determine where rights will be sent (i.e., purchased), planning at the city-wide and neighborhood levels should determine from where rights can be sent (i.e., sold). A TDR is typically permanent, and the deprivation of developability through deed restriction permanently impacts the value of the sending parcel. For most private parcel owners, TDR will not be an attractive opportunity, as the rights are worth less than the overall parcel value. For city-owned parcels, TDR permanently constrains the potential taxable value of the parcel such that even if it were in private ownership, it would not offer meaningful taxable revenue.

Characteristics of Preferred TDR Sending Sites

- **Developability:**
  - For rights to exist, development must be physically possible and legally permitted by the zoning code. Thus, all sending sites should be in zoning districts where development is allowed by right.

- **Location:**
  - A site adjacent to or contiguous with existing parks, greenways, or other open space
  - Alternatively, a site identified for implementation of permanent green stormwater infrastructure

- **Ownership:**
  - Publicly owned sites are simple: no change in ownership is necessary.
  - Privately owned sites should first be purchased by a land trust or government agency (i.e., an entity with no plans to profit from ownership of the site).
Transfer of Development Rights: Sending & Receiving Sites (continued)

TDR Feasibility
For scenarios in which development rights exist, the next test of TDR feasibility is whether the owner is interested in selling those rights. The type of owner is significant here: private owners have different motivations than institutional or public owners. For instance, if development of a publicly owned parcel is physically possible, legally permissible, and financially feasible, the city government may determine it should not be developed so that the parcel can instead contribute to a neighborhood’s public open space, and then sell the development rights to support that open space. If development of a privately owned parcel is physically possible and legally permissible but costs more than the market will pay, private owners may be interested in selling the rights but retaining ownership of the vacant land to use as a side yard or to privately conserve as open space. Most likely, however, a private owner would prefer to sell the property outright, as selling development rights would permanently devalue the land.

Depriving parcels of their developability can also alter the character of a community by preventing development in certain areas. Thus, parcels that are eligible for sending their development rights should be restricted to areas within a community that were identified as being desirable as permanent open space or green infrastructure. Given the permanence of TDR transactions, community planning is critical to ensure that rights are only sent from places community members are certain they want to be open space in perpetuity. Community plans should be consulted, and public meetings held at every major stage of the TDR transaction.
Transfer of Development Rights: Lessons Learned

Existing Urban TDR Programs Provide Lessons Learned

According to The TDR Handbook (2014), for decades, several cities have used TDR to implement the goals of their downtown plans. In 1975, Los Angeles adopted a Central Business District Redevelopment Plan that promoted housing, open space, historic preservation, cultural/community facilities, and transportation improvements with TDR. Seattle adopted a similar approach in 1985, followed by Portland in 1988. That same year, New York City adopted a Theater District zone that allows the transfer of floor area when owners restore their buildings and used TDR in its West Chelsea neighborhood to develop the High Line park. The City of Pittsburgh Zoning Code allows density and intensity transfers in the Golden Triangle district, which have been used in the Pittsburgh Cultural District to protect historic buildings. According to The TDR Handbook (2014), downtown Pittsburgh’s program has had limited success because baseline densities allow millions of square feet of future development as a matter of right without having to use TDR, and the supply of vacant commercial space and pace of commercial development has not generated enough demand.

Market Demand is Critical for Success

A 2009 Pruetz and Standridge study found that the top component of TDR success is market demand. Many TDR programs fail because strong demand does not exist in the local market or current zoning allows for more density than the market supports. Without demand for additional density, no TDRs will be purchased, and no properties will be preserved. A 2008 Kaplowitz, Machemer, and Pruetz study which surveyed managers of TDR programs across the country asked respondents to describe the nature of development demand in their TDR program areas — whether the development pressures are related to housing, commercial/industrial/office, or farmland. Only the demand for housing was significantly associated with successful TDR programs. As a result, this Pilot Study will focus on the transfer of residential development rights.

TDR in Pittsburgh: Golden Triangle TDR Program

The City of Pittsburgh has an existing TDR program within downtown’s Golden Triangle zoning district that could be expanded into a city-wide program that is zoning district agnostic or otherwise integrated within new zoning districts as the code is updated.

Pittsburgh’s Golden Triangle TDR Program

While abiding by the conditions set forth in 910.01.D.1 Density and Intensity Transfers, developers within the Golden Triangle may “increase in the number of dwelling units and allowable gross floor area of buildings and structures through the transfer of such development rights from zoning lots within the GT Districts having unused development rights to other zoning lots within the GT Districts in conformity with the official master plans of the City...”3 The conditions of the Golden Triangle program largely apply to how the rights are utilized on the receiving site and there is limited regulation that applies to the sending site.

Key conditions for receiving sites:

• The gross allowable floor area of the receiving site should be equal to or greater than the gross amount of allowable floor area to be transferred.
  o Unless the sending and receiving sites are abutting or across the street from each other, the gross amount of allowable floor area to be transferred is limited to up to 20 percent of the gross allowable floor area of the receiving site allowed by the base zoning code.
• The receiving site’s development should meet conditions for transportation impacts, building massing, landscaping, etc.

3. Ibid.
TDR in Pittsburgh: Golden Triangle TDR Program (continued)

Key conditions for sending sites:
- The rights to be transferred must be unused.
- The transfer must be binding.
- For sending sites with a Historic Landmark or Performing Arts Facility, there should be a plan for rehabilitation and continuing maintenance of the Historic Landmark or Performing Arts Facility for not less than 40 years.

In the Golden Triangle District, development rights can generally be transferred from any property that has excess rights to almost any property seeking additional rights. For most private landowners in this District, TDR is unattractive because it permanently restricts developability and thus the valuation of their holdings. In some examples of this program’s utilization in downtown, the sending party was the Pittsburgh Parking Authority and the parcels they sold development rights from were sites of parking structures that the Authority deemed to be permanent and had no plans for future development on or sale thereof. Thus, for the Parking Authority, the opportunity to sell unused development rights was an attractive revenue boost that was otherwise unplanned.

The Golden Triangle District Code, Density and Intensity Transfers Section with Annotations can be found in the Appendix of this document.
TDR in Pittsburgh: Considerations for a City-Wide TDR Ordinance

The ordinance for a City-wide TDR program could be inserted into each zoning district’s language as they are revised, or it could be an addition to the overall zoning code. Implementation on a district-by-district basis would be more easily implementable, as it would allow for the incremental expansion of the existing program in the Golden Triangle district. The following considerations could guide the development of a City-wide TDR program.

Acknowledgement in neighborhood plans
Due to market conditions in the Golden Triangle and the geographic jurisdiction for where rights can be transferred to and from, transfers of development rights will not substantially change the character of the downtown neighborhood. In a City-wide program, TDR could lead to changes that bring too much development to certain areas and permanently constrain development in others. Thus, implementation of a City-wide program needs to be in alignment with neighborhood planning and rezoning efforts.

Future neighborhood plans could be explicit in their acknowledgement of TDR as a tool for the community and for developers. The plans could identify specific areas within a neighborhood that are desirable for greater density and specific areas within a neighborhood that are desirable for permanent conservation. Beyond these areas, TDR activity could be either restricted entirely or carefully regulated to ensure that TDR is utilized to support the community’s ambitions for character and economic development.

While the Golden Triangle TDR program can operate with a limited geographic reach, it is unlikely that similarly restricted TDRs in other neighborhoods would be useful. For TDR to be an effective tool in Pittsburgh, it should be broadened as a City-wide program with defined areas eligible for either sending or receiving. Neighborhood planning could be the right scale for determining those areas.
TDR in Pittsburgh: Considerations for a City-Wide TDR Ordinance (continued)

Inclusion in performance-based zoning districts
In the riverfront zoning districts and the new uptown zoning districts, developers can achieve greater development density through a performance bonus points system. Similar to public art performance bonuses, which are based on overall cost of the project, a TDR bonus could be offered as an option for a developer to achieve greater development density through the purchase of development rights from eligible locations throughout the City. When considering this as an addition to an existing or proposed bonus points system, the zoning code should be careful to ensure the cost of development rights is appropriately valued relative to the developer’s pro-forma. Undervalued development rights could become an easy backdoor to density for developers, rendering other bonuses entirely unattractive.

Inclusion in other zoning districts
TDR is not dependent upon a bonus points system in order to be implemented. As it is in the Golden Triangle, a TDR program can be implemented based solely upon the transfer of the number of dwelling units or the allowable gross floor area. Rights should be allowed to be transferred from and to most zoning district types, regardless of their locations relative to each other.

Promoting conservation
Just as a maintenance plan is required for transfer of development rights from historic structures in the Golden Triangle, a stewardship plan could be required for transfer of development rights from planned open space or green infrastructure. Having such a plan in place would offer the community peace of mind about the long-term impacts of permanent conservation. While the value of the rights themselves may not cover the cost of conservation entirely, that value can be added to a conservation budget with support from a variety of sources.
Takeaways
TDR Pilot Potential

Clear areas for sending or receiving are places where a large contiguous group of parcels appears to be appropriate for TDR, while limited areas for sending or receiving are places where appropriate parcels are disconnected from each other, scattered throughout the community, or relatively small. Based on four TDR Pilot potential criteria developed as part of this study, six neighborhoods (Garfield, Hays, Hazelwood, Homewood, Larimer, and Lincoln-Lemington-Belmar (LLB)) have clear sending areas but only three neighborhoods (Hazelwood, Homewood, and Larimer) have clear receiving areas where future development might support a development rights transfer. Of the nine neighborhoods, only two neighborhoods (Hazelwood and Larimer) have major catalytic projects that could encourage a high level of development activity. The Hazelwood Green development will likely encourage additional investment within Hazelwood, while both the Bakery Square project and federal Choice Neighborhoods funding is likely to spur investment in Larimer. Furthermore, according to the 2019 TDR Pilot Feasibility Study, these two neighborhoods also have direct ALT partners and community plans.

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<thead>
<tr>
<th>Neighborhood</th>
<th>MVA Transitional or Distressed</th>
<th>ALT Partner Status</th>
<th>Urban Greenprint: Potential Sending Areas</th>
<th>Community Plan</th>
<th>2019 TDR Pilot Feasibility Study</th>
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TDR Pilot Potential (continued)

The table below summarizes acreage ranges for possible sending and receiving areas by neighborhood. Possible sending areas are areas where development rights exist (residential zoning) and where those parcels are environmentally constrained. Possible receiving areas are places where the transportation network, existing land use mix, density of business activity, or recommendations of a community plan indicate that greater density of development would be desirable.

### Acres of Sending, Receiving, and Major Projects

<table>
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<tr>
<th>Metric Rank</th>
<th>Beltzhoover</th>
<th>Don Air</th>
<th>Brighton Heights</th>
<th>Garfield</th>
<th>Hays</th>
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<td>19.2 - 28.8</td>
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<td>44.4 - 66.6</td>
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<td>Possible Receiving Area</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>18</td>
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</table>

**Hazelwood:**

*Catalytic Developments: Hazelwood Green*

6.0 to 10.7 million square feet of possible development over 178 acres

**Larimer:**

*Catalytic Developments: Bakery Square*

800,000 square feet of office; 300,000 square feet of retail; 500 homes, 12 acres (about half) of which are in Larimer

*Neighborhood Projects: Choice Neighborhoods*

$30M HUD award to create 334 new housing units and an 18+-acre neighborhood park
Market Readiness Ranking

The chart below ranks each neighborhood based on each market readiness metric (with one being the highest and nine being the lowest). For example, the neighborhood with the strongest 2019-2014 annual household growth rate (Garfield) was given a ranking of one, while the neighborhood with the weakest annual household rate (Hays) was given a ranking of a nine. Rankings were then totaled to give each neighborhood a cumulative rank score, with the lowest score being the more favorable. The Garfield, Homewood, and Larimer neighborhoods were identified as most market-ready (21, 35, and 40 points, respectively). While the Hazelwood neighborhood score was less favorable (63 points), largely due to lower existing densities and walkability, the Hazelwood Green development currently under construction will likely encourage additional investment and increase employment and retail densities in the near term.

<table>
<thead>
<tr>
<th>Metric Rank</th>
<th>Garfield</th>
<th>Homewood</th>
<th>Larimer</th>
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<tr>
<td><strong>Walkability</strong></td>
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<tr>
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<tr>
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<td>1</td>
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<tr>
<td>Bike Score</td>
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<td>1</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>8</td>
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<td><strong>Total Points</strong></td>
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<td><strong>35</strong></td>
<td><strong>40</strong></td>
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<td><strong>48</strong></td>
<td><strong>63</strong></td>
<td><strong>66</strong></td>
<td><strong>70</strong></td>
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Top Neighborhoods with TDR Potential: Garfield

TDR Pilot Potential
• Garfield has clear sending areas but limited receiving areas where future development might support a development rights transfer (largely limited to scattered infill sites). There are no active or planned major developments nor a community plan identifying major neighborhood projects.

Near-Term Growth Potential
• Through 2024, Garfield is expected to experience relatively flat household growth (0.5 percent per year) and relatively strong household income growth (3.8 percent per year). Furthermore, with 12 percent of its housing stock built from 2010 to 2017, the neighborhood may be receptive to additional multi-family housing development.

Existing Development Clusters
• Garfield ranks highest in population, housing, and employment density, and second highest in retail business density. Existing jobs, housing, and shop clusters may be attractive to new residents.

Walkability
• Garfield is also very walkable (Walk Score of 75), has good transit (Transit Score of 57), and is bikeable (Bike Score of 60) - factors attractive to both real estate investors and new multi-family housing residents.
Top Neighborhoods with TDR Potential: Homewood

TDR Pilot Potential
• Homewood has clear sending and receiving areas where future development might support a development rights transfer. With the exception of the 7800 Susquehanna site, which is primarily the repurposing of an industrial building, there are no major development projects taking place in these neighborhoods.

Near-Term Growth Potential
• With multi-family housing in buildings containing 10 units or more representing nine percent of its residential stock, and 2.2 percent of its housing stock built from 2010 to 2017, the neighborhood may be receptive to new multi-family housing.

Existing Development Clusters
• Homewood ranks second highest in housing density, and third in population density, and fourth in employment and retail business density. The neighborhood’s existing jobs, housing, and shops may be attractive to new residents.

Walkability
• Homewood is somewhat walkable (Walk Score of 66), has good transit (Transit Score of 59), and is bikeable (Bike Score of 68) - factors attractive to both real estate investors and new multi-family housing residents.
Top Neighborhoods with TDR Potential: Larimer

TDR Pilot Potential
- Largely a hilltop neighborhood with steep slopes, Larimer has clear sending areas. Flatter areas in the southern part of the neighborhood, near Bakery Square, are zoned Urban Industrial, which are ripe for redevelopment and could be clear receiving areas.

Near-Term Growth Potential:
- While Larimer is expected to experience relatively flat household growth through 2024 (-0.3 pcrcnt per year), annual per capita income is expected to grow by 3.8 percent per year.

Existing Development Clusters:
- While Larimer ranks highest in retail density (70 retail business per square mile), it ranks relatively low in job density (977 jobs per square mile) and average in housing density (3,208 units per square mile) among the nine neighborhoods.

Walkability:
- Like Garfield, Larimer is very walkable (Walk Score of 73). The neighborhood also has good transit (Transit Score of 65) and is very bikeable (Bike Score of 74) - factors attractive to both real estate investors and new multi-family housing residents.
TDR Potential: Market Readiness & Zoning Review

Larimer is well-suited for further study
Based on the market readiness analysis, Larimer is the neighborhood that is best suited for further TDR evaluation. Larimer has open spaces and vacant parcels that are appropriate as TDR sending areas. Many of the vacant and open spaces are contiguous with each other and with existing designated open space. This includes spaces that are on steep slopes or otherwise environmentally constrained spaces that contribute to broader ecological continuity, and sites that are desirable as green stormwater infrastructure. Larimer is also a neighborhood with high levels of development activity, including the Choice Neighborhoods project and the ongoing Bakery Square development. While Choice Neighborhoods is entering its final phase, the developer of Bakery Square (Walnut Capital) continues to expand the project’s footprint and development ambitions through the purchase of adjoining parcels in Larimer and neighboring communities. The Hamilton-Frankstown corridor in Larimer is primed for redevelopment and is a focus of Larimer Consensus Group’s current neighborhood planning process.

Beyond Neighborhood Boundaries
Based on the zoning review, throughout Pittsburgh, development conditions vary dramatically from block to block and neighborhood to neighborhood. In most places, development ambitions do not exceed development rights. Opportunities for sending development rights exist throughout the City and throughout this study’s neighborhoods; but the opportunities for receiving said development rights are often located in other neighborhoods in other parts of Pittsburgh. Consequently, the small scale of the City’s neighborhoods means that containing TDR transfers to within a single neighborhood could limit a TDR program’s desirability for rights purchasers and, thus, undermine the program’s ability to conserve open space over the long term. Therefore, it is recommended that neighborhoods throughout Pittsburgh be considered as receiving areas.
TDR Potential: Financial Feasibility and Fiscal Impact Analysis

A Larimer-to-HUZD TDR program could prove highly successful.
The financial feasibility analyses demonstrate that a Larimer-to-Larimer TDR program, while feasible, would prove inadequate to achieve near-term, large-scale land acquisition and preservation within Larimer. Market demand and current lot values in Larimer are insufficient at present and are not likely to improve much over the next 10 years. A Larimer-to-Highly Urbanized Zoning District (HUZD) TDR program could prove highly successful, with respect to acquiring and preserving a large inventory of undeveloped lots within Larimer. Specifically, an increase in FAR for a building within a HUZD (as opposed to an increase in a building floor, as is currently permitted under the city’s PBZ program) could be tied to the purchase of a Larimer TDR credit equivalent to the value of 10 undeveloped average size lots in the neighborhood. Further, the most equitable structure for the purchaser of the TDR credit would be tying the credit value to a percentage of the cost increase associated with increasing the FAR by one whole unit (e.g., 4.0 to 5.0). In this way, TDR purchase value is proportional and not regressive, as are many of the existing PBZ investment requirements within the RIV.

A Larimer-to-HUZD TDR program yields positive net fiscal impacts for both the school district and City.

According to the fiscal impact analysis, the additional 10 two-bedroom dwelling units facilitated by an expansion of the FAR from 4.0 to 5.0 under the hypothetical Larimer to HUZD TDR program yields a positive net fiscal impacts for both the school district ($4,483) and city ($16,864). Further, the net positive impacts are likely greater, insofar as local service tax (LST) and earned income tax (EIT) revenues are not made part of this analysis.

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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<tr>
<td>Net Fiscal Impact – School District:</td>
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<td>Net Fiscal Impact – City:</td>
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<td>Projected Net New Service Costs Total</td>
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<td>Tax Revenue – City:</td>
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TDR Potential: Meeting Allegheny Land Trust Goals

*Market fundamentals likely mean a TDR would fall short of achieving ALT’s goals.*

While ALT has proposed creating a traditional TDR program within Larimer to support its overarching goals of land preservation and environmental stewardship, such a program is likely to fall short of achieving these goals, based on market fundamentals which underpin a TDR program. Specifically, and based on market and financial feasibility analyses performed, the scale of development necessary to achieve significant enough revenues to preserve and maintain undeveloped land in Larimer is not supported by current market demand for residential or commercial development; nor is it likely to be supported for many years, given demographic trends (flat population and household growth within the City of Pittsburgh) and current development and redevelopment activity within other areas of the City.

*ALT can help the City prepare in anticipation of economic conditions changing.*

Current economic conditions in Pittsburgh mean that a TDR program is not a top priority among developers, planners, or community members. However, ALT has opportunities to advocate on behalf of TDR so that the City is prepared when economic conditions change. For ALT, recommended advocacy priorities include:

- Inclusion of TDR as a consideration in the neighborhood planning and rezoning process. This can help to proactively identify community-supported sending and receiving areas within each neighborhood.
- Analysis of TDR applicability to publicly owned parcels. Where the City owns parcels within sending and receiving zones, the City should develop an inventory of sellable rights.
- Education about the TDR program to developers, planners, and community members. As stakeholders better understand how the transfer of rights can help to support community development priorities (both sending and receiving), the greater the opportunity for successful conservation of open space.