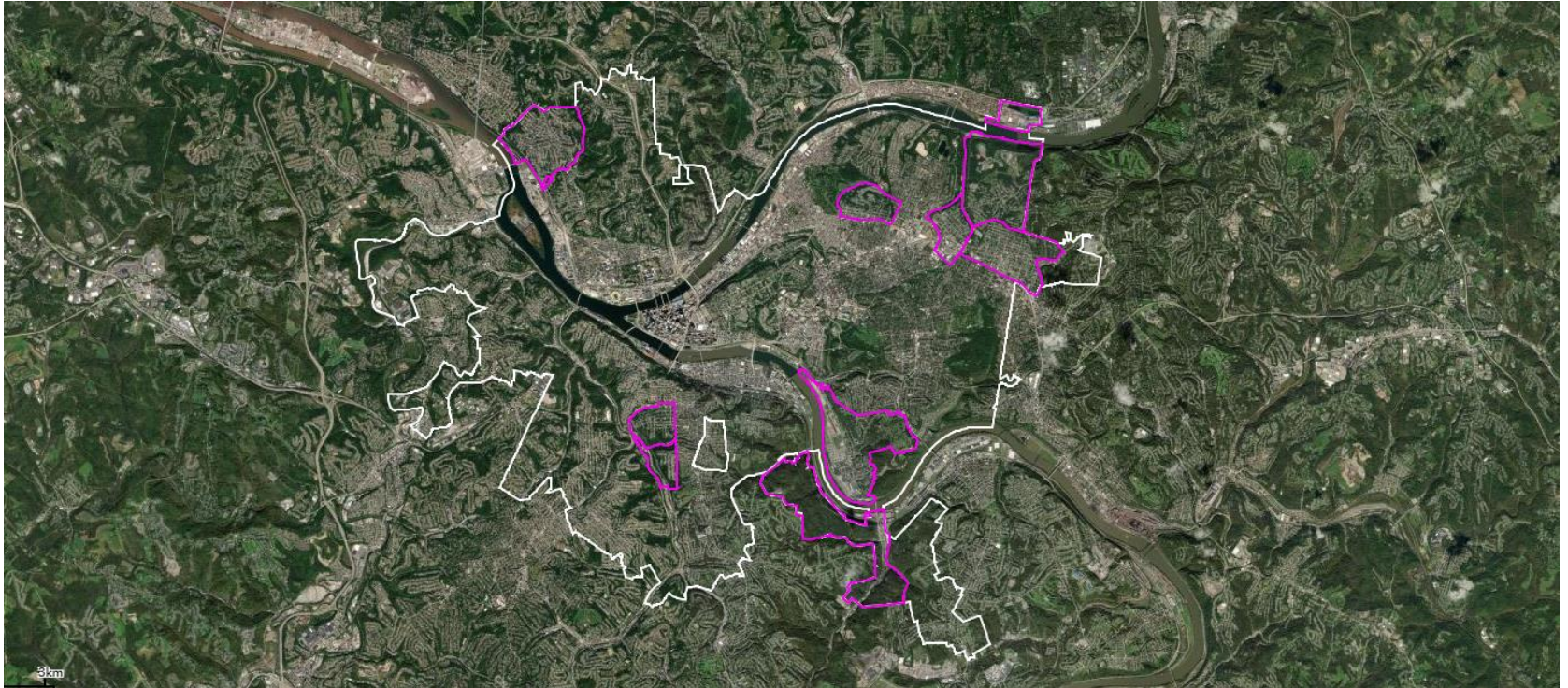


Allegheny Land Trust

TRANSFER OF DEVELOPMENT RIGHTS

Pittsburgh, Pennsylvania

June 28, 2021



ECONOMIC AND REAL ESTATE ANALYSIS FOR SUSTAINABLE LAND USE OUTCOMES™

Six Questions about TDR in Pittsburgh

Why This 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.

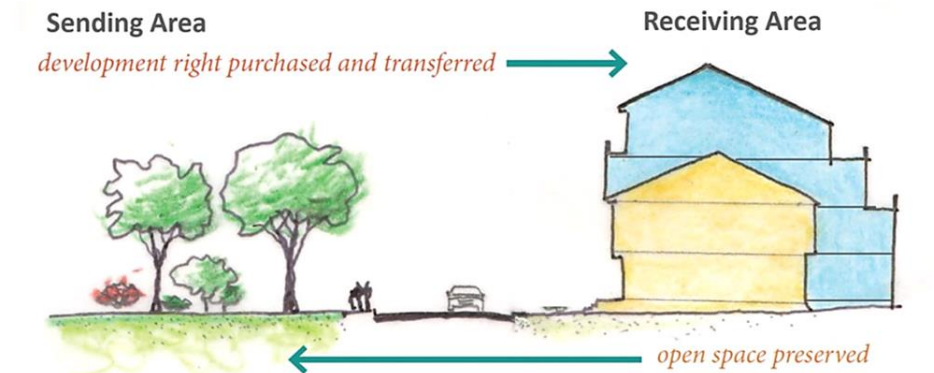
Particularly in Pittsburgh, steep slopes and flood-prone areas weave their way through every neighborhood. **Conservation of these spaces can protect them from hazardous and unsustainable development.** The TDR mechanism can remove the risk of undesirable development from these locations and, should there be a supportive TDR marketplace, provide funding to monitor and protect open spaces.



What is TDR?

In a transfer of development rights (TDR) transaction, development rights are transferred from a group of one or more parcels to a development site consisting of one or more parcels (generally, this will not occur within the same neighborhood, given that market demand varies greatly from one neighborhood to another across a city or town). Parcels where development rights are being removed are “sending” their rights to parcels where the development rights are being transferred (“receiving” sites). Further, TDR scenarios must be evaluated within the context of a property’s highest and best use: physical possibility, legal permissibility, financial feasibility, and profitability. If a property is deemed to have little or no development potential based on not achieving one or more of the above tenets, there would likely be limited, if any, TDR value for the subject land parcel.

See pages 12-14 in the Executive Summary for more information.



Why is TDR considered an effective tool?

TDR, when paired with good quality community plans that identify preferred areas for density and open space, can be an effective tool to implement those community plans. Beyond generating revenue to support conservation or other 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.

[See page 11 in the Executive Summary for more information.](#)

What is hindering the use of TDR in Pittsburgh right now?

The City of Pittsburgh has an existing TDR program within downtown's Golden Triangle zoning district. The Golden Triangle TDR program operates within a limited geographic boundary, as promulgated in its designation. However, successful TDR programs operate best in large geographic areas (e.g., town or citywide), as opposed to within smaller neighborhoods (this is owing to variations in market demand over many different town or city neighborhoods).

Consequently, the findings from this study support a City-wide TDR program with defined areas eligible for either sending or receiving.

[See pages 18-19 in the Executive Summary for more information.](#)

How could TDR work for the city of Pittsburgh?

Based on the market readiness analysis, Larimer is the neighborhood 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. The other eight neighborhoods evaluated did not demonstrate all of these characteristics important for TDR success.

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 neighborhoods in other parts of Pittsburgh. Consequently, containing TDR transfers to within a single neighborhood would likely limit a TDR program's efficacy and, thus, greatly limit 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.

See pages 27-29 in the Executive Summary and the Evaluating Prospective TDR Program: Larimer section, starting on page 78 for more information.

What is needed to make TDR work in Pittsburgh?

Existing zoning conditions in Pittsburgh, currently, are satisfying the development needs of private developers without need for a TDR program. However, ALT has opportunities to advocate on behalf of TDR so that the City is prepared when economic conditions change (e.g., when increased density is deemed a necessity to satisfy market demand). 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 or receiving areas within each neighborhood.
- Analysis of TDR applicability to publicly owned parcels. The vast number of URA and City-owned parcels creates an opportunity for a multi-neighborhood TDR program to be developed among them.
- 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.

[See page 29 in the Executive Summary for more information.](#)

For more information, please contact:

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