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**OVERVIEW OF THE
TRANSFER OF DEVELOPMENT RIGHTS
COMMITTEE REPORT**

Maryland Smart Growth Commission
July 25, 2016
Denton, Maryland

MARYLAND DEPARTMENT OF
PLANNING

Maryland Sustainable
Growth
Commission

INTRODUCTION

- Secretary Craig's initiative
 - Compare local TDR programs in Maryland
 - Identify and remove obstacles to TDR programs
 - Develop a TDR assessment approach

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TDR COMMITTEE MEETINGS

Full TDR Committee
Met twice in Baltimore

Regional Meetings
Four region meetings held

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SENDING AREA: Rural / environmentally sensitive land planned for preservation.
 RECEIVING AREA: Land where development is desired and planned for.

Sending Area **Development Rights** **Receiving Area**

Rural land can be protected and the owner can still realize its financial value. Land targeted for growth can be creatively developed by using shifted development rights.

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MARYLAND COUNTIES WITH TDR PROGRAMS

Acres Preserved through TDRs

County	Acres Preserved
Montgomery	52,052
Queen Anne's	28,230
Cabvert	14,700
Charles	5,274
Howard	4,980
St. Mary's	4,107
Caroline	2,827
Talbot	580

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FOUR ESSENTIAL FACTORS FOR LONG-TERM SUCCESS

1. Incentives to Sell Development Rights:
 Sell farmland, subdivide on-site OR Sell more rights and keep farm intact

Pages 11 to 12

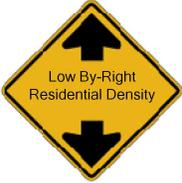
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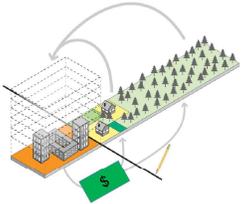
FOUR ESSENTIAL FACTORS FOR LONG-TERM SUCCESS—(CON'T)

2. Incentives Should Exist in Receiving Zones

Allow Fewer Units by Right / Buy TDRs and Build More Units



Low By-Right Residential Density





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FOUR ESSENTIAL FACTORS FOR LONG-TERM SUCCESS (CON'T)

3. TDRs Should Be Predominant Option for Bonus Density

4. Ideally, a TDR Program Should Move Development Rights from Rural to Growth Areas

Zoning Ordinance Density Bonus Chart Example		
Incentive	Criteria	Bonus Calculation
Transfer of Development Right	Located in Receiving Area	For each unit transferred from sending area, <u>four</u> additional units can be allowed above the base permitted density.



Pages 12 to 13

FINDINGS FROM REGIONAL MEETINGS

- Only three counties (Charles, Montgomery, and St. Mary's) reported demand in TDR receiving areas.
- Importance of Interjurisdictional TDRs
 - Municipalities can be ideal receiving areas: they have infrastructure for growth.

Pages 14 to 18



FINDINGS FROM REGIONAL MEETINGS

- Downturn in real estate market dampens TDR demand
- Financial impact of state & local laws/regulations
- Changing market led by Millennials & retirees

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RECOMMENDATIONS

1. Create incentives so landowners benefit from sale of TDRs in ways otherwise not possible
 - Allow more development rights to be sent than built on site
 - Use local preservation funds to buy some TDRs and retire them

Increase Built-in Incentives to Sell Development Rights
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RECOMMENDATIONS

2. Reduce by-right density & require TDRs for additional units
3. Provide other incentives for developers in receiving areas

Creating Demand for Bonus Density (or Equivalent) in Receiving Areas
Pages 19-20



RECOMMENDATIONS

3a. Revise Local Side POS priorities to reward municipalities that accept TDRs

3b. Encourage municipalities that accept TDRs to apply for Community Parks & Playgrounds funds, possibly with a non-profit partner



*Creating Demand for Bonus Density
(or Equivalent) in Receiving Zones*

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RECOMMENDATIONS

3c. Prioritize other capital funding (e.g., public school construction, water/sewer, streetscaping) for TDR receiving areas

4. Track data about TDR transactions to inform revisions to the program



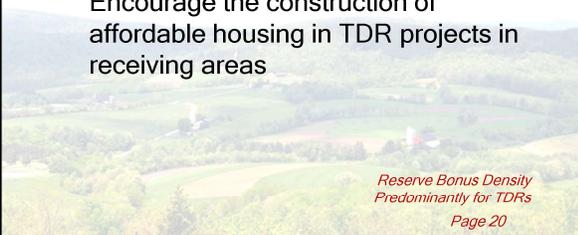
*Creating Demand for Bonus Density
(or Equivalent) in Receiving Zones*

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RECOMMENDATIONS

5. Exception to Density Bonuses:
Encourage the construction of affordable housing in TDR projects in receiving areas



*Reserve Bonus Density
Predominantly for TDRs*

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RECOMMENDATIONS

6. Consider transforming rural-to-rural TDR programs into rural-to-growth areas programs.
7. Improve the effectiveness of rural-to-rural TDR programs when rural-to-growth-area programs are not feasible

Move Development Rights from Rural to Growth Areas
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RECOMMENDATIONS

8. Consider adapting Massachusetts' MassWorks Infrastructure Program to support municipal TDR receiving areas
9. Waive 5-year delay provision for municipal annexation of county land in interjurisdictional TDR agreements

Move Development Rights from Rural to Growth Areas
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RECOMMENDATIONS

10. Amend easement ranking formulas to create greenbelts around towns that become TDR receiving areas
11. Take actions to reduce the cost for municipal implementation of Total Maximum Daily Load (TMDL) or storm-water (MS4) permit requirements

Move Development Rights from Rural to Growth Areas
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