



Transfer of Development Rights (TDR)

Issue: A TDR program allows landowners in government-designated sending areas to sell "development rights" to their properties, which are then transferred to government –designated receiving areas where development is being encouraged, often at higher densities. The landowner in the sending area retains ownership but loses their ability to develop.

Background: A limited number of local jurisdictions around the country, including several in the Charlotte region, have considered or adopted TDR programs to control or slow down growth. REBIC vigorously opposes the adoption and use of TDR's.

Local governments want to use TDR programs to preserve open space in their jurisdictions. However we question the quality and accessibility of any of open space created through these programs. Frequently under TDR programs, open space is preserved that cannot be used or seen by the public because it is on privately owned property and is often in isolated locations.

There is no guarantee that landowners in the sending area, usually farmers, will be able to sell their land for the amount they want, let alone make a profit. In other areas of the country where this has been tried, land is often downzoned prior to instituting a TDR program, and the success rate of the programs is not high in terms of acreage of land included. Often landowners are wary of the program and their ability to make a profit and developers are not willing to pay additional fees for a TDR.

In many instances, local governments try to adopt a TDR program by arguing that it is actually "voluntary". However, the question of how "voluntary" a program will be always remains. The selling property owner may participate voluntarily, however, if a developer wants to upzone land to increase density he may have no other choice than to purchase TDR's because the local government will not consider other traditional zoning measures.

Position: In essence, a TDR requirement would be similar to any other development exaction, such as an impact fee or transfer tax. In a TDR you have an additional government program that would require increased staff for the local government and added costs or fees for a developer. REBIC will continue to monitor and oppose any attempt in our region to establish TDR programs.