



Local Solutions to the State's Housing Crisis Webinar Series

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BEA

New Hampshire Department of
**BUSINESS AND
ECONOMIC AFFAIRS**





City of Dover Planning & Community
Development Department

Transfer of Development Rights 101: A Primer

Guest Presenters:

Donna Benton, AICP, Director of Planning & Community Development

Ryan Pope, Housing Navigator

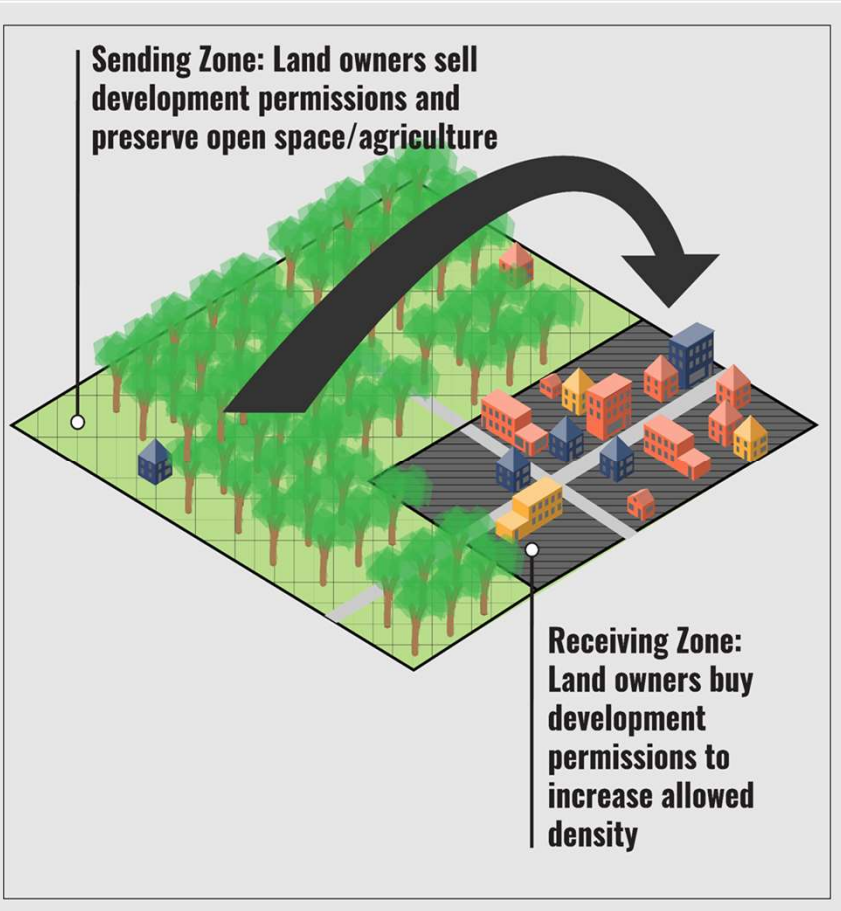
Transfer of Development Rights

Agenda

- **Overview: Transfer of Development Rights**
 - What is it?
 - What does it do?
- **Dover's Utilization**
 - Our Ordinance
 - Sample Projects
 - Time For Questions

Transfer of Development Rights

What It Is



- Laws and processes that allow landowners to buy/sell allowed development capacity, concentrating housing where there is infrastructure and other amenities
- Typically there is a (rural) sending zone and (developed) receiving zoning
- Identified “Innovative Land Use Control” under RSA 674:21(d)
- **Must be calibrated to ensure use**

Transfer of Development Rights

Simply Speaking...

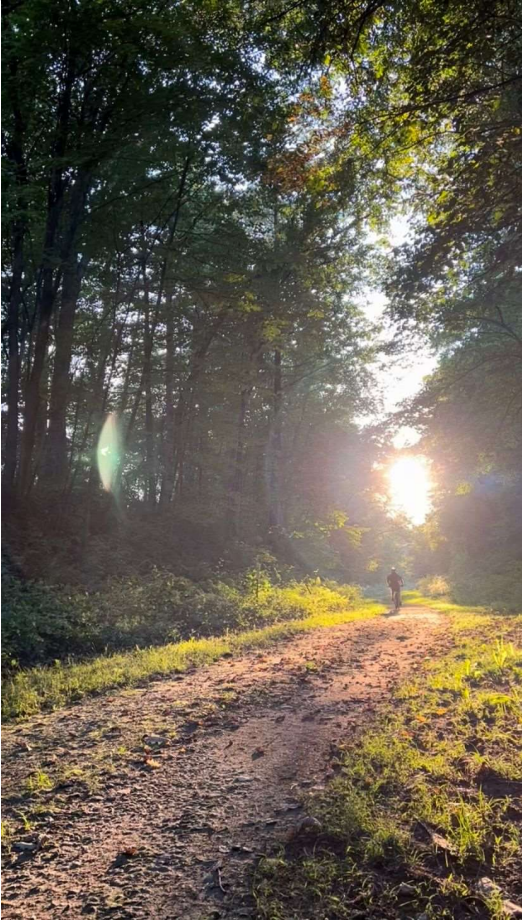


Density has a place...

Transfer of Development Rights

All About Balance

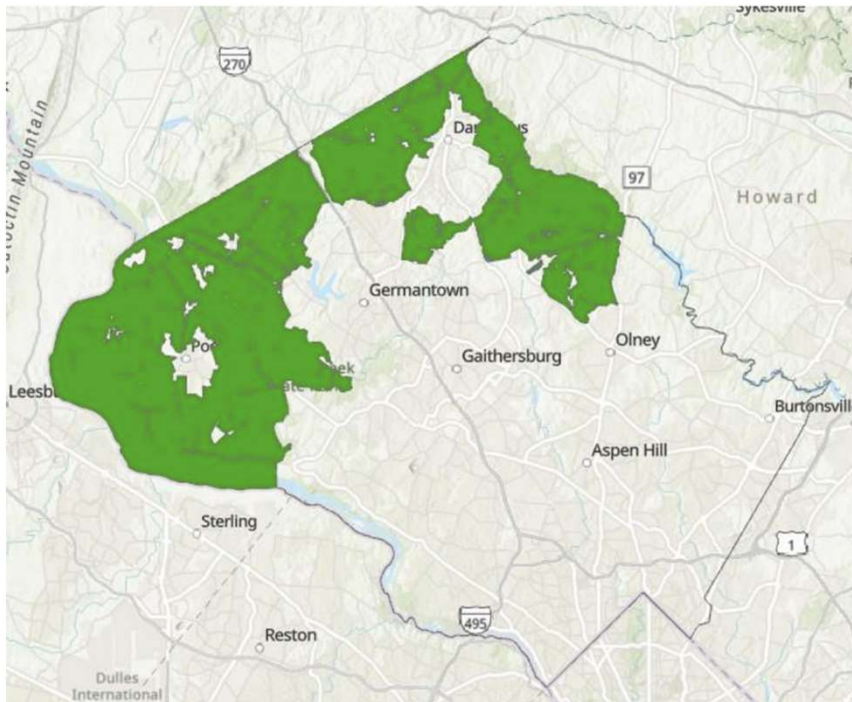
... but not everywhere.



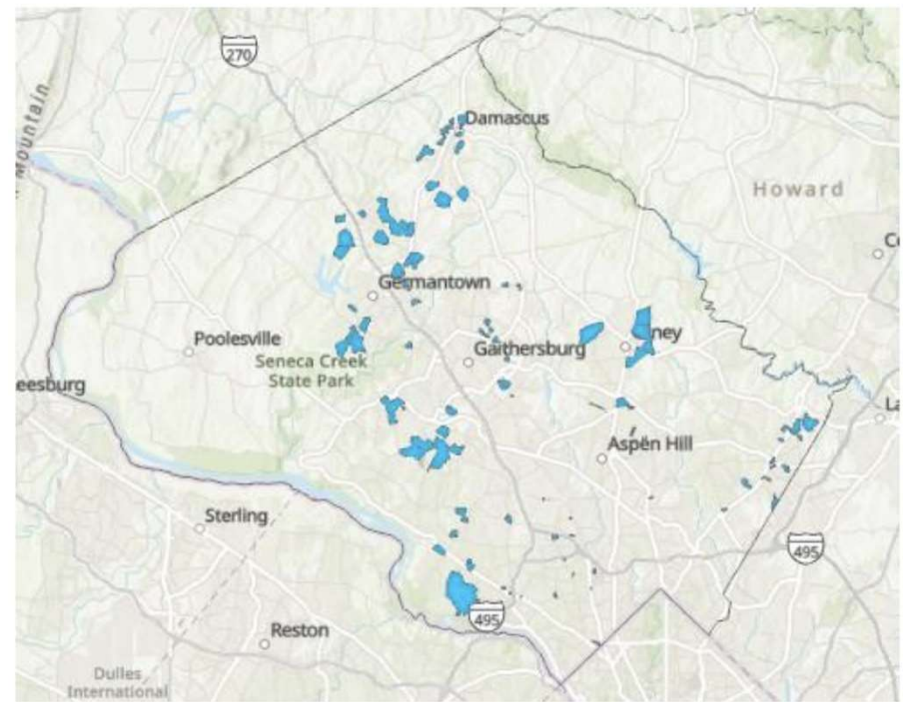
Transfer of Development Rights

In Practice

The Agricultural Reserve Zone



TDR Overlay Zones as of February 2022



Montgomery County, MD

Transfer of Development Rights

What It Does

- Co-locates housing with existing infrastructure and amenities.
- Preserves open space, agricultural, and low-density areas.
- Unlocks housing potential from parcels that would otherwise be economically unviable at lower density.
- Maintains community character by preventing sprawl
- Helps transition from high-density to low-density areas.
- Encourages small and alternative housing types without increasing the overall development in a community.
- Distributes the financial benefits of development to open space, agricultural, and low-density residential areas, while also increasing financial benefits for built-out areas.

Dover, NH

Community Profile

Population: ~33,000



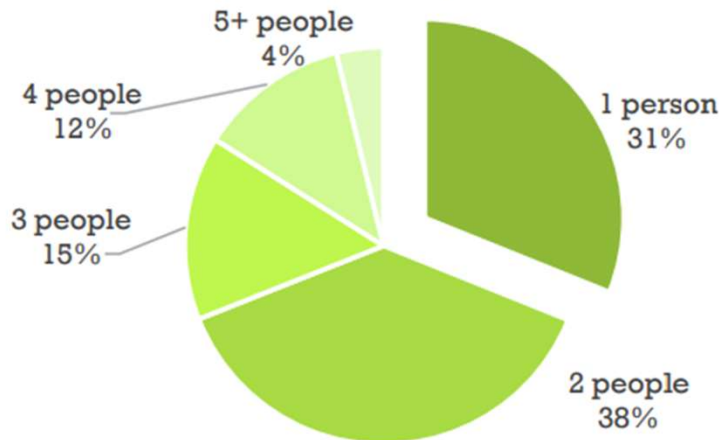
Household Dynamics

Household Tenure

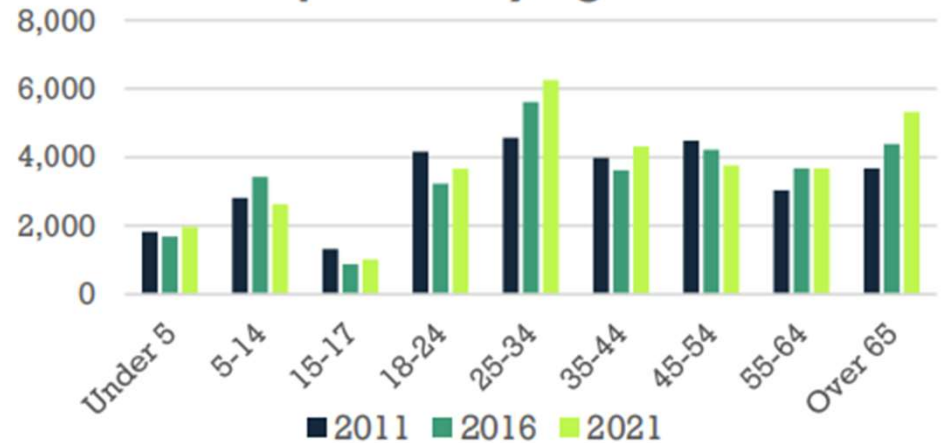
52% Owner

48% Renter

Households by Size



Population by Age



Median Age 36.2

Under 18 17.20%

Life Expectancy 75.5 - 80.9

Over 65 16.31%

Dover, NH

Community Goals and Vision



Vision Chapter Pillars Include

- Accessible Open Space
- Attractive & Thriving Downtown
- Affordable & Attainable Housing

CITY COUNCIL GOALS 2024-2025

How the City of Dover Management Team & employees are supporting City Council goals...



GOAL 1: OUR CITY HAS DIVERSE HOUSING

The following objectives support a Dover which has housing that is attainable and available.

- Continue actions which promote and incentivize diverse and resilient housing options in Dover.
- Educate the public on growth rates and how the City is working to accommodate those rates, rather than discourage them.
- Review land use regulations to promote density in appropriate locations and context, and ensure fees do not hinder growth.
- Utilize Public Private Partnerships to enhance the City's ability to meet these goals and participate in developments.
- Understand housing needs and impediments to affordable housing by analyzing data and trends as well as anecdotes.
- Integrate options for income indexed, market rate and other diverse housing formats into the community as a whole.

TDR In Dover

A Brief History...

- 1990** Added TDR into our Zoning Regulations
Receiving area east of the Spaulding Turnpike (in R20 & R-40) and sending area
West of the Spaulding Turnpike (all non-R20 or R-40)
- 2018** Added in opportunity to pay into Conservation Fund at a rate reviewed each year related to acre
into conservation with size restrictions
- 2020** Added in option for HUD-restricted rentals to have \$0 TDR fee
Made the 2018 changes a bit more user friendly
Added in residential density bonus for new industrial uses over 40k square feet

TDR In Dover

TDR Today

- Allows for purchase of units in exchange for funding conservation activities
- Restrictions on size of units
 - 1,400 sf
 - 1,000 sf
 - 600 sf
- Restrictions on additions
- Formula to create baseline of units, then purchase is above baseline
- Create 1 unit per 2,000 sf created of assembly or manufacture over 40,000 square feet

City of Dover, Department of Planning And Community Development

TRANSFER OF DEVELOPMENT RIGHTS

Residential Development Rights

Purchase Formula:

- SF of parent lot – Environ constraints: **BASE**
- **BASE** * .85: **Net**
- **Net** * .85 (sliding): **Developable Area**
- **Developable Area** / **Min lot size**: **base units**

ZONES AFFECTED:

Residential
R-40
R-20
R-12
RM-U
RM-SU
HR
Non-Residential
C
CM
IT
Mixed-Use
O
LBW
RCM
CWD
Fees
600 sf: \$0 per credit*
1,000 sf: \$7,500 per credit
1,400 sf: \$11,000 per credit
Other: \$15,000 per credit**
Village: \$788 per credit
*requires HUD rent rates
** multi may be \$0 if HUD rent

Introduction
In Dover there are certain lands that possess significant conservation features, including but not limited to wetlands, ground-water recharge zones, forested areas, wildlife habitat, farmland, scenic view sheds, historic landmarks, and linkages to other such areas. Because of their unique assemblages of flora and fauna and their significant contribution to the ecological system and/or the cultural identity of our community, these lands are worthy of special protection.

The City of Dover furthermore, has a limited supply of land suitable for development. Included in Dover's zoning ordinance is an overlying district for transferring development rights (TDR). The purpose is to promote intensive development on the developable land possessing the least conservation value and to permanently protect lands possessing significant conservation features that provide unique values in their undisturbed condition.

Conservation Option
A property owner can conserve land west of the Spaulding and send the development rights to any zone that allows residential uses east of the Spaulding Tpk.

Purchase Option
A property owner may purchase one unit per credit, above the allowed density of a parcel, if the purchaser is willing to limit the size of the resulting single family detached homes, to 600, 1,000 or 1,400 sf, they get bonus units. The number of bonus units depends on if they are free market or rent restricted.

Industrial Option
A property owner who constructs a commercial/manufacturing facility get a one unit credit for each 2,000 sf of space constructed above 40,000 sf.

Standards/Process
A property owner uses the formula (see call out) for single family detached units. All other's follow yield plan process, based upon density allowed in the zone. Units

above the allowed density may be sold or rented.

Regardless of the method use, the Planning Board may waive:

- Minimum Lot Size
- Minimum Frontbacks
- Minimum Setbacks

A continuous visual buffer must be provided to abutters.

Any increases in density/intensity of development, on a receiving parcel, is allowed so long as the increase is:

- Consistent with the Master Plan
- Not incompatible with the land uses on neighboring lots

Proceeds from the sale of units are placed within the Conservation Fund and utilized for land preservation. These funds are utilized by the Open Lands Committee and the Conservation Commission to secure fee simple and easement protection.

FACTS ABOUT DOVER'S TDR POLICY

- The TDR process is a discretionary process, and the Planning Board is not obligated to sell units.
- The residential TDR was created in 2003, and revised in 2009, 2018 and 2020.
- TDR promotes intensive development on land that is better suited for development, allows for preservation of more sensitive areas, and provides funding for future preservation.
- The preservation option has sending and receiving areas. They do not have to be in the same ownership.
- The credit purchase option reimburses the City for past land preservation costs, like a revolving loan.
- Since 2018, over \$2,000,000 have been raised and placed within the Conservation fund.

Twitter: @DoverNHPlanning | Facebook: <https://www.facebook.com/DoverNHPlanning/> | Email: Dover.Planning@dover.nh.gov | 1 OF 1

TDR In Dover

Unit Purchase Formula

How It Works

- Formula:
 - SF of parent lot – Environ constraints: BASE
 - BASE – * .85: Net
 - Net * .85 [sliding]: Developable Area
 - Developable Area/Min lot size: base units



Example

- 99 Sixth
 - 90,322 sf – 15,225 sf: 75,097 sf
 - 75,097 sf – * .85: 63,832.45 sf
 - 63,832.45 sf * .85: 54,257.58 sf
 - 54257.57 sf/12,000 sf: 4.52

TDR In Dover

Current Fee Schedule – Per Unit/Credit

Unrestricted:	\$15,000
1,400 Square Feet:	\$11,000
1,000 Square Feet:	\$7,500
Village:	\$788
HUD FMR* Restricted:	\$0



*HUD Fair Market Rent for Portsmouth-Rochester HMFA
1BR: \$1,582 (Market: \$1,950) 2BR: \$2,003 (Market: \$2,390)

TDR In Dover

Facts About Dover's TDR Policy

- The TDR process is a **discretionary process**, and the Planning Board is not obligated to sell units.
- Since 2018, the City has sold development rights for **hundreds of units**, generating over **\$2,000,000** for the Conservation Fund.
- The Conservation Commission has leveraged TDR proceeds to protect roughly **42 acres** since 2018, with another 20 acres currently under purchase & sale agreement.

Sample Projects

Cottages At Back River Road



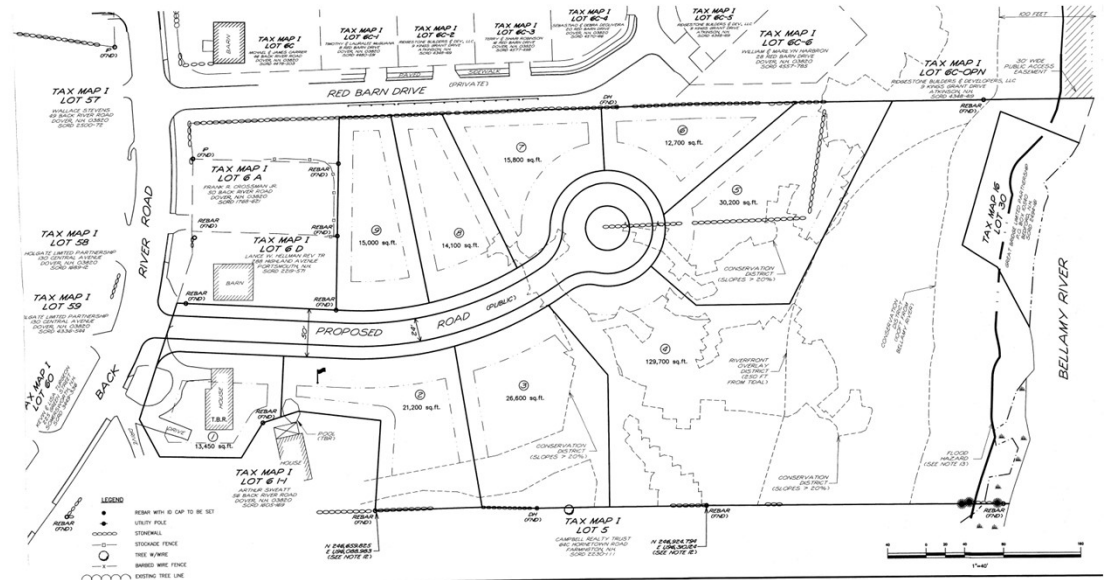
Sample Projects

Cottages At Back River Road – Before TDR

The Parcel:

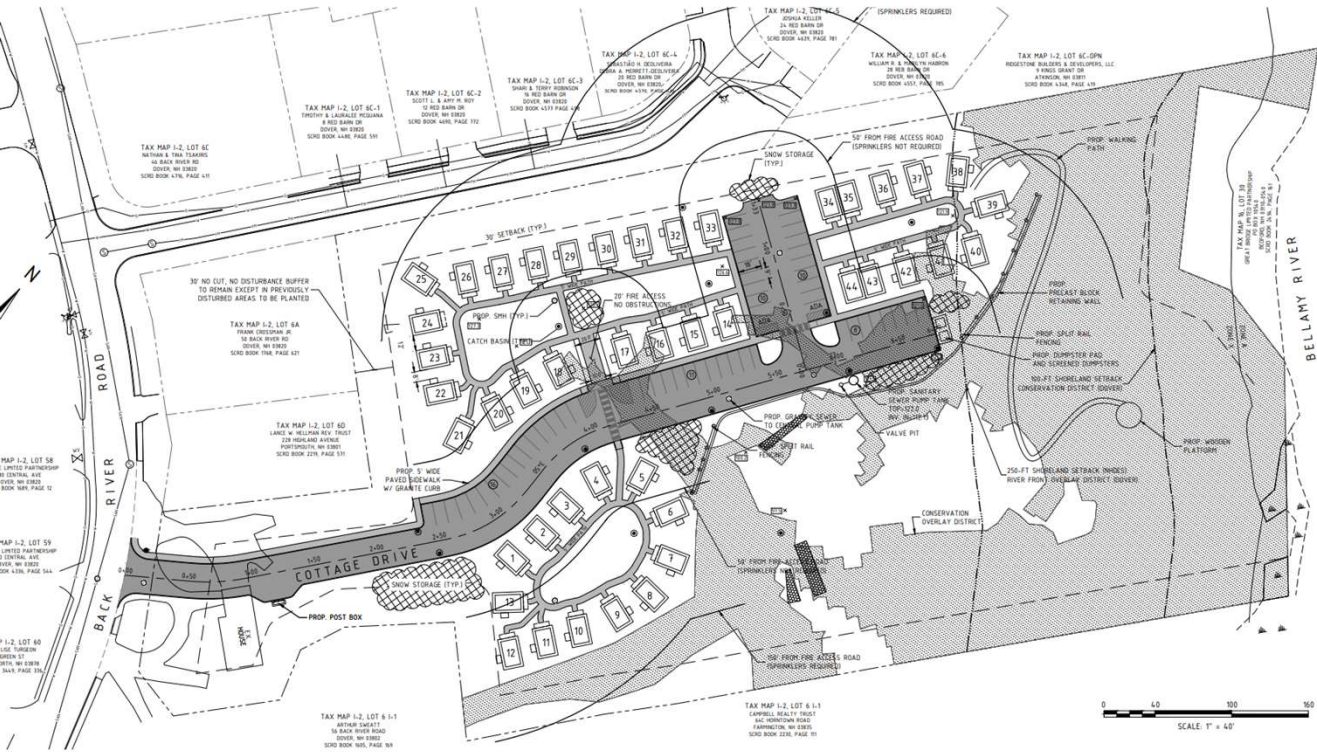
- 7.16 Acres
- Subdivision Yield...

9 Single Family Homes



Sample Projects

Cottages At Back River Road – With TDR



- 44 1-Bedroom Cottages
- 100% HUD FMR

Sample Projects

Cottages At Back River Road



Benefits of TDR

- 35 Additional Units
- Cottage Court Development
- Attainable Rental Rates



Sample Projects

Sophie/Banner

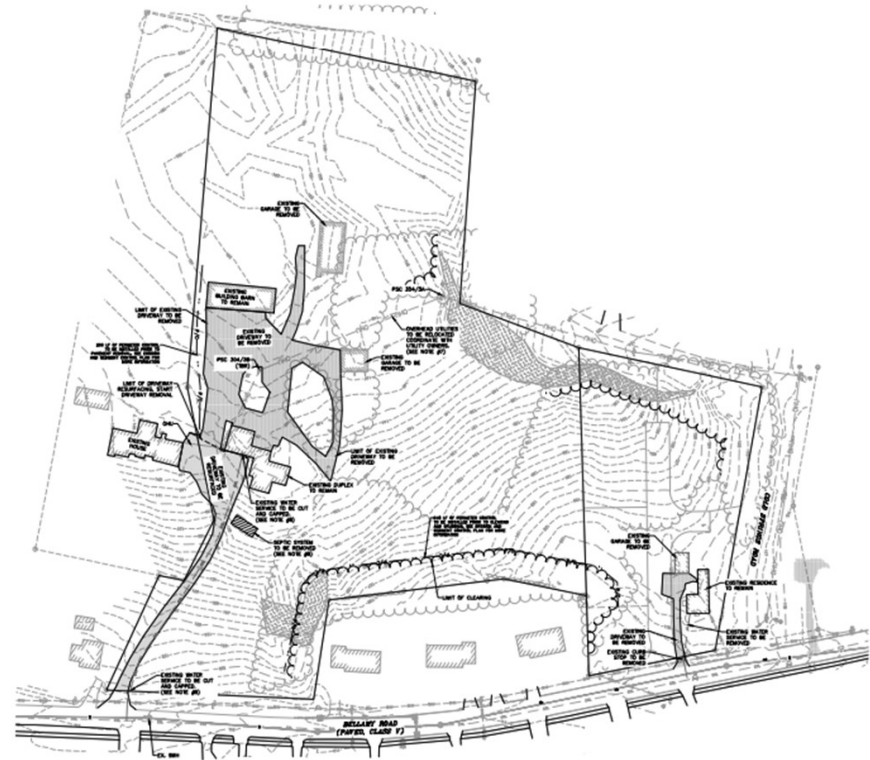


Sample Projects

Sophie/Banner

The Parcel:

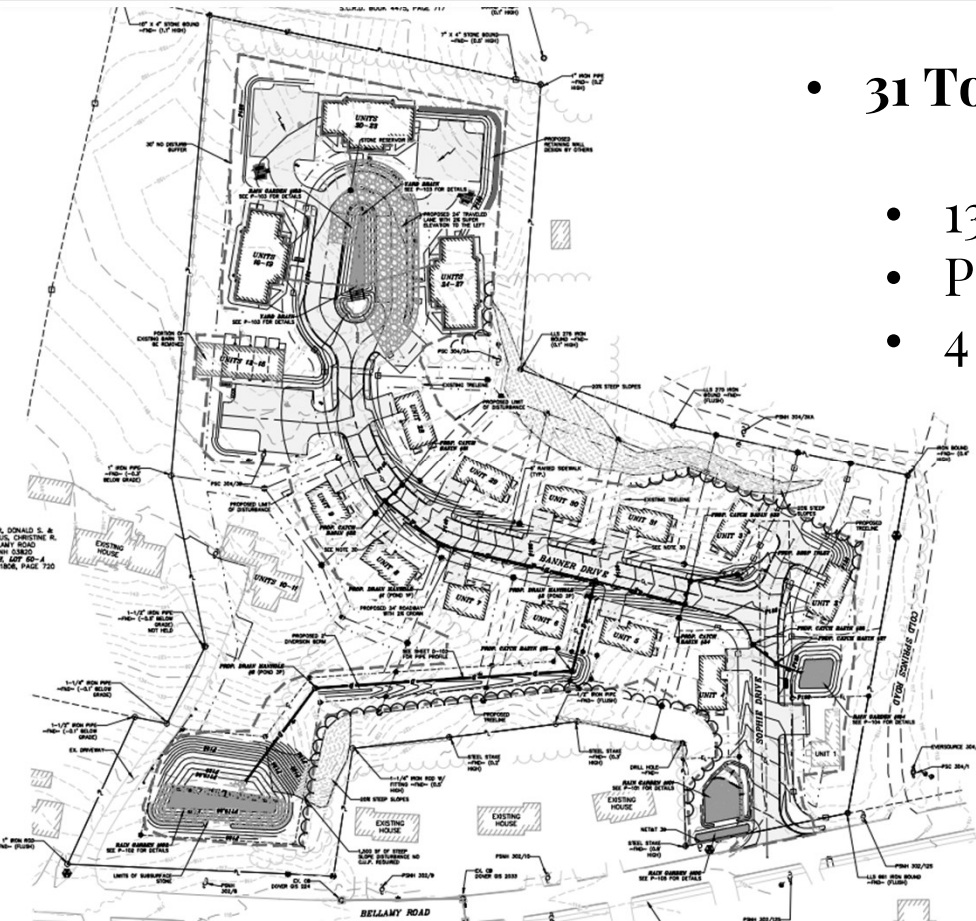
- 7.79 Acres
- Zoned R-40 (Rural Residential)
- Subdivision Yield – 9 Units



Sample Projects

Sophie/Banner – With TDR

- 31 Total Units
 - 13 Single Family Residences (1,400 sf)
 - Preserved Existing Duplex
 - 4 4-Unit Townhomes
 - 8 Rental Units at HUD FMR
 - One of the 4-U buildings designed to look like a barn that came down during development process



Sample Projects

Sophie/Banner

Benefits of TDR

- 22 Additional Units
- Mixed Housing Stock
- Attainable Rental Rates
- Developer Creativity
- Periodic Developer Updates
 - An Engagement - All Because of TDR!!



Transfer of Development Rights

A Solution For Conservation and Housing Goals

- TDR Ordinance Augments Underlying Zoning with Discretionary Processes
- Concentrates Development & Density Where it Makes Sense
- Supports Community Conservation & Resilience Goals
- Fosters Creativity in Development
 - Mixed Income Neighborhoods
 - Greater Variety of Housing Types
- Allows Developers to ‘Build to the Point of Profitability’
 - Additional Units Offset Decreased Income from Attainably Priced Units

Thank You

Questions Welcome

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