

TRANSFER OF DEVELOPMENT RIGHTS



Econolodge in Hadley used the TDR bylaw to reduce the amount of parking

What is the objective of a Transfer of Development Rights bylaw?

With the adoption of a Transfer of Development bylaw, communities can preserve farmlands, open space and environmentally sensitive areas by directing growth away from lands that should be preserved, to areas well suited for higher density development, such as village centers and areas with adequate infrastructure.

Why do we need a Transfer of Development rights bylaw?

Conventional low-density residential zoning allows for wide tracts of land to be developed as sprawl. Conversely, in areas that have emerged as

potential community centers, existing zoning may not allow for density levels appropriate to a vibrant commercial or mixed-use district.

TDR provides another option for preserving farmland and open space, which benefits the community, farmers, landowners and businesses. It preserves farmland without needing public funds. TDR allows more options for businesses to expand in current business zones. TDR promotes creation of compact neighborhood-style residential developments to reduce sprawl. It is completely voluntary, and landowners only participate if they choose to do so.

How does a Transfer of Development Rights bylaw work?

Communities identify specific preservation areas as "Sending Areas" and specific development districts as "Receiving Areas". The TDR bylaw allows development rights to be purchased in the Sending Area and transferred to the Receiving Area for use in more compact residential or business development projects. Project proponents can either purchase development rights directly from farmers or landowners, or can make a cash contribution to the community for purchasing agricultural or open space preservation restrictions.

The amount of money required to purchase these development rights is generally negotiated between the landowners, based on market values. In return for the purchase, landowners in the sending area place a deed restriction on their property. Developers who buy development rights are acquiring the capacity to build higher density on existing lots in a receiving area.

DID YOU KNOW...

The Town of Hadley has had a total of four TDR projects, generating a total of \$338,772 in TDR payment-in-lieu funds. This money has been used to offset the match requirements for APR purchases in the community. As a result, the town has been able to protect over 239 acres, valued at over \$3 million in APR price.

EXAMPLES FROM THE PIONEER VALLEY



Transfer of Development Rights Bylaw in Easthampton, Hadley, Hatfield, and Westfield

Transfer of Development Rights (TDR) bylaw is used to protect valuable working agricultural lands and promote compact development in identified growth centers. TDR bylaws have been adopted in Hadley, Easthampton, Hatfield, and Westfield. The bylaw works by creating two new zoning districts: a Farmland Preservation District and a Receiving District. Development rights can be purchased from the Farmland Preservation District and transferred to the Receiving District to be used for residential,

commercial, or industrial development projects. This bylaw essentially moves green space from the Receiving District to the Farmland Preservation District. Adoption of this bylaw can provide a community with another option for farmland protection, and give developers more options for development in already existing growth centers.

[MODEL TRANSFER OF DEVELOPMENT RIGHTS BYLAW](#)

For more information on examples of Transfer of Development Rights from across Massachusetts, please refer to the state's [Smart Growth / Smart Energy Toolkit](#) developed by the Executive Office of Energy and Environmental Affairs.