



Update on PDC Enhancements

**P&I Committee Meeting
October 25, 2016**

Response to NJBA/BLSJ

Suggestion

- Use of PDCs on any site should trigger higher densities and a wider variety of housing types, essentially “bypassing” municipal zoning
- Townhouses and apartments need to be permitted because the market for SFDs is flat

Response

- Remove cap on density
- Require municipalities to permit townhouses and apartments when zone density is 4+ units per acre
- Require municipalities to permit multiple housing types when zone density is 3+ units per acre

Development Applications Completed July 1, 2011- June 30, 2016

	Applications Completed	Proposed Units
RGA	144	1,378
Town	42	264
Total	186	1,642

Development Applications Completed

July 1, 2011- June 30, 2016

	Applications Completed	Applications for 1 Unit	Applications for 20+ Units	Applications Proposing Multi-Family Units
RGA	144	116	13	5
Town	42	33	3	2
Total	186	149	16	7

Development Applications Completed

July 1, 2011- June 30, 2016

	Applications For 2+ Units	Applications for 2+ Units Requiring PDCs	Proposed Units	Rights Required
RGA	28	8	729	197
Town	9	0	231	0
Total	37	8	960	197

Response to NJBA/BLSJ

Suggestion

- Increase on-site design flexibility so that maximum permitted zone densities can be achieved

Response

- Establish minimum lot size requirements for SFDs
- Require a variety of housing types in higher density zones
- Reduce PDC obligation for lots with significant environmental constraints
- Review existing municipal open space, height and buffer standards to ensure they do not prevent permitted densities from being achieved

Response to NJBA/BLSJ

Suggestion

- Allow applicants who propose the use of PDCs to appeal Planning Board denials to the Commission

Response

- Emphasize the Commission's ability to revoke or suspend municipal certification if ordinance is not being implemented
- Increase engagement with municipal boards and staff when reviewing proposed projects

Response to NJBA/BLSJ

Suggestion

- Mend/Fix/Fund the PDC Bank so that applicants can purchase PDCs directly from the Bank at an established price

Response

- Move PDC Bank from DOBI to the Commission and update membership
- Enable the Bank to function as a clearinghouse (buying and selling PDCs at an annually established price)
- Obtain funding for initial PDC purchase
- Obtain funding for increased staff

Response to NJBA/BLSJ

Suggestion

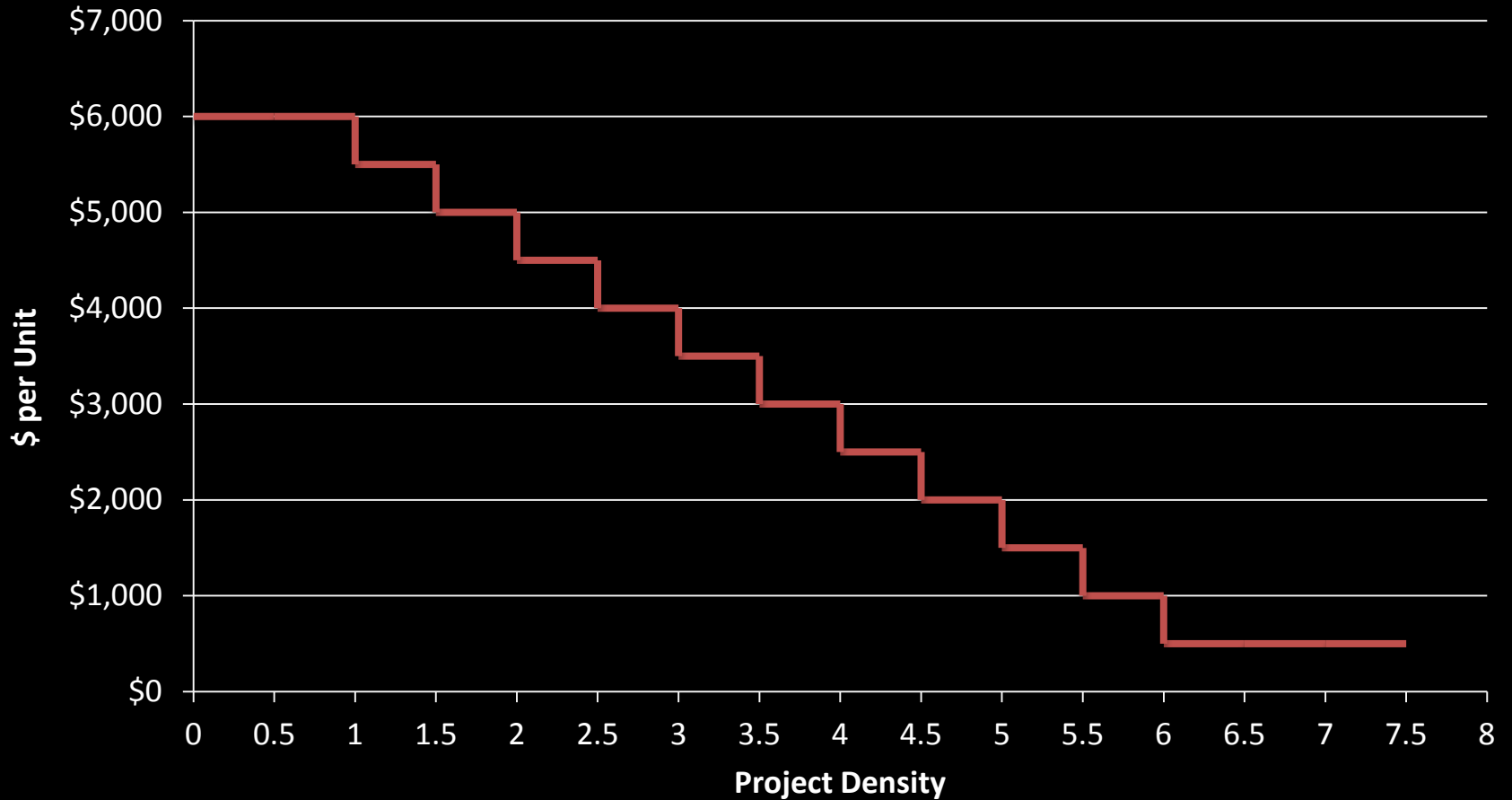
- Better match the cost of PDCs to the cost and type of proposed residential unit

Response

- Apply sliding scale to determine PDC obligation. Very low PDC % will apply to higher density projects, which typically contain the smaller, less expensive units.
- No change to proposal

PDC Cost per Unit

\$10,000 per Right



Response to Farm Bureau

Concern

- Ensure that exemptions for affordable housing do not negate the PDC enhancements by significantly reducing demand

Response

- ~~Exempt all affordable units from PDC requirements~~
- Exempt affordable units only in projects where the affordable units comprise no more than 20% of the units (“inclusionary” projects)

PDC Demand and Projected Buildout September 2016

Receiving Area	Current Demand (Rights)	Proposed Demand (Rights)	Zone Capacity (Units)	Projected Buildout (Units)
RGA	2,004	5,865	44,752	23,730
Town	0	1,024	7,794	5,080
Total	2,004	6,852	52,546	28,810

Current Supply

6,750 rights