

PDC Bank Annual Report

FY 2023



October 13, 2023

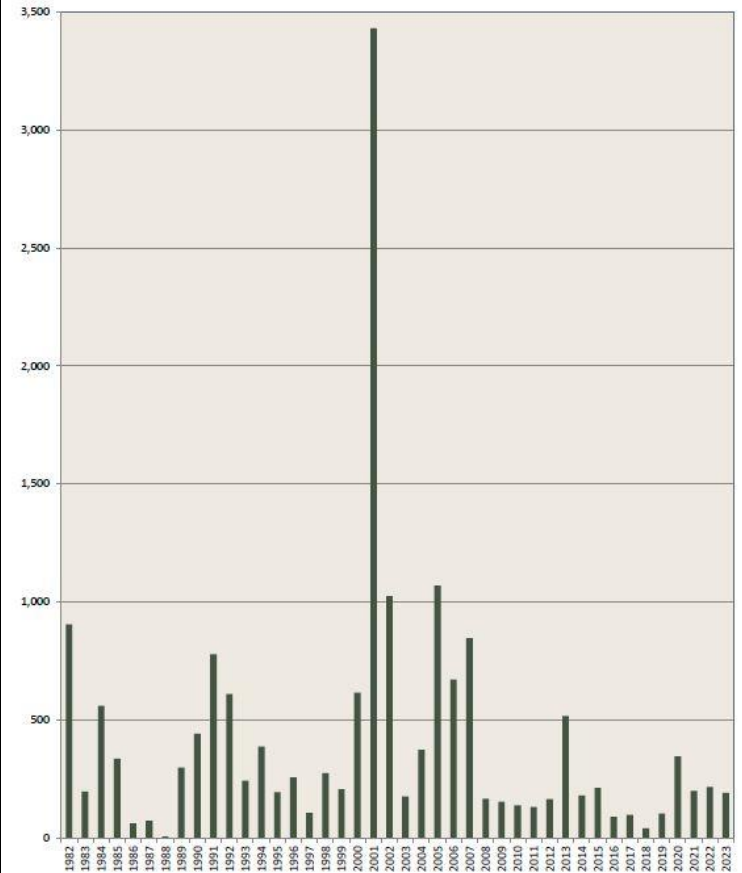
PDC Bank FY23 Annual Report

- **Statistics**
 - **Allocations**
 - **Severances**
 - **Transactions**
 - **Prices**
 - **Redemptions**
- **Executive Summary**
- **Narrative & interpretive content to provide context**
- **Tables & graphs for deeper analysis**

FY23 Allocations

- **FY23:**
 - 18 Letters of Interpretation issued to sending area parcels
 - 10 APA; 6 PAD; 2 SAPA
 - 47.75 PDCs (191 rights)
- Comparable to FY21 and FY22 in number of LOIs and PDCs
- 17,071 rights allocated since program inception
- 12,135 “active” rights

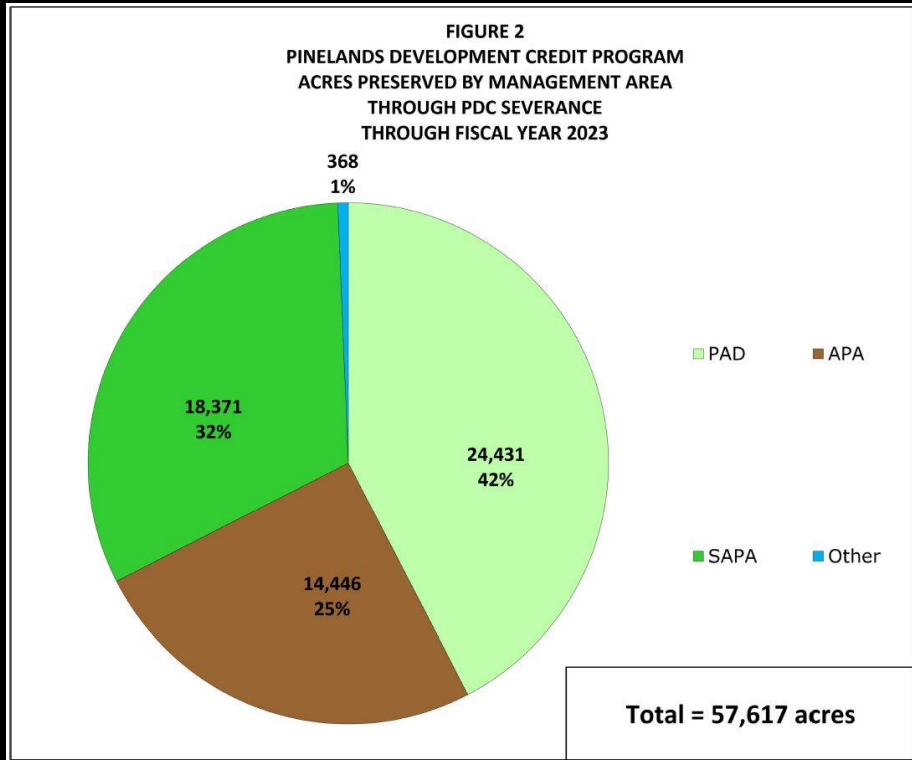
FIGURE 1
RIGHTS ALLOCATED BY FISCAL YEAR



TOTAL ACTIVE ALLOCATED RIGHTS: 12,135

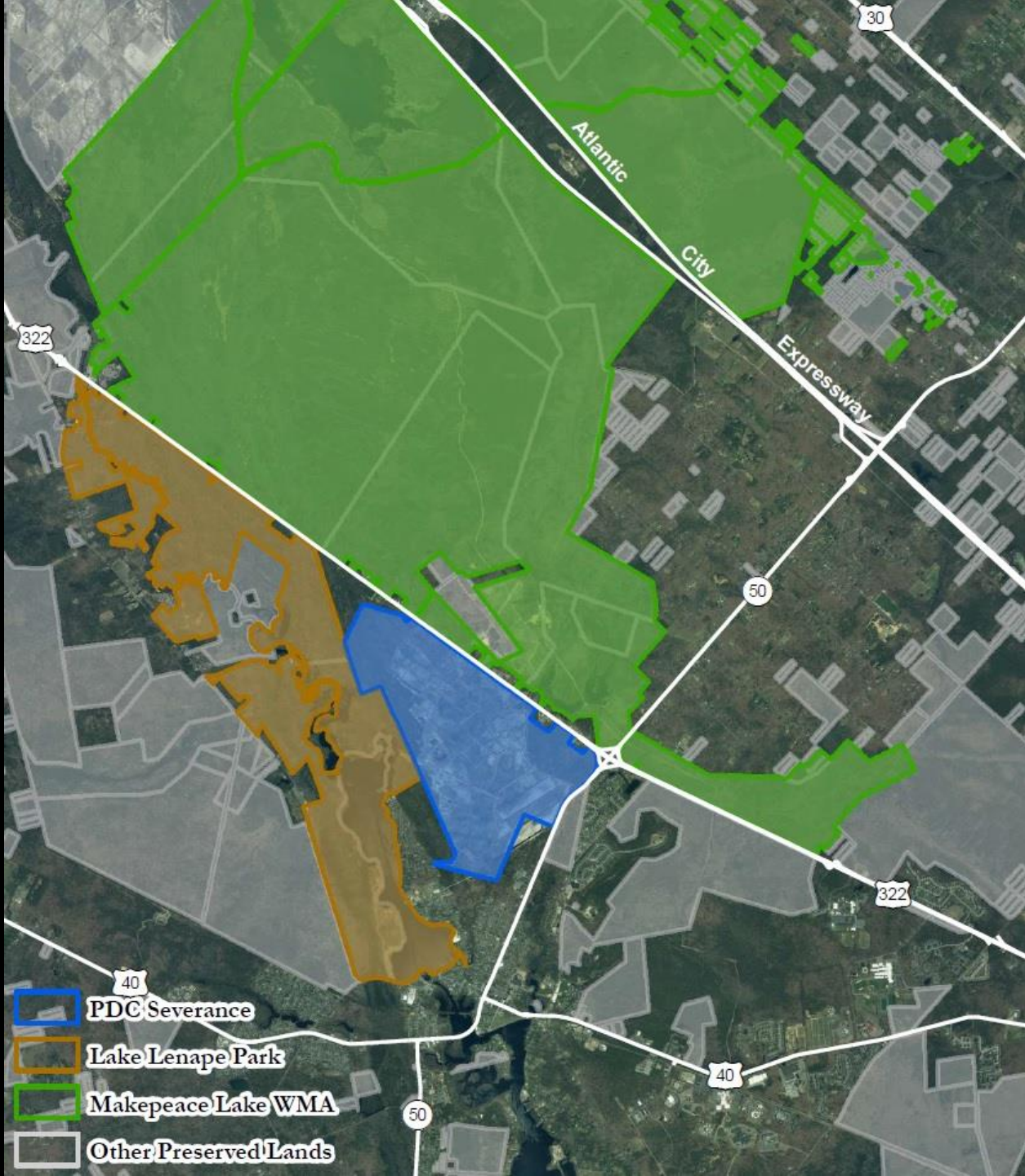
1) One transferable development right equals one-quarter Pinelands Development Credit





FY23 Severances



- FY 23
 - Severances: 4
 - PDCs severed: 14.25
 - Acres preserved:
 - PAD = 98 acres
 - APA = 250 acres*
 - Total = 348 acres
- 57,617 acres preserved to date

*Most acres preserved through the PDC Program in APA since 2009



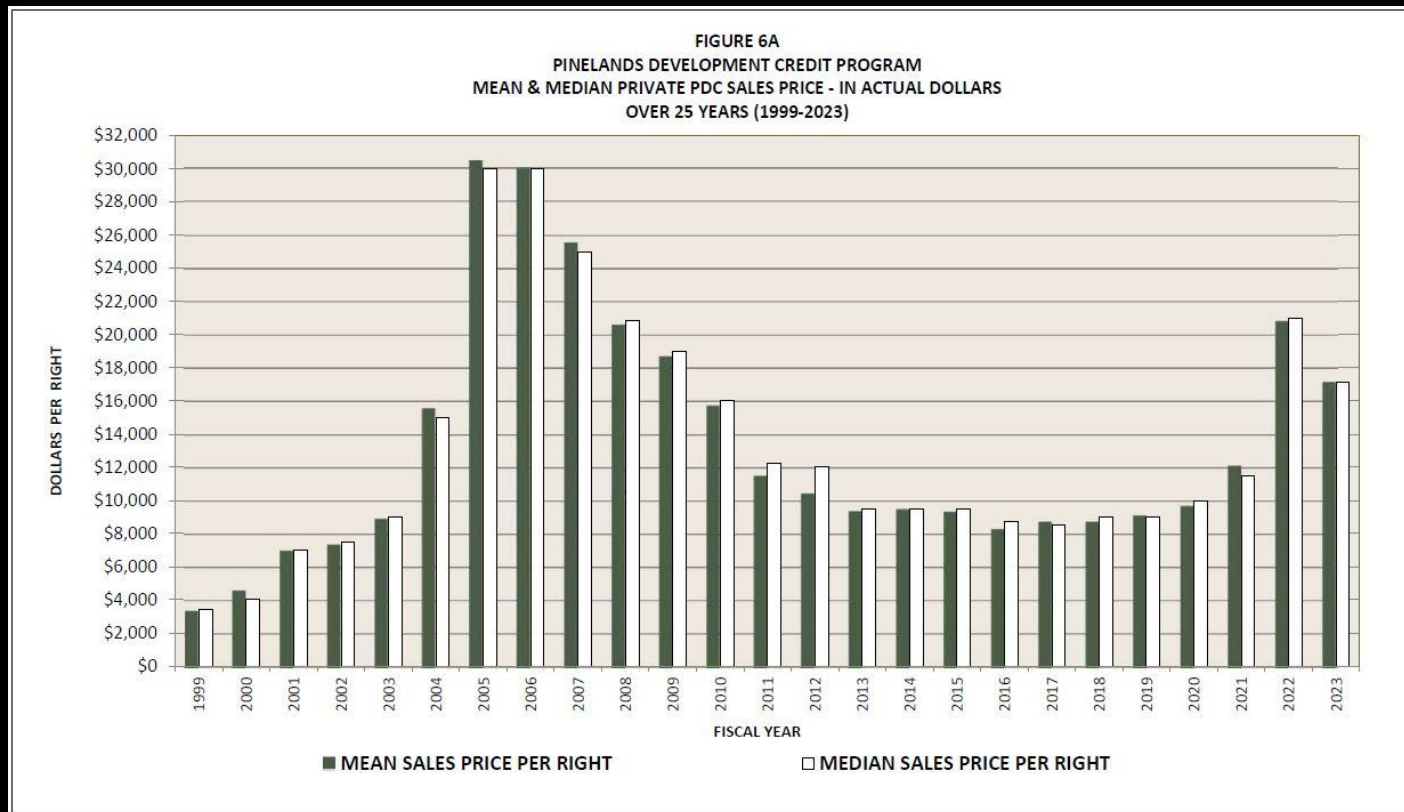
-  PDC Severance
-  Lake Lenape Park
-  Makepeace Lake WMA
-  Other Preserved Lands

FY23 Sales

- **FY23:**
 - 27.50 PDCs (110 rights) sold
 - 10 first-time sales
 - 4 resales
- **FY23 saw a decrease in PDC sales transactions & total rights sold, but an increase in the number of rights per sales transaction**
- **Data reflect only “arm’s-length” transactions. Gifts, sales involving family members, and sales with property are excluded**

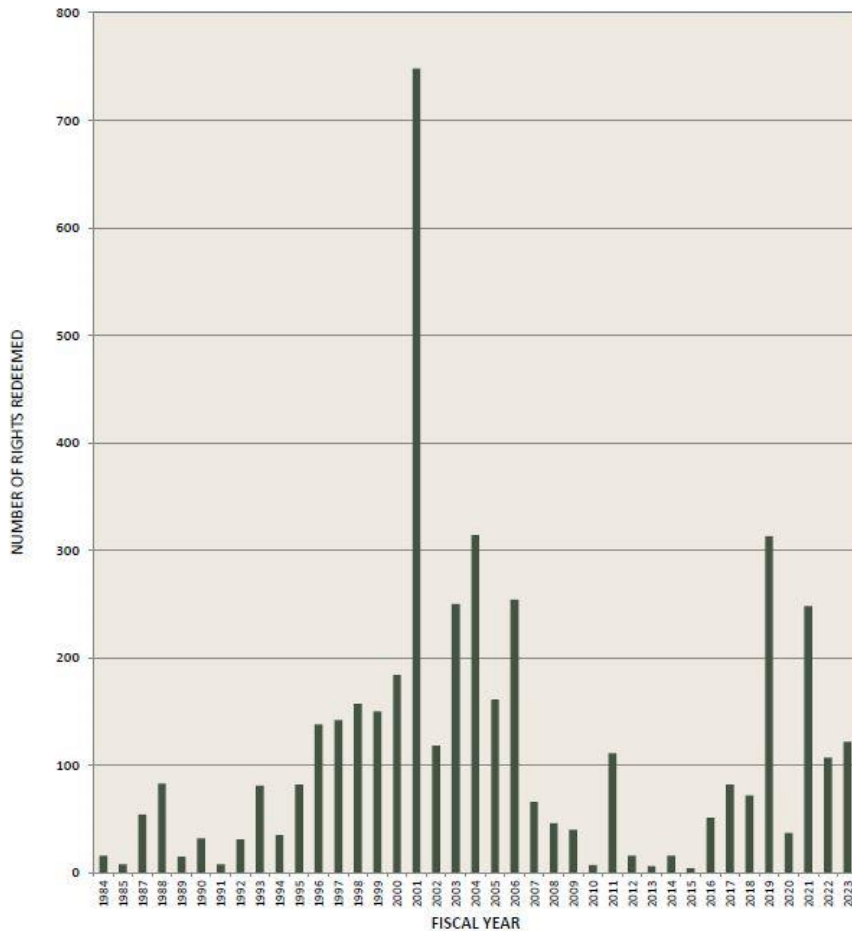
FY23 Sales Prices

- The average sales price of a right decreased in FY23
 - FY22: \$20,862
 - FY23: \$17,182
- Still high, relative to previous years



FY23 Redemptions

FIGURE 7
PINELANDS DEVELOPMENT CREDIT PROGRAM
RIGHTS REDEEMED THROUGH FISCAL YEAR 2023



TOTAL RIGHTS REDEEMED TO DATE: 4,405

1) One transferable development right equals one-quarter Pinelands Development Credit (PDC).
2) Rights redeemed at the Pinelands Development Credit Bank.

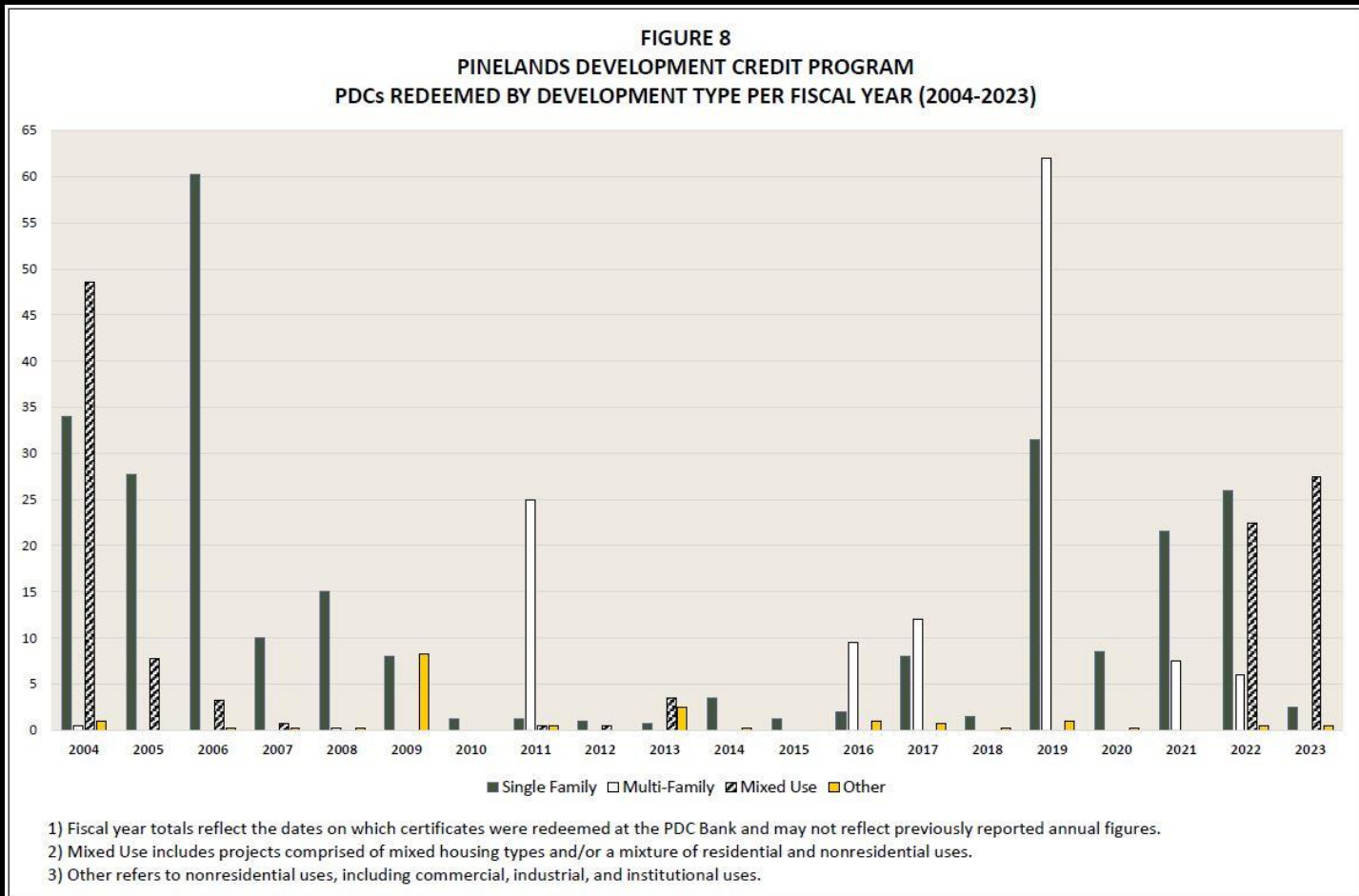
- FY 23:
 - 30.50 PDCs (122 rights) redeemed
 - 9 municipalities
 - 13 applications
 - 2 - density bonus
 - 2 - mandatory %
 - 1 - use variance
 - 2 - undersized lot
 - 5 - waiver
 - 1 - nonresidential use

PDC Redemptions

- To date, 4,616 rights have been redeemed or required for approved projects
 - 2,502 (54%) Residential density bonus
 - 761 (16%) Mandatory minimum % of units
 - 553 (12%) Use variances
 - 283 (6%) Undersized lots
 - 229 (5%) Waivers of Strict Compliance
 - 27 (0.6%) Non-Residential uses
 - 253 (5.5%) Other

Development Types

- Since 2004, nearly half of all PDC redemption has occurred in association with single family residential development
- Use of PDCs in multi-family residential projects (townhomes, apartments) has increased in recent years, including FY23



PDC Supply and Demand Estimates

	Supply		Demand	
	PDCs	Rights	PDCs	Rights
1981	7,500	30,000	17,500	70,000
1991	5,625	22,500	11,550	46,200
2002	4,500	18,000	9,750	39,000
2023	2,300	9,200	2,700	10,800

PDC Supply and Demand

- Original CMP goal: Opportunities for use of PDCs in RGAs should be twice the number of PDCs that could be allocated to sending area properties. Reflects largely optional nature of bonus residential density envisioned by the original CMP.
 - Ideal ratio of Supply to Demand = 1:2
- Updated goal: Opportunities for the use of PDCs in RGAs should be larger than the number of PDCs that could be allocated to sending area properties; however, a 2 to 1 ratio is no longer necessary, given the increasing number of ordinances and redevelopment plans that contain mandatory PDC requirements.
 - 2023 ratio of Supply to Demand = 1:1.2

PDC Supply and Demand

- Factors affecting PDC supply and demand
 - State land acquisition and farmland preservation
 - Management area boundary changes
 - Development in sending areas
 - Low density development in receiving areas
 - High bonus density thresholds
 - Adoption of mandatory PDC requirements
 - Housing market
 - Redevelopment plans and affordable housing obligations
 - Expanded opportunities for PDC use in nonresidential developments
 - Education and outreach