



City of Sanibel

Planning Commission

Planning Department Agenda Memorandum

Planning Commission Meeting Date: December 9, 2025

To: Planning Commission

From: Craig J. Chandler, AICP, Deputy Planning Director

Date: December 1, 2025

TITLE: Transfer of Development Rights (TDR) Discussion

REVIEW TIMELINE

Date	Meeting Type	Summary
07/15/25	City Council	City Council discussed the possibility of creating a transfer of development right (TDR) program; providing a framework to be able to sell units of density from one place to another. Direction was given for the city attorney to provide an opinion on how the city's charter would affect such a program.
09/09/25	Joint Workshop	Staff and consultant presented materials as it relates to establishing a TDR program. Planning Commission and City Council discussed and provided direction for Planning to take a broad approach (i.e. that may require approval by voter referendum) to develop TDR program concepts that start by answering "four basics" of TDRs and develop concepts that would further conservation, affordable housing, and resort redevelopment goals.
12/09/25	Planning Commission	Discussion of draft concepts

FRAMEWORK

Answer the four basics of a TDR program:

1. *What is the intended public policy purpose of the TDR program? (i.e. How does the program serve goals, objectives, and policies of the Sanibel Plan or hurricane recovery?)*
2. *Identify where TDRs may be generated and where they may be sent.*
 - a. Review status of Resort Housing District recovery. Is there a "return on investment (ROI) problem?" Are there unutilized "surplus" densities in the Resort Housing District?
 - b. Identify lands to expand the Environmentally Sensitive Lands Conservation District.
 - c. How can a program benefit the Below Market Rate Housing (BMRH) program?

3. *Is the program to be voluntary or mandatory?*
4. *If mandatory, it is critical to evaluate the value of TDRs to determine fair compensation.*

RESEARCH – Resort Housing District

Related to question 2.a., above, staff reviewed permitting and property information to determine whether a TDR program might aid recovery of resorts. Staff also examined whether there is a “surplus” of unused density in the Resort Housing District and if there is evidence of an “ROI problem” impeding redevelopment of resort housing.

Staff noted the following upon review of post-disaster permit activity in the Resort Housing District:

- Nearly 88.6% of resort units are restored.
- There are 398 units (11.4%) at 93 properties in the Resort Housing District that have not been restored.
 - 121 of those units are currently in review for permitting or are under construction.
 - 5 units are single-family/duplex (Shell Basket Lane).
- Thirteen (13) resort housing developments in the Resort Housing District were demolished after Hurricane Ian.
 - One (1) completed redevelopment (Shalimar, 33 units)
 - Two (2) presently under construction (Beachview Cottages, 22 units, and White Caps, 9 units)
 - Three (3) filed for permitting (Island Inn Resort, 32 units, Kimball Lodge Condo, 31 units, and Waterside Inn, 27 units).

There does not appear to be an “ROI problem” as there is not a pattern of resorts not rebuilding. Properties that have yet to file for redevelopment appear to have more complicated circumstances ranging from ongoing insurance claims to timeshares and associations with a large number of stakeholders, to balancing recovery costs and logistics of multiple developments in common ownership.

Development intensity for residential uses considers two factors – number of dwelling units and presumed rate of occupancy. In the Land Development Code, residential density is expressed as a number of dwelling units having an average occupancy rate of 2.2 individuals per dwelling unit that are permitted on a parcel. Hotels, motels, and resort condominiums have a higher rate of occupancy than non-resort units, escalating based on unit size and/or number of bedrooms.

Type of Dwelling Unit	Presumed Average Occupancy Rate
Units of resort housing uses:	
One-bedroom units	2.5 individuals per unit
Two-bedroom units	3.5 individuals per unit
Three-bedroom units	4.25 individuals per unit
Four-bedroom units	5.0 individuals per unit
Nonresort housing units	2.2 individuals per unit

Data show development intensity in the Resort Housing District is substantially in excess of the maximums established by the Development Intensity Map adopted in the Sanibel Plan. The number of existing (pre-Hurricane Ian) units in the Resort Housing District is nearly double the allowed number, or 1,685 units in excess of allowed density. Presumed rates of occupancy for existing resorts were extrapolated to show the total presumed occupancy of the Resort Housing District, which is 7,753 people above the standard adopted to protect carrying capacity of Sanibel's beaches.

High concentrations of population (i.e. density) in highly vulnerable coastal areas carries significant life safety risk. Additionally, higher densities typically contribute to reductions in the carrying capacity of the beach for use of wildlife – therefore putting at risk a city objective for coastal zone protection that is essential to the community's quality of life and economy. The economic importance of this objective is more fully described by Section 1.3 Economic Assumptions of the Plan, which is foundational to Sanibel's vision statement and hierarchy of values. Any program or policy that potentially imperils the environmental stewardship of our beaches is, by extension, a possible threat to our community's economic sustainability.

While provision #4 of the Plan for Development Intensity allows property owners to maintain up to existing density, provided there is continuation of short-term occupancy, the provision does not recommend increasing or transferring densities within the Resort Housing District. Any action to proceed with a Resort Housing District TDR program would require an amendment to the Sanibel Plan to identify a specific issue (policy purpose) and prospective solution.

Plan for Development Intensity

4. To maintain the stock of short-term occupancy units in the City, existing hotels, motels and resort condominiums that are rehabilitated or redeveloped in accordance with the *Sanibel Plan* and Land Development Code are allowed to maintain up to their existing density, provided that redeveloped resort accommodations continue the short-term occupancy use of that prior development.

RESEARCH – Environmentally Sensitive Lands Conservation District

Related to question 2.b., of the framework, the Sanibel Plan does offer specific support for a TDR program to “promote further conservation of environmentally sensitive lands”, which establishes a legitimate public purpose. Staff used ecological zone boundaries and parameters of the Interior Wetlands Acquisition Program (Provision #1 of the Plan for the Interior Wetlands Conservation District) to assess potential sending lands for a conservation-oriented TDR program. However, initial review of potential sending lands shows limited application and low cost-benefit for operation of such a program. Staff made the following observations of potential conservation sending lands:

Criteria	Number of Parcels	Estimated No. of Dwelling Units Allowed (Total)	Number of Vacant Parcels	Estimated No. of Dwelling Units (Vacant Parcels)
Abutting public or quasi-public conservation lands	553	634	62	111
D-1 Lowland Wetlands Zone (predominate)	242	282	28	64

Criteria	Number of Parcels	Estimated No. of Dwelling Units Allowed (Total)	Number of Vacant Parcels	Estimated No. of Dwelling Units (Vacant Parcels)
E-1 Blind Pass Zone (predominate)	97	101	23	26
Within 200 feet of Sanibel River	117	121	18	22
Total	833	921	108	176

While the total number of properties that fit one or more of these criteria is notable, the number of vacant properties – those which are more likely to participate in a program to send density elsewhere – under these qualifying conditions is far fewer. The cumulative residential density at such vacant properties is just 176 dwelling units (and this is likely an overestimate due to undetermined site conditions and common ownership history; an applicant will ultimately need to provide staff with an up-to-date survey with spot elevations and a title report to verify the actual density allowed by code). This total averages to 1.6 units per property, meaning most of the vacant properties examined allow for low-density single-family use. There are only a handful of vacant properties that qualify for more than one unit, most notably Sanibel Community Church (25), Clamshell Condo (8), and Sanibel United Congregational Church (6). Several other vacant lands documented in the table above are currently in the development process – Island Cow (11), Coastal Creek (6), Dunn (5).

Existing lands within the Environmentally Sensitive Lands Conservation District do not have residential density that can be transferred based on the Sanibel Plan (Section 5.4.4. Standards) and the City Charter. The Sanibel Plan provides the following as a “mitigating circumstance” as a consideration to approve an amendment to residential density:

Where there is a resultant, overall Citywide decrease in the number of permitted dwelling units, provided that the density decrease does not originate on lands in the Environmentally Sensitive Lands Conservation District.

Section 3.10.3. – Environmentally Sensitive Lands Conservation District state:

Actions by the City to sell, exchange, donate, or otherwise alienate City-owned land, or any interest therein, or public rights-of-way within the Environmentally Sensitive Lands Conservation District; to remove any land, public or private, from said district; or to abolish the district, may be taken by the City only by affirmative vote of a majority of the electors at a referendum called for that purpose.

RESEARCH – BMRH Program

Lastly, related to question 2.c. of the framework, staff finds that a TDR program can be an effective tool to benefit affordable housing if tailored with specific requirements or conditions. However, adoption of a required condition to develop and dedicate all or a portion of new units to the BMRH program risks lowering participation in a TDR program where there is already limited opportunity due to a lack of available density on vacant lands.

Furthermore, existing procedures to authorize increased density for BMRH through a conditional use permit are objectively more efficient and straightforward.

CONCEPTS FOR DISCUSSION

Staff will present two potential voluntary TDR programs – These concepts intend to serve goals, objectives, and policies of the Sanibel Plan; and seek to specifically further Resort Housing redevelopment, Conservation, and Housing goals where a public policy purpose is supported by available evidence.

1. Environmentally Sensitive Lands Conservation TDR Program
2. Resort Housing District TDR Program

To the extent possible, these concepts will aim to establish a simple, understandable, and manageable framework that is compatible with existing plans, programs, and definitions.

CONCLUSION

- Staff find strong support for conservation as a public policy purpose for transfer of development rights in the Sanibel Plan.
- Below Market Rate Housing (BMRH) is also supported by the Sanibel Plan for increased densities and is therefore a legitimate public purpose for a TDR program. However, existing codes already provide a much simpler process to obtain increased density for BMRH via conditional use permit.
- Increased densities in the Resort Housing District to aid redevelopment, as a public policy purpose for a TDR program, is not supported by available evidence. The Plan does allow existing hotels, motels, and resort condominiums in the Resort Housing District to maintain existing nonconforming development intensity through redevelopment, provided there is continuation of short-term occupancy, however the provision does not recommend increasing or transferring densities. Furthermore, Sanibel Plan policies restrict increased development intensity both in the resort housing district and at vulnerable coastal areas. If a public policy purpose is substantiated by available evidence, a text amendment to the Plan is necessary to consider adoption of a Resort Housing District TDR program.
- Generally, staff find limited application and therefore limited public benefit to a TDR program relative to other more efficient alternatives in service of conservation and affordable housing goals.