

State Transfer of Development Rights Bank Planning Assistance Grant Program Application Instructions

On March 29, 2004, Governor McGreevey signed into law P.L. 2004, c.2, the State Transfer of Development Rights (TDR) Act, authorizing municipalities to enact TDR ordinances. The law requires a significant planning process for municipalities prior to adopting a TDR ordinance. It also authorizes the State TDR Bank Board to provide municipalities with planning assistance grants to assist municipalities with this planning process.

The State TDR Bank Board is accepting planning assistance grant applications from municipalities who would like to pursue transfer of development rights programs. The grant program is not targeted at any type of community or preservation. We hope all municipalities will consider TDR, as it is an effective way to accommodate growth while simultaneously preserving significant resources.

Applications will be accepted and awarded on a rolling basis, depending on funding availability. We look forward to receiving your grant application. Please do not hesitate to call the State TDR Bank Board at (609) 984-2504 if you have any questions.

Submit Application to:
State TDR Bank Board
PO Box 330
Trenton, NJ 08625

The following guidance document provides potential applicants with information regarding:

- **Eligibility for Planning Assistance Grants**
- **Application submission requirements**
- **Application evaluation criteria**
- **Grant disbursement**

Planning Assistance Grant Eligibility Criteria

- The municipality shall have adopted a Master Plan pursuant to N.J.S.A. 40:55D-28 and updated it according to recommendations from the periodic reexamination report required by N.J.S.A. 40:55D-89.
 - The Master Plan shall include the plan element* appropriately corresponding to the type of Transfer of Development Rights (TDR) program being proposed:
 - Historic Preservation Plan (N.J.S.A. 40:55D-28b(10))
 - Farmland Preservation Plan (N.J.S.A. 40:55D-28b(13))
 - Natural Resource Inventory and Conservation Plan (N.J.S.A. 40:55D-28b(8))
 - Recreation Plan (N.J.S.A. 40:55D-28b(7))
 - Other Plan Element as appropriate
- * If the municipality does not have this plan element in place at time of application, it shall provide documentation that funding is available for this purpose. The element shall be completed and consistent of the TDR concept plan (required as part of the application) within one year of execution of a Grant Agreement. Grant monies shall not be disbursed until this obligation is met.
- A municipal governing body resolution shall be adopted supporting the pursuit of a TDR program, authorizing the submission of a planning assistance grant application to the TDR Bank Board and authorizing execution of a project agreement if a grant is awarded.
 - The municipality shall notify the county planning board in writing that it is pursuing a TDR program.
 - If the TDR is for agricultural preservation purposes:
 - The municipality shall adopt a Right-to-Farm ordinance that is consistent with the Right to Farm Act, N.J.S.A. 4:1C-1 as determined by the State Agriculture Development Committee.
 - The municipality shall notify the county agriculture development board of the county in which the municipality is located, in writing, that it is pursuing a TDR program.

Submission Requirements

Please provide an original and one copy of each of the following. The Board will submit the copy to the Office of Smart Growth for review and comment.

Supportive Documents

(Proof that above eligibility requirements have been met)

- Copy of current Municipal Master Plan and preservation-supportive Ordinances.
 - copy of adopted plan element corresponding to type of TDR program being proposed OR documentation that funding is available to adopt plan element.
 - Statement explaining whether municipal master plan is consistent with the State Development and Redevelopment Plan.
- Copy of Municipal Right to Farm Ordinance and notification to county agriculture development board (if TDR plan affects agricultural land).
- Copy of municipal governing body resolution supporting pursuit of TDR program, authorizing submission of planning assistance grant application, and authorization to enter grant contract.
- Copy of notification to county planning board that municipality is pursuing a TDR program.
- Copy of any comments received by municipality as a result of above notification letters.

Application

- Summary:
 - Initial reference that includes pertinent applicant and grant request information.
 - Must include the signature of the appropriate municipal official or designee.
- Master Plan
 - Questions related to the municipal master plan.
 - A summary of work already undertaken by the municipality in pursuit of plan endorsement.
 - Supporting documentation shall be included as to status of endorsement (if applicable)

□ Scope of Work:

- Description of planning elements to be completed, as well as project timeframes and target completion dates. Specifically, the following must be completed before a TDR program can be initiated:
 - Development Transfer Plan Element
 - Estimate of anticipated population and economic growth in the municipality for the succeeding 10 years
 - Identification and description of all prospective sending and receiving zones
 - Analysis of how the growth estimated above will be accommodated in the municipality in general, and the receiving zone(s) in particular
 - Presentation of the procedure and method for issuing development potential conveyance instruments
 - Planning objectives and design standards in the receiving zone
 - Capital Improvement Program
 - Location and cost of all infrastructure and the structure of cost-share assessment in the receiving zone
 - Real estate Market Analysis
 - Examines the relationship between the anticipated development rights generated in the sending zone and the capacity of the receiving zone to accommodate the credits
 - Utility Service Plan
 - Specifically addresses providing the necessary utility services within the receiving zone
- A summary of work already undertaken to initiate TDR program.
If the grant request includes reimbursement for completed documentation, invoices must be submitted.

□ Staffing Plan:

- Indicate what staff and/or consultant resources are to be used in completing the work funded by the grant.

- Estimate of Costs:
 - The State TDR Act has authorized the State TDR Bank to provide planning assistance grants to municipalities for up to 50% of the cost of preparing, for development potential transfer purposes, a utility service plan element or a development transfer plan element of a master plan pursuant to N.J.S.A. 40:55D-28, a real estate market analysis required pursuant to N.J.S.A. 40:55D-148, and a capital improvement program pursuant to N.J.S.A. 40:55D-29 and incurred by a municipality, or \$40,000, whichever is less.
 - This section of the application shall be completed to estimate the municipal project costs associated with the preparation of a utility service plan element, a development transfer plan element of a master plan, a real estate market analysis, and a capital improvement program as described above.
- Local Commitment:
 - Describe municipal commitment to preservation and planning per the requested information.
- Development Rights Purchase Funding Plan:
 - This section of the application provides the opportunity for the municipality to illustrate how it will provide funding for development potential purchases, should it choose to do so.
- Development Pressure
 - This section of the application requests information that will help to determine the level of development pressure the municipality is feeling.
- TDR Concept Plan:
 - In a separate document, the municipality shall describe its initial ideas for a TDR program.

Inter-Municipal TDR Projects

(More than one municipality participating in TDR proposal)

- All of the requested information shall be submitted as one package.
- A completed application form shall be submitted for each participating municipality.
- The municipalities shall submit a cooperative “TDR Concept Plan” and “Scope of Work”.
- The participating municipalities shall sign and submit an agreement to pursue the inter-municipal TDR.
- The resolutions and letters of intent must include language about the proposed cooperative project.

Evaluation Criteria

- The evaluation shall be based on the merits of the individual or joint application. The weight factor assigned to each criterion identifies the relative importance of the specific criterion in relation to the other criteria.
- The criteria listed below shall be combined to demonstrate the degree to which applicant is able to create a TDR program and the feasibility of that program.
 - The TDR Concept Plan criterion (weight 50) is as follows:
 - The sending zone shall be evaluated based on the following:
 - Quality of the resource to be preserved; and
 - Degree to which TDR program will achieve preservation of resource to be protected; and
 - Suitability of Planning Area Designation
 - The receiving zone shall be evaluated based on the following:
 - Proposed percent increase in population density; and
 - Availability and capacity of required infrastructure, including, but not limited to sewer, water and transportation facilities; and
 - Suitability of Planning Area Designation
 - Development pressure on the municipality shall be considered (weight 15).
 - Priority shall be given to inter-municipal TDR programs (weight 10).
 - Regional and/or State significance of resource to be protected (weight 25).

Grant Disbursement

- The successful applicant must sign a Grant Agreement with the State TDR Bank before any funds will be disbursed.
- The Board shall disburse all grants as follows:
 - 50 percent of the awarded amount shall be disbursed after the grant agreement is executed; however, if the municipality has not yet adopted the master plan element required in N.J.A.C. 2.77-7.3(a)2, no grant money shall be disbursed until the plan element has been adopted.
 - 50 percent of the awarded amount shall be disbursed upon submission of the TDR ordinance and associated elements to the State Planning Commission as part of a municipality's initial petition for plan endorsement by the State Planning Commission pursuant to N.J.S.A. 52:18A-196 et seq.
- In the case of an inter-municipal TDR planning assistance grant request, the Board shall award grants to participating municipalities as follows:
 - Up to 50 percent or \$40,000, whichever is less, for each municipality containing a receiving area(s) that accepts greater or equal to 50 percent of the total credits from the sending area(s);
 - Up to 50 percent or \$20,000, whichever is less, for each participating municipality without a receiving area(s) or with a receiving area that accepts less than 50 percent of the credits from the sending area(s); and