

STATE AGRICULTURE DEVELOPMENT COMMITTEE

Implementation Details for the SADC's New County and Municipal Planning Incentive Grant Programs Procedure #1 Adopted September 27, 2007

The purpose of this document is to set forth in detail certain procedures SADC staff will follow to implement its recently adopted Planning Incentive Grant regulations. These procedures will be available to our program partners to assure clear expectations of process and procedures.

I. Approval of Comprehensive Farmland Preservation Plans

The new Planning Incentive Grant rules are very specific regarding the necessary content of county and municipal Farmland Preservation Plans. In addition, the SADC issued guidelines for both the county and municipal programs to further explain the requirements for a complete plan.

Under the rules, the SADC must approve each plan for the county/municipality to be eligible for funding. The deadline for plan submission is December 17th, and the SADC response is due to each applicant within 60 days of receipt of their submission.

SADC staff is authorized to conduct all plan reviews, issue letters of review, and deem the plans complete and ready for SADC approval. SADC staff will make a brief presentation to the Committee for each plan, highlighting the pertinent issues integral to the SADC's approval. Each applicant will be invited to make any additional comments or statements, or to provide a brief overview of their plan, prior to SADC action.

II. "Green Light" Approvals

Under the new rules, in order for a county or municipality to qualify for funding, it must first receive SADC approval of its Planning Incentive Grant (PIG) "Application" – that is, the applicant's comprehensive Farmland Preservation Program Plan and the accompanying Project Area Summaries (see NJAC 2:76-17.6-17.7 or 17A.6 – 17A.7). This approval will be referred to as "Plan Approval."

Once Plan Approval has been obtained, the applicant can seek SADC approval to proceed on an individual "Application for the Sale of a Development Easement," or "Project Approval." This SADC review and approval ensures the project application meets the new minimum criteria; that the farm qualifies as an "eligible farm" (if applicable); that RDSOs, exception areas and subdivision requests comply with SADC standards; and that whatever appraisal anomalies may be present (easements, limited access, etc.) are understood fully prior to

commencing appraisals (see NJAC 2:76-17.9 or 17A.9). We will informally refer to this process as the SADC issuing a “green light” approval because the county or municipality receives a “green light” from the SADC to proceed on appraisals.

While the SADC staff wishes to assist PIG applicants in answering questions and providing as much guidance as possible, we cannot provide formal or informal “green light” approvals prior to SADC approval of the PIG Plan as set forth in our recently adopted regulations.

In the past, many counties and municipalities have pursued the purchase of easements prior to submission of farm applications to the SADC. In these cases, local partners should note that pursuing the acquisition of a development easement or farm in fee is at their own risk. They should be sure to carefully adhere to SADC guidelines and regulations so as not to jeopardize their chances of qualifying for subsequent reimbursement.

In summary, the SADC will not issue “green light” approvals prior to approval of a PIG Plan. If local partners wish to pursue the acquisition of an easement in advance of having received SADC PIG Plan approval, they proceed at their own risk. After Plan approval, SADC staff is authorized to issue “green light” approvals upon determination that the application complies with all SADC policies and regulations, and all known appraisal issues have been satisfactorily addressed.

III. Final Approval

Under the new rules, once an individual farm project receives a “green light” approval, the county/municipality then conducts the appraisals and submits those appraisals for SADC certification. Once the SADC certifies a value, an offer is made to the landowner and, if that offer is accepted, the county and/or municipality will grant the project final review/approval and request Final SADC Approval.

With respect to the County PIG program, the new rules contemplate counties qualifying for a Base Grant and being able to compete for additional funds through the Competitive Grant Fund. Based on the number of counties participating, the Base Grant available to each county in FY09 will be \$2 million, the total Competitive Grant Fund will be \$15 million, and the maximum combined grant available to any one county will be \$5 million.

With respect to the Municipal PIG program, the SADC has indicated the Base Grant available to each municipality will be a maximum of \$1.5 as with the existing PIG program. These funds will be drawn down as they are with the existing PIG program. A maximum of \$15 million will be available.

The SADC will accept requests for SADC Final Approval only to the extent that sufficient funds are available to provide SADC cost-share funding. Further, if available SADC funds would only partially fund an acquisition, the applicant will need to decide whether it wishes to close with only a partial SADC cost share, or withdraw the request for SADC Final Approval in order to wait for additional funding to become available. When the SADC does issue a Final Approval, it will cause SADC staff to enter an encumbrance against the PIG applicant's available grant funds, which will remain until the application closes or is withdrawn.

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