Status of HDC Allocations

- The Highlands Council has received HDC Allocation Applications from 78 property owners since launching the program in November 2009.

- To date, 55 property owners received an HDC allocation while the 19 property owners did not receive any allocation. Four applications are pending final review.

- Properties do not receive an allocation where there is no remaining development potential for which HDCs could be allocated. This may occur because of pre-Highlands Act environmental constraints, access issues, undersized lots, or existing easements or deed restrictions.

- To date, the Highlands Council has allocated a total of 1,205.50 HDCs to these properties representing a total HDC value of $19,288,000 based upon the $16,000 initial credit price. The total acreage receiving an HDC allocation to date is 2,314 acres. The average price per acre is $8,334.
The HDC Bank created an Initial Purchase Program to acquire Highlands Development Credits (HDCs) from qualified applicants and to date has completed three rounds:

- **First Round** – 87 HDCs on 109 acres acquired for $1,392,000.
- **Second Round** – 54.50 HDCs on 80 acres to be acquired for $872,000.
- **Third Round** – 261.75 HDCs on 144 acres to be acquired for $4,188,000.

Under the program to date, the Bank has acquired **311.75 HDCs** resulting in the **permanent protection of 249 acres**. Closings on six properties are pending and should these offers all close the program will have preserved nearly **500** acres.
HDC Allocation in the Highlands

Legend
HDC Status
- Yellow: HDC Allocation
- Orange: Deed Filed
- Brown: Pending Closing

Region
- Light Beige: Highlands Planning Area
- Green: Highlands Preservation Area
Fourth Round of Initial Purchase Program

The HDC Bank approved a Fourth Round of funding with the following deadlines:

- **November 3, 2011** – deadline for submitting **HDC Allocation Application** to the Highlands Council if property owner has not already done so.

- **December 29, 2011** – deadline for submitting **HDC Certificate Application** to HDC Bank where property qualifies for Bank consideration.

- **February 2, 2012** – HDC Bank meeting to review applications that qualify for Fourth Round consideration.
HDC Bank Initial Purchase Program

- The HDC Bank has **5 priority acquisition categories**:

1. Missed qualifying for Exemption #3 and have extenuating financial circumstances;
2. Suffer from extenuating financial circumstances;
3. Missed qualifying for Exemption #3;
4. Qualified for Exemption #3, but exemption expired; or
5. Property located in either Special Environmental Zone or High Value Agricultural Priority Area, and property owner previously offered property for preservation purposes.
RESOLUTION

Authorization to Acquire HDCs under the Fourth Round of Acquisition Consideration and Notice of Fifth Round
Fourth Round - 4 Properties

A. Block 19, Lot 110, Sparta Township, Sussex County

B. Block 73, Lot 5 in Vernon Township, Sussex County

C. Block 6.25, Lots 70.01 and 70.02 in Sparta Township, Sussex County

D. Block 40801, Lot 85.01, Rockaway Township, Morris County
Property A
Sparta Township
The parcel is 115.77 acres

The HDC Allocation of 63.75 HDCs based on residential zoning and Net Yield of 23 lots

The value of the HDC allocation is $1,020,000

Owner qualified under the hardship criteria

Conservation deed of easement will be applied (woodland management exemption)
Property B
Vernon Township
The parcel is 17.59 acres

The HDC Allocation of 1.75 HDCs based on residential zoning and Special Environmental Zone 25% bonus for preservation priority

The value of the HDC allocation is $28,000

Owner qualified under the hardship criteria

Conservation deed of easement will be applied (woodland management exemption)
Property C
Sparta Township
- The parcel is 5.48 acres
- The HDC Allocation of 7 HDCs based on residential zoning
- The value of the HDC allocation is $112,000
- Owner qualified under the hardship criteria
- Conservation deed of easement will be applied (woodland management exemption)
Block 6.25, Lots 70.01 & 70.02
Sparta Township, Sussex County
Property D
Rockaway Township
The parcel is 24.73 acres
The HDC Allocation of 27.75 HDCs based on residential zoning and Special Environmental Zone 25% bonus for preservation priority
The value of the HDC allocation is $444,000
Conservation deed of easement will be applied (woodland management exemption)
Block 40801, Lot 85.01
Rockaway Township, Morris County
# Summary of Initial Purchase Program

<table>
<thead>
<tr>
<th>Number of HDCs</th>
<th>Acreage</th>
<th>HDC Amount</th>
<th>Closing Costs</th>
<th>Closed</th>
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<tbody>
<tr>
<td>First Round (2)</td>
<td>87.00</td>
<td>$1,392,000</td>
<td>$2,500</td>
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<td>Second Round (4)</td>
<td>54.50</td>
<td>$872,000</td>
<td>$10,000</td>
<td>2</td>
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<tr>
<td>Third Round (7)</td>
<td>261.75</td>
<td>$4,188,000</td>
<td>$5,000</td>
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<tr>
<td>Fourth Round (4)</td>
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<td>$1,604,000</td>
<td>$7,500</td>
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<td><strong>Totals (17)</strong></td>
<td>503.25</td>
<td>$8,056,000</td>
<td>$25,000</td>
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</tbody>
</table>
Fifth Round of Initial Purchase Program

It is recommended that the HDC Bank approve a Fifth Round of funding with the following deadlines:

- **April 27, 2012** – deadline for submitting **HDC Allocation Application** to the Highlands Council if property owner has not already done so.

- **June 29, 2012** – deadline for submitting **HDC Certificate Application** to HDC Bank where property qualifies for Bank consideration.

- **August 2, 2012 at 4 pm** – HDC Bank meeting to review applications that qualify for Fifth Round consideration.
Consideration of the Resolution