

HIGHLANDS REGIONAL



MASTER PLAN
2008

Highlands Development Credit Bank Meeting

January 7, 2010



Executive Director's Report

- RMP Conformance Update
- TDR Legislative Update
- HDC Allocation and Hardship Purchase Process
- Update on HDC Allocation Applications and Review
- HDC Certificate

RMP Conformance Update

Plan Conformance

- Plan Conformance - 56 municipal submissions covering 95% of the Preservation Area and 35% of the Planning Area.
- 395,660 acres in the Preservation Area and 153,942 acres in the Planning Area for a total acreage of 549,602 acres (or 64%) of the Highlands Region.
- Planning Area petitions and resolutions are voluntary submissions and not binding until Council action and municipal ordinance.

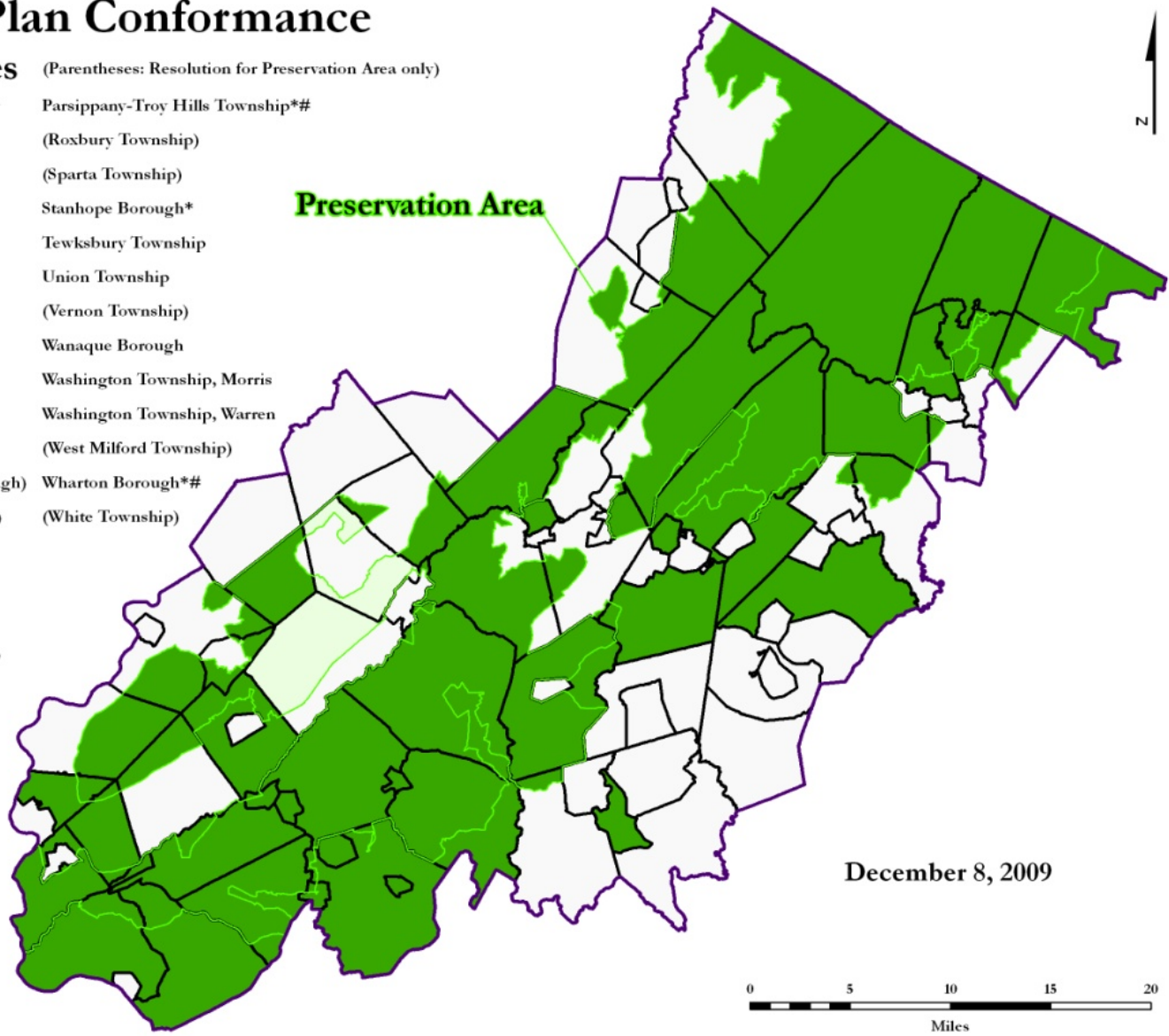
Highlands Municipal Plan Conformance

Petitioning Municipalities

(Parentheses: Resolution for Preservation Area only)

- | | | |
|------------------------|---------------------------|----------------------------------|
| Alexandria Township | High Bridge Borough*^ | Parsippany-Troy Hills Township*# |
| (Allamuchy Township) | Holland Township | (Roxbury Township) |
| (Bedminster Township) | (Hopatcong Borough) | (Sparta Township) |
| Bethlehem Township | (Jefferson Township) | Stanhope Borough* |
| Bloomington Borough | Kinnelon Borough | Tewksbury Township |
| (Bloomsbury Borough) | Lebanon Borough* | Union Township |
| (Boonton Township) | Lebanon Township# | (Vernon Township) |
| Byram Township | (Liberty Township) | Wanaque Borough |
| (Califon Borough) | Lopatcong Township | Washington Township, Morris |
| Chester Township | Mahwah Township | Washington Township, Warren |
| Clinton Town | (Montville Township) | (West Milford Township) |
| Clinton Township | (Mount Arlington Borough) | Wharton Borough*# |
| Denville Township | (Mount Olive Township) | (White Township) |
| Far Hills Borough* | (Oakland Borough) | |
| (Franklin Township) | (Ogdensburg Borough) | |
| (Glen Gardner Borough) | (Oxford Township) | |
| (Green Township) | (Pequannock Township) | |
| Greenwich Township | Pohatcong Township | |
| (Hackettstown Town) | Randolph Township | |
| Hampton Borough | (Ringwood Borough) | |
| (Hardyston Township) | Rockaway Township | |
| (Harmony Township) | | |

* Municipalities entirely within Highlands Planning Area
 ^ Ordinance Introduced
 # Resolution not submitted with Petition



December 8, 2009

Bergen County

Preservation Area:	12,309	55%
Planning Area:	<u>10,089</u>	45%
Total	22,398	

Mahwah (both)	16,769
Oakland (Preservation)	<u>2,622</u>
Total	19,391

100% municipal conformance with Act

Bergen Plan Conformance: 87% (2 of 2)

Hunterdon County

Preservation Area:	64,925	50%
Planning Area:	<u>63,985</u>	50%
Total	128,910	

Alexandria, Bethlehem, Bloomsbury, Califon, Clinton, Clinton Twp., Glen Gardner, Hampton, High Bridge (ordinance), Holland, Lebanon, Lebanon Twp., Tewksbury, Union (all but Milford)

100% municipal conformance with Act
Hunterdon Plan Conformance: 99% (14 of 15)

Morris County

Preservation Area:	120,123	44%
Planning Area:	<u>155,486</u>	56%
Total	275,609	

All Preservation unless noted: Boonton Twp., Chester Twp. (both), Denville (both), Jefferson, Kinnelon (both), Montville, Mt. Arlington, Mt. Olive, Pequannock, Randolph (both), Rockaway Twp. (both), Roxbury, Washington Twp. (both)

No resolutions yet from Parsippany-Troy Hills or Wharton Borough

100% municipal conformance with Act

Morris Plan Conformance: 64% (13 of 32)

Passaic County

Preservation Area:	78,789	94%
Planning Area:	<u>5,063</u>	6%
Total	83,852	

Bloomingtondale (both), Ringwood, Wanaque (both), West
Milford

100% municipal conformance with Act
Passaic Plan Conformance: 98% (4 of 5)

Somerset County

Preservation Area:	1,011	2%
Planning Area:	<u>46,617</u>	98%
Total	47,628	

Bedminster Township (Preservation) and Far Hills
Borough

100% municipal conformance with Act

Somerset Plan Conformance: 9% (2 of 5)

Sussex County

Preservation Area:	70,773	54%
Planning Area:	<u>59,092</u>	46%
Total	129,865	

All Preservation unless noted: Byram (both), Green, Hardyston, Hopatcong, Ogdensburg, Sparta, Stanhope (Planning), Vernon

100% municipal conformance with Act
Sussex Plan Conformance: 56% (8 of 10)

Warren County

Preservation Area:	67,027	39%
Planning Area:	<u>104,066</u>	61%
Total	171,093	

All Preservation unless noted: Allamuchy, Franklin, Greenwich (both), Hackettstown, Harmony, Liberty, Lopatcong (both), Oxford, Pohatcong (both), Washington Twp. (both), White

71% municipal conformance with Act

11 municipalities out of 13

(Independence and Mansfield yet to Petition)

Warren Plan Conformance: 39% (11 of 19)

Plan Conformance – Planning Area

- Planning Area municipalities did not have a deadline and continue to work under a Notice of Intent.
- March 1, 2010, is the next deadline for Planning Area municipalities to prepare a draft Housing Element and Fair Share Plan in order to have adopted plans completed by June 2010.
- Many of the municipalities that submitted a Petition just for the Preservation Area may still submit a Petition for the Planning Area (approx. 130,000 acres).

Plan Conformance – Planning Area

- 18 Planning Area only municipalities continue to work under a Notice of Intent (over 65,000 acres).
- These include: Milford, Chester Borough, Hanover, Mendham Borough, Mendham Twp., Mine Hill, Morris Plains, Mountain Lakes, Riverdale, Pompton Lakes, Bernardsville, Franklin Borough, Hamburg, Alpha, Belvidere, Frelinghuysen, Phillipsburg, Washington Borough.

TDR Program Update

TDR Legislative Update

- On December 3, 2009, the Senate Environment Committee released S2639, which authorizes any municipality outside Highlands Region to establish receiving zones for the Highlands TDR Program.
- On January 4, 2010, the Assembly Environment and Solid Waste Committee released its companion bill, A2202, which also authorizes any municipality outside Highlands Region to establish receiving zones for the Highlands TDR Program.
- Highlands Staff testified in support before both committees

Highlands TDR Program

Steps to HDC Bank Purchase

1. Visit the **HDC Estimator Tool**.

2. Review results and submit **HDC Allocation Application** along with supporting information to Highlands Council, including **copy of deed** and **documentation of hardship**.

3. Highlands Council will determine HDC allocation and whether property owner satisfies hardship criteria.

4. HDC Allocation Letter states the number of HDCs the property receives and whether the property owner qualified for hardship consideration; where no allocation awarded, letter will explain why. HDC Allocation Letter valid for **3 years**.

5. Property owner may seek reconsideration where owner believes more HDCs should have been awarded; reconsideration of factual issues only, e.g. steep slopes, zoning, etc.

6. Assuming HDC allocation is final, property owner may choose to do nothing further.

7. Property owner may also choose to begin HDC Certificate Process; if so, submit **HDC Certificate Application** to HDC Bank along with copy of **HDC Allocation Letter**.

8. Bank will first process hardship applications and rank them according to HDC Bank's established priorities. Other applications will then be processed.

9. For priority applications, Bank staff will present prioritization list to Bank Board of Directors for review and approval.

10. Letters of offers to purchase HDCs will then be issued. Owners receiving letters will have a certain period in which to accept offers.

11. If offer accepted, property owner will be required to submit **draft deed of easement, title and court search, affidavit of title, letter or subordination agreement from mortgage holder**, if applicable.

12. HDC Bank will work with property owner to have deed of easement finalized and then recorded at appropriate county clerk's office. Bank staff will then issue HDC Certificate and work with property owner to close transactions.

Proposed Highlands TDR Program Timeline

- Highlands Council currently reviewing HDC Allocation applications; applications must be received no later than March 1, 2010, for 1st round hardship consideration.
- HDC Bank to begin reviewing HDC Certificate application materials in February 2010; applications must be received no later than April 15, 2010, for 1st round hardship consideration.
- Consideration and prioritization of potential of HDC hardship purchases by HDC Bank in March and April 2010;
- HDC Bank to deliberate hardship purchase offers based upon staff recommendations in May 2010.

Highlands TDR Program

➤ Update on HDC Allocation Applications

- ❑ 11 applications in total received to date:
 - ❑ 9 applications concern residentially zoned property; 5 are seeking hardship consideration;
 - ❑ 2 applications concern non-residentially zoned property and both are seeking hardship consideration;
 - ❑ 1 application (residential) was submitted for a property in the Planning Area; application is premature.

State of New Jersey
Highlands Development Credit Bank
100 North Road (Route 513)
Chester, New Jersey 07930

HDC Certificate Serial No. _____
Date Issued _____
Allocation No. _____

Highlands Development Credit Certificate

Pursuant to the Highlands Water Protection and Planning Act, N.J.S.A. 13:20-1 et seq., and the Highlands Regional Master Plan, this Certificate certifies that _____ hereby owns _____ **Highlands Development Credits**.
(Name of Property Owner) (Number of HDCs)

A deed of easement limiting future development of the property is recorded in the Deed to the following _____, situated in the
(Block(s) and Lot(s))
Municipality of _____, County of _____ and is recorded in Book _____,
Page _____, at the County Clerk's Office.

Owner's Signature: _____, Date _____

This Certificate entitles the owner to a density or intensity bonus as provided in the Transfer of Development Rights ordinance for the municipality in which the Highlands Development Credits will be utilized.



Executive Director
Highlands Development Credit Bank

**SALE, CONVEYANCE OR TRANSFER OF
HIGHLANDS DEVELOPMENT CREDITS**

Within thirty (30) business days the person acquiring a Highlands Development Credit, or any interest therein, shall deliver to the Highlands Development Credit Bank this original certificate, properly completed.

Upon receipt, certificate(s) will be re-issued in the name of the person, or persons, who have secured an interest in the Highlands Development Credits.

1. GRANTEE (Buyer)

NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

SIGNATURE: _____

2. GRANTOR (SELLER)

NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

SIGNATURE: _____

**3. NUMBER OF HIGHLANDS DEVELOPMENT CREDITS SOLD, CONVEYED
OR TRANSFERRED: _____**

4. Date of Transaction: _____

5. INTEREST SECURED: _____

6. CONSIDERATION: _____

**7. ATTACH WRITTEN EVIDENCE OF TRANSACTION (e.g. CONTRACT OF
SALE, BILL OF SALE, etc.)**

**HIGHLANDS DEVELOPMENT CREDITS
PLEGGED AS SECURITY**

When Highlands Development Credits are pledged as security for loans, the holder shall return this certificate to the Highlands Development Credit Bank properly completed within thirty (30) business days.

1. OWNER (Borrower)

NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

SIGNATURE: _____

**2. Number of Highlands Development Credits pledged as
collateral: _____**

**REDEMPTION OF
HIGHLANDS DEVELOPMENT CREDITS**

When Highlands Development Credits are redeemed in association with a municipally approved development project in a designated Highlands TDR Receiving Zone, the person redeeming the Highlands Development Credits shall return this Certificate to the Highlands Development Credit Bank properly completed within thirty (30) business days.

1. OWNER (Person Redeeming)

NAME: _____

ADDRESS: _____

CITY/STATE/ZIP: _____

SIGNATURE: _____

**2. MUNICIPALITY IN WHICH HIGHLANDS DEVELOPMENT CREDITS ARE
REDEEMED**

MUNICIPALITY: _____

COUNTY: _____

**3. MUNICIPAL TAX BLOCK AND LOT NUMBER OF PROPERTY FOR WHICH
HIGHLANDS DEVELOPMENT CREDITS WERE REDEEMED**

BLOCK #: _____ LOT #: _____

(Use separate sheet of paper if necessary)

**4. NUMBER OF HIGHLANDS DEVELOPMENT CREDITS
REDEEMED: _____**

**5. HIGHLANDS COUNCIL ALLOCATION DETERMINATION
LETTER #: _____**

**6. MUNICIPAL DEVELOPMENT APPROVAL ISSUED
ON: _____**

(Date)

7. MUNICIPAL OFFICIAL ISSUING DEVELOPMENT APPROVAL

NAME: _____

TITLE: _____

SIGNATURE: _____

Status of TDR Feasibility Grants

- Highlands Council has approved **11 TDR Feasibility Grants** – Bogota Borough, Chester Borough, City of Clifton, Town of Clinton, Harmony Township, Hopatcong Borough, Long Hill Township, Lopatcong Township, Oakland Borough, Tewksbury Township and Washington Borough.
- Highlands Council approved a grant to **Long Hill Township**, Morris County (outside of Highlands Region) at its October 15th meeting; **Long Hill is the 3rd municipality outside of the Highlands Region but within the 7 Highlands counties to receive a grant.**

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