

PINELANDS INFRASTRUCTURE TRUST MASTER PLAN AMENDMENT
PROJECT RANKING CRITERIA AND FUNDING STRUCTURE
JANUARY 2019

Table of Contents

[Overview](#)..... 3

[Objectives](#) 4

[Ranking Criteria](#)..... 5

[Mandatory Requirements](#)..... 5

[Bonus Factors](#)..... 6

[Financing Structure](#)..... 6

[Outline for Project Funding Applications](#)..... 7

[Appendix I. Application Form](#)..... 8

Overview

The Pinelands Infrastructure Fund (PITF) was established in 1985 to help local governments and utility authorities defray the costs associated with supporting the population and economic growth targeted to Pinelands Regional Growth Areas. The Pinelands Infrastructure Bond Act became law on August 23, 1985. Voters subsequently approved a bond issue that allowed \$30 million to fund the PITF. The funds are disbursed through grants and loans for certain types of infrastructure projects that serve the needs of Pinelands Regional Growth Areas. The types of infrastructure that may be funded pursuant to the Act include wastewater treatment and collection systems, stormwater management facilities, water supply systems, and transportation projects. To date, only wastewater projects have been funded.

The Pinelands Commission prepared the original Pinelands Infrastructure Master Plan as required by the PITF Act. The Infrastructure Master Plan accomplished three things. First, it delineated a funding structure for loans, grants, and local matching funds (40%, 40%, and 20%, respectively). Second, it created a ranking system by which proposed infrastructure projects would be judged for funding eligibility. Third, it generated the list of projects that were deemed eligible for the initial round of funding. Projects proposed for funding must first be approved by the Pinelands Commission and are then forwarded to the State Infrastructure Bank for processing and legislative approval.

At this time, the repayment of loans from earlier funding rounds has replenished the PITF and there is approximately \$15 million available to disburse as loans or grants. In July 2018, Commission staff reviewed the program with the CMP Policy & Implementation Committee. Subsequently, the Commission staff reached out via mail, e-mail, web notice, telephone and in-person meetings with local officials and utility authorities to gauge the infrastructure needs of the Regional Growth Areas. Commission staff has also been working to create a new set of ranking criteria by which to evaluate any applications for funding.

The new ranking criteria and funding structure are the subjects of this proposed PITF Master Plan amendment. A future amendment will be prepared to incorporate the list of projects recommended for funding. Following review of this proposed amendment by the Policy & Implementation Committee, a public hearing must be held regarding the amendment. Then, the proposal will return to the Committee for a recommendation to forward it on to the Commission for approval. The amended Master Plan should then be submitted to the Department of Environmental Protection for updating any regulations for consistency with the Water Bank (formerly Environmental Infrastructure Trust) process.

Following adoption of this amendment to the Pinelands Infrastructure Master Plan, the Commission will then announce a Request for Proposals to solicit applications for project

funding. Submitted applications will be ranked by staff and reviewed by the Policy & Implementation Committee. Subsequently, a second Master Plan amendment will be prepared. The second amendment will revise the funding structure, if necessary, and it will include the list of projects to be funded. The second amendment will then proceed through the same route of public hearing, committee review, formal Commission action and submittal to the Water Bank. The list of projects identified in the second Master Plan amendment is intended to proceed through legislative adoption as part of the overall Intended Use Plan prepared by the Water Bank for SFY2020.

Objectives

The purpose of this Pinelands Infrastructure Trust Master Plan amendment is twofold. First, it proposes to create a new set of ranking criteria for evaluating projects involving wastewater, water supply or transportation to serve the needs of the Pinelands Regional Growth Areas. Second, it proposes a new funding structure to disburse available funds from the Pinelands Infrastructure Trust. The ranking criteria offer an objective means for comparing the relative value of an array of infrastructure projects against goals related to the Pinelands Comprehensive Management Plan and to the Pinelands Infrastructure Bond Act. Specifically, the project must serve development in the Pinelands Regional Growth Areas and any facilities must be located in or serve the Pinelands Area.

The ranking criteria are also intended to measure projects alongside community needs and environmental objectives. Funding will only be awarded to wastewater (including stormwater and green infrastructure), transportation, or water supply projects. The proposed funding structure will require that a portion of the funds be disbursed funds as loans. That structure will allow future funding rounds to be made available as loans are fully repaid.

In addition, the Pinelands Infrastructure Act was intended to enhance the environmental objective of land preservation and value equity through the Pinelands Development Credit (PDC) program. Therefore, any project that receives PITF funding in this round must support new residential development or redevelopment that will need PDCs to be completed. A higher potential for PDC use will result in a higher ranking score.

The remaining objectives of the funding are reflected in the ranking criteria and include consideration of project cost per residential unit, environmental enhancements, and Kirkwood-Cohansey aquifer benefits.

Ranking Criteria

There are two categories of ranking criteria: mandatory requirements and bonus factors. Mandatory requirements allow any project to earn up to 100 points. Up to an additional 70 points can be earned for bonus factors. Please see the ranking criteria, below.

Mandatory Requirements

All projects must provide service to a Regional Growth Area. Only infrastructure that allows new residential or mixed use development and redevelopment will be considered. Only project costs associated with facilities and infrastructure inside the Pinelands Area will be eligible for funding. A project may be awarded up to 100 points on mandatory requirements.

1. Level of Service (40 points)

Number of new dwelling units potentially served based on municipal zoning. Higher number of total units will result in greater points awarded.

- 25 -50 residential units = 5 points
- 50 - 100 residential units = 10 points
- 100 - 200 residential units = 15 points
- 200 - 300 units = 20 points
- 300 – 400 units = 25 points
- 400 – 500 units = 30 points
- Greater than 500 units = 40 points

2. Potential for PDC use - based on certified municipal zoning (40 points)

The project may serve areas where PDC use is optional or mandatory. Mandatory use is granted additional points in bonus factors. Potential use of greater numbers of PDCs increases awarded points.

- 5 PDCs (20 rights) = 5 points for voluntary use; 10 points for mandatory use
- 7.5 PDCs (30 rights) = 7 points for voluntary use; 15 points for mandatory use
- 10 PDCs (40 rights) = 10 points for voluntary use; 20 points for mandatory use
- 12.5 PDCs (50 rights) = 12 points for voluntary use; 25 points for mandatory use
- 15 PDCs (60 rights) = 15 points for voluntary use; 30 points for mandatory use
- Greater than 15 PDCs (>60 rights) = 20 points; 40 points for mandatory use

3. Local matching funds (20 points)

Not less than 10% of project funding must come from non-PITF sources, unless a hardship exists and the project otherwise is highly ranked.

- 10% - 25% match = 7 points
- 26% - 40% match = 14 points

Greater than 41% match = 20 points

Bonus Factors

No more than 70 points total will be awarded for these bonus factors. Each factor may be awarded up to 10 points.

1. Development meets EPA Water Sense standards
2. Best Management Practice enhanced stormwater techniques and green infrastructure that exceeds current Pinelands Comprehensive Management Plan regulations
3. Water supply for development is from a non-Kirkwood/Cohansey water source
4. Project recharges wastewater to groundwater
5. Lower cost per dwelling unit in PITF funding
6. Serves areas where the certified municipal zoning ordinance mandates use of PDCs for at least 16.7% of the market rate units in any residential project
7. Serves areas zoned for residential development at a net density of at least 3.7 units per acre

Financing Structure

According to the Pinelands Infrastructure Trust Act, the Infrastructure Master Plan sets the funding structure which may be amended periodically. When the funding structure includes a portion of the award to be disbursed as loan(s), the Act requires that the interest rate will not “exceed 50% of the average interest rate of the Bond Buyer Municipal Bond Index for bonds available for purchase during the last 26 weeks preceding approval of the loan....” Terms of the loan or grant agreement shall be specified by the State Treasurer.

The Act limits project costs that would be eligible for award to those remaining after deducting any Federal contribution. The Act indicates that the following costs may be included in the project award:

- Acquisition and development of real estate for use in connection with the project
- Execution of agreements or franchises
- Procurement of engineering, inspection, planning, legal, financial or other professional services
- Administrative, organizational or operating expenses incident to the authorized project
- Establishment of working capital

The Pinelands Infrastructure Master Plan financing structure for disbursement of the loans and grants will be amended as follows:

1. The portion awarded as loans will be 50% of the total project award.
2. The portion awarded as grants will be 40% of the total project award.
3. A local match of 10% of the total project award will be required. In cases where a hardship has been identified, the local match may be waived and the award will be allocated as 50% loan and 50% grants.
4. Loans will carry an interest rate of 1%.

Outline for Project Funding Applications

- I. Application form
 - a. See attached form
 - b. Project Map (all maps must also be submitted in GIS formats)
 - i. Facility and infrastructure location
 - ii. Zoning district boundaries
 - iii. Development to be served boundary
 - iv. Pinelands Management Area boundaries
 - v. Municipal Boundaries
 - vi. Scale
 - vii. Compass Rose
- II. Detailed Proposal
 - a. Facilities, System and Service Area Description
 - b. Block and lot numbers, if applicable
 - c. Municipal Zoning Districts to be served
 - d. PDC Use – total number of residential units to be served (subject to verification)
 - i. Number of units expected as PDC units
 - ii. Assurance of PDC use where voluntary
 - e. Municipal/Regional Benefits (for example, where the project will correct an existing problem or support redevelopment of an area)
 - f. Best Management Practices, Conservation, or Environmental Design Elements of Project
 - g. Costs – including a statement of the local or non-PITF funding match for the project and a statement of Federal funding associated with the project
 - h. Governing body resolution indicating intent to provide local match
 - i. Project Schedule

Appendix I. Application Form

I. Applicant Information

Applicant Name

Applicant Address

Contact Name and Address

Contact Phone Number

II. Costs and Financing

Estimated Total Project Cost _____

Local Match Funds _____

Federal Funds _____

PITF Funding Assistance Requested _____

III. Detailed Proposal

Attach project description and map as described in “Outline for Project Funding Applications”

IV. Resolution of the Governing Body

Attach a copy of the adopted resolution authorizing application and assigning the point of contact