

DRAFT – FOR CONSIDERATION AT JUNE 26, 2008
HIGHLANDS COUNCIL MEETING

**Highlands Council
Identification of
Potential Voluntary
HDC Receiving Zones
in the Planning Area**

A crucial component to establishing the Highlands TDR Program is the identification of areas that may serve as voluntary Receiving Zones. It is within these areas that the HDCs allocated to landowners in the Sending Zones may be used to increase the density or intensity of uses permitted by underlying zoning. In turn, the ability to use the HDCs in Receiving Zones for more development than would otherwise be permitted creates demand for purchasing the credits and ultimately establishes their value.

Pursuant to the Highlands Act, potential Receiving Zones identified by the Highlands Council for use in the regional TDR program are strictly voluntary. Any areas identified by the Council's analysis need not be accepted by the municipalities in which they are identified. Despite the voluntary nature of the Receiving Zones, the Highlands Council is still charged with identifying areas within the Highlands Region that are or may be appropriate to serve as Receiving Zones and recommending an appropriate density for those identified areas. (N.J.S.A. 13:20-8 and 13:20-13.c) The Highlands Act establishes a goal of identifying at least four percent of the Planning Area for potential TDR receiving areas, unless environmental constraints limit such areas to below that goal. Accordingly, the goal of the Highlands Act through the implementation of the Regional Master Plan is to identify 17,776 acres of the Planning Area's 444,398 acres.

The Highlands Council has conducted a preliminary, GIS-based analysis of Planning Area lands that may have potential for serving as HDC Receiving Zones. This analysis focuses on lands that are not within the Environmentally Constrained Sub-zones, not preserved, and not developed with residential housing (as of 2002), and which have or may have the water and wastewater infrastructure necessary to accommodate more development. This analysis will require refinement as the Highlands Council works with Highlands municipalities during the Plan Conformance process, including gaining a better understanding of the potential densities for these identified lands.

As noted above, this analysis does include lands that are not currently served by infrastructure. Simply because such lands have limited or no infrastructure currently does not mean that necessary capacity or new infrastructure may not be provided sometime in the future where the provision of that infrastructure is consistent with the goals, policies and objectives of the Regional Master Plan. As Section 11.a(6)(e) of the Highlands Act notes, the Highlands Council shall identify potential voluntary receiving zones “. . . through the appropriate expansion of infrastructure or the modified uses of existing infrastructure.” (N.J.S.A. 13:20-11.a(6)(e)) Therefore the Act does not preclude the identification of a Receiving Zone in an area that does not currently have sufficient infrastructure or capacity but may be appropriate to support more intense residential or non-residential development in the future.

Importantly, this analysis is a tool to help foster discussion about those areas within the Planning Area that are most appropriate to serve as voluntary Receiving Zones. Further specific local analysis of these areas will be required, including an assessment of site specific environmental constraints, infrastructure capacity, and real estate market viability, before any designation may be considered. Only after this assessment is complete and the municipality and

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Highlands Council concur in the assessment's results, will designation be considered by the Highlands Council.

Based upon the analysis parameters outlined above, the Highlands Council has preliminarily identified approximately 12,000 acres within the Existing Community Zone of the Planning Area using criteria that relate to the existence of water and wastewater infrastructure (see figure *Potential Areas for Voluntary HDC Receiving Zones in Existing Community Zone*). The criteria used in analyzing these areas and the acreage associated with these criteria are highlighted below.

- Greenfield Opportunities – undeveloped lands at least 2 acres in size located in approved sewer service areas that are not Existing Areas Served and therefore correspond to lands that municipalities likely intended for future development served by wastewater utilities. This analysis reveals approximately 980 acres that satisfy these criteria. The Highlands Council further evaluated these lands using the Highlands Regional Build-Out Model and existing municipal zoning. The purpose of this additional study was to determine which lands within these 980 acres could support development at a minimum of 5 dwelling units per acre if residentially zoned or 0.84 FAR if non-residentially zoned. The study identifies 280 acres that have sufficient remaining wastewater capacity and water availability at the HUC 14 subwatershed level to support this amount of development intensity.
- Redevelopment and Infill Opportunities – developed and undeveloped lands at least 0.125 acres in size that are currently served with public wastewater infrastructure (Existing Areas Served) with remaining capacity. These lands total approximately 11,000 acres. Lands in this category represent potential Receiving Zones that are premised on infill and redevelopment.

It is critical to understand that other lands within the Highlands Region may also be appropriate to serve as voluntary Receiving Zones but would not be identified in this regional GIS-based analysis. For example, this analysis does not examine the potential of lands within the Conservation Zone to serve as Receiving Zones, which is allowed by the policies adopted by the Highlands Council, provided that the designation of such lands is consistent with the RMP and the development will not conflict with the maintenance of viable agriculture. Additionally, this assessment does not identify any specific potential Highlands Redevelopment Areas which may also serve as voluntary Receiving Zones per the policies of the Regional Master Plan. Lastly, this analysis only examines land areas that are at least 2 or 0.125 acres in size, based on the analysis involved. There may be areas smaller than these thresholds that may be appropriately considered for Receiving Zone designation. The Highlands Council will work with conforming municipalities during Plan Conformance to identify additional lands to meet the goal of the Highlands Act.