

HIGHLANDS REGIONAL



MASTER PLAN  
2008

# Highlands Development Credit Bank

September 3, 2009



# Executive Director's Report

- Plan Conformance Update
- HDC Bank Operating Procedures
- TDR Program Conservation Restrictions

# Municipal Plan Conformance

- ❑ 75 of the 88 Highlands municipalities have filed a Notice of Intent
- ❑ 72 municipalities and 4 counties have applied for an Initial Assessment Grant
- ❑ 74 municipalities have filed a 2009 Plan Conformance Grant Application
- ❑ 48 municipalities have received a final Municipal Build-Out Report; 72 have received their Module 1 Reports

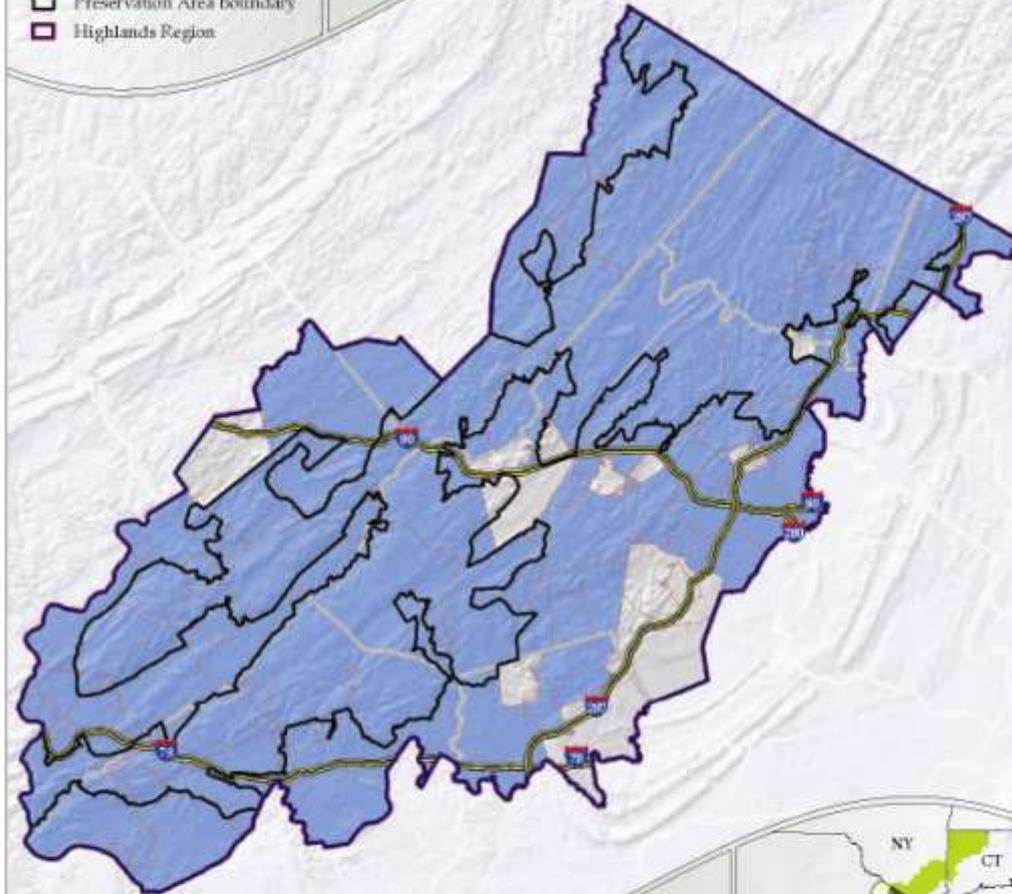
Municipalities That Have Adopted a Notice of Intent to Conform

## REGIONAL MASTER PLAN NOTICE OF INTENT TO CONFORM

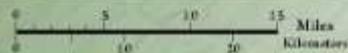
August 25, 2009



- Interstate Highways
- County Boundaries
- Municipal Boundaries
- Preservation Area Boundary
- Highlands Region



Scale = 1:555,000



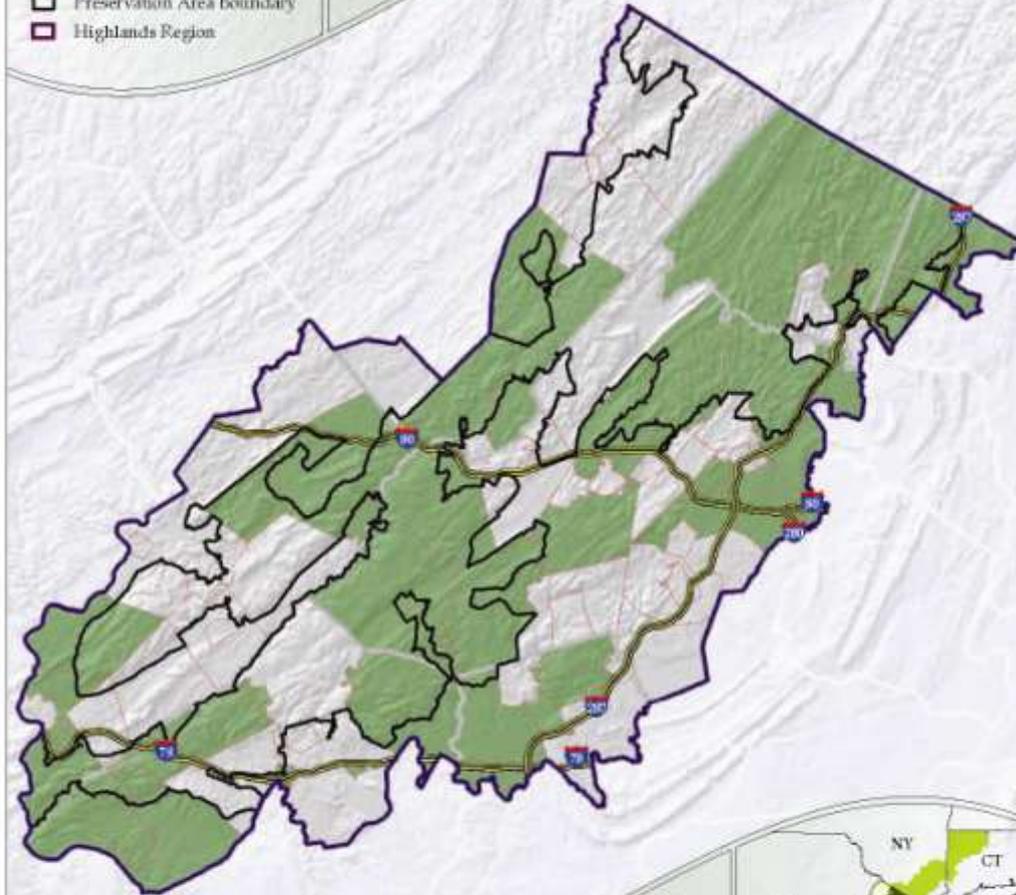
**HIGHLANDS MUNICIPAL  
BUILD-OUT REPORTS: POSTED**

**August 26, 2009**

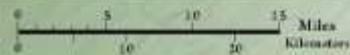


 Municipalities That Have  
Final Highlands Build-Out  
Reports Posted on the Web

-  Interstate Highways
-  County Boundaries
-  Municipal Boundaries
-  Preservation Area Boundary
-  Highlands Region



Scale = 1:555,000



# Municipal Build-Out Reports

- ❑ Describes growth potential at full build-out based on available land for septic system and sewer development, as constrained where applicable by utility capacity and water availability.
- ❑ **Utility Service Areas** – municipality identified; Build-out model focuses on Existing Areas Served and other eligible areas based on the RMP
- ❑ **Potential developable lands** – municipality identified; Build-out model determines whether vacant, over-sized or redevelopable, and (for sewer areas) if sufficient unconstrained lands exist
- ❑ **Septic System Yield** – determines total yield by LUC Zone and HUC14 subwatershed for total of vacant and over-sized lots
- ❑ **Utility capacity** – reduces build-out estimates if demands exceed available capacity (sewered properties only)
- ❑ **Water Availability** – reduces build-out estimates if demands by HUC14 subwatershed exceed water availability

# Status of TDR Feasibility Grants

- ❑ Highlands Council has approved 10 TDR Feasibility Grants through 8-27-09:

Borough of Bogota, Chester Borough, City of Clifton, Town of Clinton, Harmony Township, Hopatcong Borough, Lopatcong Township, Oakland Borough, Tewksbury Township, and Washington Borough.

# Discussion of HDC Bank Operating Procedures

# HDC Bank Operating Procedures

- ❑ Draft HDC Operating Procedures were released for informal public comment on May 26, 2009.
- ❑ Public comment on the draft Operating Procedures was due on or before June 26, 2009.
- ❑ HDC Bank held public work session on July 2, 2009, to provide staff with comments and staff revised the draft Operating Procedures based upon that input.

# HDC Bank Operating Procedures

## □ Section I – Purposes

- Under the purpose section, staff added a provision that allows the Bank to administer an auction without participating as a seller of HDCs.

## □ Section II –

- Definition of “marketable title” revised to make clear that it does not prohibit placing a mortgage on the property, only those “liens or encumbrances that would prevent the use or transfer of property.”
- Definition of “retired” revised to make clear that any holder of an HDC may retire the credit.

# HDC Bank Operating Procedures

## □ Section III – Executive Director

- Staff has completely revised this section to reflect the fact that the Board's powers and duties are set forth in the HDC Bank's bylaws and do not need to be repeated in the operating procedures.
- Staff further revised this section to clarify the responsibilities of the Executive Director.

# HDC Bank Operating Procedures

## □ Section IV – HDC Certificates

- Staff revised applicability section to make clear that an HDC allocated to an eligible parcel may not be sold, transferred, conveyed or encumbered without first obtaining a HDC Certificate from the Bank.
- Staff revised the language regarding the conservation restriction criteria to say that a certificate may not be issued until the Executive Director is satisfied that the conservation restriction prohibits the future development of the property “in accordance with the appropriate conservation restriction adopted by the Highlands Council.”
- With respect to HDC redemption, staff revised the provision to state that HDC certificate may not be issued until no further project review by the Highlands Council is required.
- Finally, staff revised language to state that a certificate shall be redeemed at the time “when a construction permit is issued.”

# HDC Bank Operating Procedures

## □ Section VI – Purchase of HDCs

- Staff deleted the word “unique” from the provision regarding when the Bank may purchase HDCs in hardship cases.
- Staff deleted the requirement that an applicant for sale of HDCs to the Bank must state applicant’s belief that purchase satisfies one of the standards for Bank acquisition.
- With respect to hardship purchases, staff revised the provision to provide more clarity.
- Staff added a new provision that allows the Bank to adopt a policy to establish additional criteria for the prioritization of any purchase of Highlands Development Credits.

# HDC Bank Operating Procedures

## □ Section VII – Sale of HDCs

- Staff deleted the provision allowing the Bank to sell HDCs at no cost for public purposes.

# Discussion of TDR Program Conservation Restrictions

# TDR Program Conservation Restrictions

- ❑ Initial draft conservation restriction released for public comment on April 17, 2009, and public comment accepted through April 30, 2009.
- ❑ Staff revised conservation restrictions and further public comment sought through July 3, 2009.
- ❑ Staff again revised conservation restrictions based upon public comment, comments from State agency partners, and input from Highlands Council Members and HDC Bank Directors.
- ❑ Highlands Council to consider conservation restrictions at its September 17, 2009 meeting.

# TDR Program Conservation Restrictions

## ■ Significant Changes:

- Staff added a definition section.
- Where a property owner foregoes applicable single-family dwelling exemption, conservation restriction clearly sets forth the bonus applied to the property's net yield calculation.
- Staff revised provision regarding existing uses to explain whether or not such uses may be expanded.
- Staff revised provision regarding enforcement.
- Staff revised provision regarding costs of enforcement to state that such costs may be borne by property owner, but only after a failure to adequately cure a violation.
- Staff deleted provision requiring property be kept free and clear of liens and encumbrances.
- Staff added provision that conservation restriction may only be amended for the protection of public health or safety, including transportation safety improvements, upon a determination by the GRANTEE that such amendment is necessary.

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