



State of New Jersey

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HIGHLANDS REGIONAL MASTER PLAN MONITORING PROGRAM REAL ESTATE & HOUSING STAKEHOLDER MEETING

DATE: November 13, 2014

TIME: 1:00PM - 2:30PM

LOCATION: County College of Morris
Davidson Rooms
214 Center Grove Road
Randolph, NJ

ATTENDEES:

First Name	Last Name	Organization
Katharine	Coffey	Porzio, Bromberg & Newman P.C.
Betsey	Hall	Homeless Solutions
Eric	Keller	Omland Engineering
Bruce	Shapiro	NJ Association of Realtors
Carol Ann	Short	NJ Builders Association
Richard	Vohden	NJ Highlands Council – Member
Margaret	Nordstrom	NJ Highlands Council – Staff
Maryjude	Haddock-Weiler	NJ Highlands Council – Staff
James	Humphries	NJ Highlands Council – Staff
Corey	Piasecki	NJ Highlands Council – Staff
Courtenay	Mercer	Regional Plan Association
Janani	Shankaran	Regional Plan Association

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MEETING PURPOSE:

To provide an overview of the Highlands Regional Master Plan Monitoring Program and process; brainstorm topics and data availability for ongoing monitoring; identify potential technical advisory committee members; and discuss next steps.

- 1) Introductions
- 2) Overview of Monitoring Program Process
- 3) Discussion Items:
 - a) Thoughts on opportunities for improvement to the RMP.
 - b) How can outreach and education from the Highlands Council be improved?
 - c) Impressions of development review process in conforming communities.
 - d) What RMP topics/information are most appropriate for ongoing monitoring?
 - e) Do you have access to and/or relevant information about data that can be used for the ongoing monitoring of the RMP?
- 4) Identification of Potential TAC Members
- 5) Wrap up/Next Steps

MEETING SUMMARY:

The meeting opened with welcome remarks by Courtenay Mercer, NJ Director at Regional Plan Association (RPA), the project consultant. Attendees introduced themselves. Ms. Mercer provided background on the Highlands Regional Master Plan (RMP) Monitoring Program and process. Key points included:

- The RMP is continually updated as new factual information is made available, but the Monitoring Program evaluates progress toward achieving the goals of the RMP by identifying and measuring indicators and milestones.
- Stakeholder meetings are being conducted now to identify potential indicators and data sources that may not be readily available. Public outreach stakeholder meetings to follow.
- Two technical advisory committee (TAC) meetings will take place, one in early 2015 and the second after initial research and analysis has been completed.
- The process will result in the Monitoring Program Recommendations Report (MPRR) and a science and research agenda.

Participants then engaged in discussion, facilitated by Ms. Mercer, about perceptions of the RMP and the regulatory framework. Participants conveyed that the Highlands RMP is one of many regulatory layers within real estate development. Other important factors include wastewater management, NJ Department of Environmental

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Protection (NJDEP) regulations, and municipal zoning. Nevertheless, there is too much uncertainty associated with development in the NJ Highlands, and banks are hesitant to provide financing for this reason.

Participants then discussed development in the planning and preservation areas. Preservation area activities are minimal (if any), as there is a perception that development is nearly impossible to implement due to restrictions and the lack of market demand. In the planning area, there is uncertainty about what can be built, where development can go, and where to get the appropriate information. Developers regard the process as unclear and confusing; and in particular, are unsure whether they need to meet with the municipality or Highlands Council first to get all necessary approvals. Banks play an important role in financing development, and without clear answers to these questions and clarity about the general approval process, developers are unable to receiving financing.

Participants remarked that builders are often accused of disregard for open space and conservation, yet many builders recognize the importance of natural areas for the viability and marketability of a project. Marketing a development as near open space or a trail is beneficial from a sales perspective. Nevertheless, there needs to be a balance between development and preservation. Developers need greater clarity on where to build, without excessive regulation.

Realtors are experiencing many of the same challenges as developers. There is a lack of information and clarity on permitting needs for minor renovations and subdivisions, as well as where permits can be obtained.

Ms. Mercer suggested that in regards to outreach, a handbook or pamphlet could provide background information to realtors and developers. Participants agreed, stating that a master fact sheet with the appropriate contact information would be helpful.

Questions about the exemption process surfaced. Ms. Mercer stated that a Highlands Council policy allows qualified municipalities to issue for exemptions. Highlands Council staff elaborated, stating that these municipalities are located both in the preservation and planning areas. When an exemption is issued by a municipality, the memorandum of understanding states that the local issuance carries the same force and effect as one issued by NJDEP. Where a municipality does not have authority to issue exemptions, the applicant must still apply to the NJDEP. Ms. Mercer suggested that perhaps more municipalities can be authorized to issue exemptions.

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Ms. Mercer then asked participants to discuss affordable housing issues in the Highlands region. Implementation of affordable housing has been a challenge in the Highlands, because it is generally difficult to build at higher densities. Additionally, banks are less likely to finance non-profit developers, because housing is being rented at a less-than-market rate, and so much of the onus is on for-profit developers to implement affordable housing. The RMP requires municipalities to comply with the Fair Housing Act; however, due to the failure of the NJ Council on Affordable Housing (COAH) to adopt new rules, many affordable housing initiatives are stalled statewide.

Highlands Council staff remarked that affordable housing construction was difficult to implement before the 2004 Highlands Act. Participants replied that if there is no incentive to implement affordable housing, it will not be done. Urban centers like Morristown lack fair share plans. Municipalities are uncertain how future policy will address local affordable housing obligations. In the builder community, there is a perception that many municipalities that conformed to the RMP did not thoroughly consider all issues, including affordable housing.

Ms. Mercer asked whether the lack of development in the Highlands is due to the RMP or lack of market demand in rural areas. Participants responded that much of the reduced development can be attributed to reduced demand in rural areas. Given limited employment opportunities, these areas are losing population to urban centers. However, suburban areas ripe for redevelopment and infill development are unable to be transformed, because many of these places have been removed from wastewater/sewer service plans. Some constraints (such as steep slopes) limit development, though could be addressed through engineering solutions.

Ms. Mercer asked participants whether development would have been restricted regardless of the RMP, due to NJDEP rules. Participants conveyed that NJDEP should place planning areas 1 and 2 back into the Wastewater Management Plan, such that it includes building of single family homes, but not necessarily larger developments. Highlands Council staff commented that if a property was located in a sewer service area prior to the 2004 adoption of the Highlands Act, and the project is exempt, the property can be put back into the sewer service area through Plan Conformance.

Participants again discussed the implications of uncertainty within the Highlands region. Developers are uncertain whether municipalities will conform in the future. Council staff relayed that both perceptions and reality must be accounted for within

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the monitoring program. Ms. Mercer stated that plan conformance may foster a greater sense of certainty, as growth can be targeted.

Given the extensive nature of the conformance process, participants were wary of the checklist ordinance. Further, there should be milestones and dates for municipalities within the conformance process to foster a greater sense of clarity and direction. Participants stated that given limited staff and funding, many municipalities do not engage in robust planning processes. Too often, ordinances are passed for individual development projects, but altogether, lack cohesion. Through inaction of RMP implementation, opportunity areas may be lost in the long term. This could be an area where the Highlands Council could offer assistance; for example, the Council could work in partnership with a willing planning area community to pilot a project.

Ms. Mercer asked participants to discuss indicators and data sources. The following thoughts were conveyed:

- Property values and property tax revenues are important indicators.
- Legislation on dual appraisal is currently in the NJ Senate for a vote.
- Farmland assessed values impact tax revenues.
- Foreclosure rates should be monitored. In Sussex, rates are highest in Vernon and Hopatcong.
- Housing type and affordability should be monitored.
- What is happening with the rental market? How are property values changing regionally?
- How will the program address gentrification?
- Vacant nonresidential space should be measured.
- Changes in sewage demand (such as office vs. residential) and water deficit areas should be measured and capacity maps up-dated.

As the meeting concluded, Ms. Mercer remarked that participants are encouraged to send further feedback on indicators and data via email and through the online comment portal. Participants are also encouraged to identify potential TAC members. The TACs will meet in two series, the first set of meetings in January 2015 and the second pending release of NJDEP land use land cover data and associated project team analysis. Interested stakeholders should send resumes.

Over the next few weeks, Highlands Council staff and the project team will be conducting additional stakeholder meetings, meeting with county and municipal staff, and holding public workshops.

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Next Steps/Action Items

- Participants should submit via email: additional feedback on indicators, additional feedback on data sources, and TAC member suggestions.
- The project team and Highlands Council staff will follow up with individual participants regarding indicators and data sources.