

RESOLUTION 2011-3
HIGHLANDS DEVELOPMENT CREDIT BANK
SUPPORT FOR ADDITIONAL ACQUISITION FUNDING

WHEREAS, pursuant to Section 13.i of the Highlands Water Protection and Planning Act (Highlands Act), the Highlands Water Protection and Planning Council (Highlands Council) established the Highlands Development Credit Bank (Bank) by Resolution 2008-24 adopted on June 26, 2008; and

WHEREAS, Resolution 2008-24 establishes the functions of the Bank, including serving as a buyer and seller of Highlands Development Credits (HDCs); and

WHEREAS, pursuant to Resolution 2008-24, the activities of the Bank must be guided by the Highlands Regional Master Plan; and

WHEREAS, pursuant to Policy 7C6 of the Highlands Regional Master Plan, the Bank established a program for the purchase of HDCs that “should seek to provide an opportunity for Sending Zone landowners to sell their HDCs in advance of the establishment of Receiving Zones” consistent with Policy 7C7; and

WHEREAS, pursuant to Objective 7C7b of the Highlands Regional Master Plan the Bank’s HDC purchase program gives “priority to landowners who can demonstrate unique and extenuating financial circumstances as a direct result of the Highlands Act;” and

WHEREAS, pursuant to Resolution 2009-05, the Bank has adopted Operating Procedures for the Bank’s activities, including the purchase of HDCs; and

WHEREAS, by Executive Order No. 114 (2008), the Bank was allocated \$10,000,000 for the purpose of acquiring HDCs consistent with its adopted acquisition program; and

WHEREAS, the Bank has used these funds to conduct three rounds of consideration to acquire HDCs from property owners that satisfied the Bank’s priority acquisition categories, including numerous property owners that are facing extenuating financial circumstances; and

WHEREAS, through these first three rounds, the Bank has encumbered approximately one-half of the initial \$10 million capitalization for the purposes of acquiring HDCs; and

WHEREAS, through these first three rounds, the encumbered amount has the potential to result in the preservation of approximately 320 acres of in the Preservation Area of the Highlands through recorded deeds of easement; and

WHEREAS, the Bank has authorized a fourth round of acquisition consideration; and

WHEREAS, the Highlands Act is predicated upon a new regional planning approach as well an explicit declaration of a strong and significant commitment by the State to fund the acquisition of exceptional natural resource value lands in fairness to property owners adversely affected by the Act ; and

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WHEREAS, the Legislature recently approved appropriations bills providing funding under the Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009, including funding specifically directed to the Highlands Region; and

WHEREAS, the Highlands Development Credit Bank serves a critical role in acquiring development credits from landowners in the Highlands that are not otherwise eligible under the Green Acres Program or the Farmland Preservation Program; and

WHEREAS, replenishing the Bank's acquisition fund will allow it to continue its successful HDC acquisition program and ensure landowners a viable market for allocated credits, particularly those landowners that continue to face extenuating financial circumstances; and

WHEREAS, pursuant to the HDC Bank By-laws, a true copy of the Board's meeting minutes shall be prepared and forthwith delivered to the Highlands Council and no action taken at such meetings by the Board shall have effect until the Highlands Council's period of review has expired and the Governor's period of review for that Council meeting has expired pursuant to the following paragraph; and

WHEREAS, pursuant to N.J.S.A. 13:20-5.j, no action authorized by the Highlands Council shall have force or effect until ten (10) days, Saturdays, Sundays and public holidays excepted, after a copy of the minutes of the meeting of the Council has been delivered to the Governor for review, unless prior to expiration of the review period the Governor shall approve same, in which case the action shall become effective upon such approval.


NOW, THEREFORE, BE IT RESOLVED by the Highlands Development Credit Bank that:

1. The Bank believes it is prudent and necessary for the Executive Branch and the Legislature to replenish the Bank's HDC acquisition fund with an additional \$10,000,000 to ensure the continued protection of critical Highlands' natural and agricultural resources and guarantee that landowner equity concerns continue to be addressed by the State.
2. That the Executive Branch and the Legislature examine a variety of potential funding sources, including monies approved through the federal Highlands Conservation Act or other federal conservation sources; the Green Acres, Water Supply and Floodplain Protection, and Farmland and Historic Preservation Bond Act of 2009 or other similar state conservation sources; penalties assessed for violations of the Highlands Act or other similar sources to address natural resource damages; funding for economic mitigation of impacts to Highlands resources; and any other source, program or financial mechanism that may be available for funding such acquisition.

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CERTIFICATION

I hereby certify that the foregoing Resolution was adopted by the Highlands Development Credit Bank at its regular meeting held on the 28th day of July, 2011.


Theodore J. Maglione, Acting Chairman

<u>Vote on the Approval of this Resolution</u>	<u>Motion</u>	<u>Second</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>	<u>Absent</u>
Director Davis		✓	✓			
Director Halpern	✓		✓			
Director Klipstein			✓			
Director Maglione			✓			
Director Payne					✓	
Director Rilee			✓			
Director Siegel					✓	