



## Implementation Details for County and Municipal Planning Incentive Grant Programs

Adopted September 27, 2007 – Revised August 27, 2020



### NEW JERSEY State Agriculture Development Committee

The purpose of this document is to set forth in detail certain procedures SADC staff will follow to implement its Planning Incentive Grant (PIG) regulations. This Procedure updates and combines Procedures 1, 2 & 3 adopted September 27, 2007. Authority N.J.S.A. 4:1C-43.1; N.J.A.C. 2:76-17 and N.J.A.C. 2:76-17A.

#### **I. Farmland Preservation Plans and Annual Planning Incentive Grant Application Updates**

- A. The Planning Incentive Grant rules are very specific regarding the necessary content of county and municipal Farmland Preservation Plans. [County](#) and [municipal](#) guidelines further explain the requirements for a complete plan. (Regulatory reference N.J.A.C. 2:76-17.4 and N.J.A.C. 2:76-17.4A)
- B. The 2020 additions to the requirements for comprehensive farmland preservation plans include the review and re-adoption of county and municipal comprehensive farmland preservation plans at least once every 10 years. (Regulatory reference N.J.A.C. 2:76-17.4(c) and N.J.A.C. 2:76-17A.4(b))
- C. The SADC must approve each plan and the annual planning application for a county or municipality to be eligible for funding. Compliance with the additional grant eligibility requirements at N.J.A.C. 2:76-3 and N.J.A.C. 2:76-3A is reviewed annually as well. The deadline for annual plan submission is December 15. (Regulatory reference N.J.A.C. 2:76-17.6 and N.J.A.C. 2:76-17.6A)
  - 1) The SADC is encouraging data required for each project area inventory be submitted as electronic spatial data (GIS) files. (Regulatory reference N.J.A.C. 2:76-17.5 and N.J.A.C. 2:76-17A.5)
  - 2) Annual PIG application updates must be accompanied by a resolution of support from the governing body, along with documentation that the AAC also reviewed it.
- D. Municipal Agricultural Advisory Committee (AAC) must meet at least two times a year and provide documentation of such in its annual Planning Incentive Grant (PIG) application update. This meeting requirement attempts to ensure that the AAC remains engaged in the planning, individual farm application, and funding process. (Regulatory reference N.J.A.C. 2:76-17A.3(a)1iii.)
- E. SADC staff is authorized to conduct all plan reviews, issue letters of review, and deem the plans complete and ready for SADC approval. SADC staff will make a brief presentation to the Committee for each plan, highlighting the pertinent issues integral to the SADC's approval. Each applicant will be invited to make any additional comments or statements, or to provide a brief overview of their plan, prior to SADC action.

## **II. Funding Cycles and Appropriations**

- A. For each funding cycle, the SADC will establish a base grant allocation to individual, eligible counties and municipalities along with a maximum eligibility for a competitive grant (first come, first served). (Regulatory reference N.J.A.C. 2:76-17.8 and N.J.A.C. 2:76-17A.8)
- B. Both county and municipal PIGs allow for adjustment of their base grant eligibility based on the expenditure of the past 3 years of allocated grant funding, or they risk losing their base grant through re-appropriation.
- C. A subsection was added to clarify the availability of competitive grant funds to counties and municipalities, with an approved annual PIG application update, regardless of base grant eligibility.

## **III. Individual Farm Application Green Light Approval**

- A. Once a county or municipality has received preliminary approval for the Farmland Preservation Plan, it may submit an individual farm application for the sale of a development easement. SADC staff will review it to ensure the farm application meets the minimum criteria (N.J.A.C 2:76-6.20); that the farm qualifies as an “eligible farm” (if applicable); that Residual Dwelling Site Opportunities (“RDSOs”), exception areas and subdivision requests comply with SADC standards; and that whatever appraisal anomalies may be present (easements, limited access, etc.) are understood fully prior to commencing appraisals. This process is informally referred to as issuing “green light” approval because the county or municipality receives a “green light” to proceed on appraisals. (Regulatory Reference N.J.A.C. 2:76-17.9 and N.J.A.C. 17A.9)

Sometimes counties and municipalities have pursued the purchase of easements prior to submission of farm applications to the SADC. In these cases, local partners should note that pursuing the acquisition of a development easement or farm in fee is at their own risk. They should be sure to carefully adhere to SADC guidelines and regulations so as not to jeopardize their chances of qualifying for subsequent reimbursement.

- B. A municipality must provide written notice to the county when an individual farm application is submitted to the SADC in the Municipal PIG program. The municipality must confirm that the application meets the county’s minimum criteria if county funding is requested.
- C. To be eligible for an ancillary cost reimbursement, municipalities must submit required documents to the SADC within 120 days of the easement purchase. (Regulatory reference N.J.A.C.2:76-17A.16)
- D. Once an individual farm project receives a “green light” approval, the county or municipality then orders two appraisals and, once completed, submits those appraisals to the SADC for certification. Once the SADC certifies a value, an offer is made to the landowner and, if that offer is accepted, the county and/or municipality will grant the farm application final approval and request Final SADC Approval.

#### **IV. Individual Farm Application SADC Final Approval**

- A. Requests for SADC Final Approval will only be accepted to the extent that sufficient funds are available to provide SADC cost-share funding. Further, if available SADC funds would only partially fund an acquisition, the applicant will need to decide whether it wishes to close with only a partial SADC cost share or withdraw the request for SADC Final Approval in order to wait for additional funding to become available. When the SADC does issue a Final Approval, it will cause SADC staff to enter an encumbrance against the PIG applicant's available grant funds, which will remain until the application closes or is withdrawn.
- B. A complete Final Review Packet for an Application for the Sale of a Development Easement must be submitted to the SADC office by no later than 5:00 p.m. on the 15<sup>th</sup> of the month prior to the SADC meeting date. If the 15<sup>th</sup> falls on a weekend, the request must be received by 5:00 p.m. the next workday.
- C. A complete [Final Review Packet](#) shall consist of the following documents:
- 1) A signed copy of the landowner's acceptance of the purchase price, or an executed copy of an agreement to purchase the development easement, if one exists.
  - 2) All resolutions granting Final Approval from the Township Committee, County Agriculture Development Board and Board of County Commissioners for the purchase of the development easement should include the following information:
    - Farm name, owners and block and lot identification
    - Estimated total number of acres
    - Purchase price of the development easement, expressed as a per acre value and estimated total value
    - Source and amount of local cost share funding or other third-party contributions to cover the local cost share requirement
    - Installment payment schedule, if applicable
    - Number and type of all existing housing opportunities
    - Number, type and size of all approved exception areas, including any proposed housing opportunities to be permitted within them and any other restrictions or limitations to be placed on the exception area(s)
    - Number of RDSOs allocated
    - Number and type of existing agricultural labor housing units
    - Description of any preexisting nonagricultural uses
    - Description of any preexisting or proposed trail, access or other easements
    - Identify whether SADC funding is being requested from the base grant, the competitive grant fund, or both
  - 3) A signed copy of the municipal governing body's resolution approving the purchase of the development easement, and if applicable, authorizing funds to cover any applicable municipal required cost share.
  - 4) If the County is not a cost share partner on a municipal PIG application, resolutions from the County Agriculture Development Board and Board of County Commissioners are not required.
  - 5) A signed copy of the County Agriculture Development Board's resolution approving the purchase of the development easement.
  - 6) A signed copy of the Board of County Commissioners Resolution granting approval of the purchase of the development easement on the respective farm dedicating sufficient funds to cover the county's required cost share.

- D. SADC staff shall confirm that the Final Review Packet is complete and that there are sufficient funds in the PIG Base Grant to cover the SADC's cost share grant for the purchase of the development easement. If there are insufficient funds in the base grant, staff will determine if there are sufficient funds in the Competitive Grant Fund for which the county or municipality is eligible.
- E. Provided that the Final Review Packet is complete and there are sufficient funds in the PIG base and/or competitive grant, SADC staff will recommend the SADC issue a resolution of Final Approval for a grant to purchase of a development easement on the farm, subject to the appropriation of funds and any other pertinent conditions.
- F. If a county or municipality submits more than one application to the SADC during the same final review period, it must identify the priority in which application(s) are to be funded from the PIG Base Grant and which applications are to be funded by the SADC's Competitive Grant Fund, or a combination thereof.
- G. If more than one application has been submitted to the SADC for Competitive Grant Fund consideration during the same final review period and the combined cost of the applications submitted exceeds the available balance of Competitive Grant Funds, the SADC shall establish a priority ranking of the pending applications that are being considered based on the total score of the following factors (Regulatory reference N.J.A.C. 2:76-17.14 and N.J.A.C. 2:76-17A.14):
- 1) The density score of the project area
  - 2) The soil productivity score of the important farmland soils present on targeted farms within the project area
  - 3) The proximity score of the eligible farm in relation to lands from which development easements have already been purchased or other permanently deed restricted farmlands within the project area
  - 4) The relative best buy score of the farm
- H. The total score shall be used to prioritize the applications pending SADC final approval. If further prioritization of applications is necessary, the SADC shall give funding priority to those farms that utilize option agreements, installment purchases, donations or other methods for the purpose of leveraging monies made available by P.L. 1999, c.152, (N.J.S.A. 13:8C-1 et seq.).
- I. The SADC grant for each farm will be encumbered in an amount equal to 103 percent of the projected cost in order to provide a small buffer to reduce the risk of a shortfall of funds at the time of closing. This buffer applies to either base or competitive grant encumbrances, pending funding availability.
- 1) SADC final approval shall first encumber all funds from the base grant.
    - a. After closing on a farm, any unused funds encumbered from the base grant shall be returned to County's base grant for use on other projects by that County.
    - b. If additional base grant funds are needed due to an increase in acreage, beyond the amount encumbered at the time of SADC final approval, the grant may be increased so long as there are sufficient unencumbered funds available in the county's base grant.
  - 2) Once all base grant funds have been encumbered, final approval shall encumber funds from the competitive grant fund, subject to funding availability and the total cap on funding to each county for each appropriation.

- a. After closing on a farm, any unused funds encumbered from the competitive grant shall be returned to the most current legislatively authorized competitive grant fund for use by any County competing for those grant funds.
  - b. No additional competitive grant funds can be sought after final approval. Increases in acreage that result in a shortfall of SADC funding must be covered by a landowner donation or other authorized funding source (Municipality, County, Federal and/or Nonprofit), or unencumbered and available base grant funds.
- J. The SADC's approval of a cost share grant for the purchase of a development easement shall be consistent with the provisions of N.J.A.C. 2:76-6.11(d). The SADC's approval of a cost share grant shall not exceed the maximum allocation of funds authorized by the SADC.
- K. If there are insufficient funds to cover the entire SADC cost share pursuant to N.J.A.C. 2:76-6.11(d), the SADC shall approve a cost share grant for the amount of funds available subject to the county and/or municipality's acceptance of the SADC's cost share grant. In the event that the county or municipality accepts the SADC's available cost share grant, the SADC shall not provide any additional funding for the purchase of a development easement on the subject farm in the future.
- L. Any application competing for funding in the Competitive Grant Fund for which the SADC did not approve a cost share grant due to insufficient funds being available, may continue to be considered for an SADC cost share grant in subsequent meetings in the event that additional funding is made available to the Competitive Grant Fund.
- M. Immediately following each SADC meeting, the SADC will encumber in its financial system the amount of funding approved for each farm granted SADC Final Review approval.