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**NEW JERSEY HIGHLANDS COUNCIL
INTERAGENCY COMMITTEE**

CHAIR REPORT

For the Meeting of September 1, 2005

Introduction

On September 1, 2005, the Interagency Committee held a meeting at the New Jersey Highlands Council office in Chester, New Jersey. Notice of the meeting was provided to the public on the Highlands Council's web site. Council members present at the meeting were: Lois Cuccinello and Janice Kovach. Council staff members present were: Dante Di Pirro, Steve Balzano, Tom Borden, and Chris Danis. This was the third meeting of the Committee. The meeting was called to order at 12:20 p.m. by Committee Chair Lois Cuccinello. The agenda was as follows:

- Draft Joint Letter from Highlands Council, COAH and SPC
- Memorandum of Understanding with State Planning Commission
- Memorandum of Understanding with the Council on Affordable Housing
- Draft Letter to the Office of Smart Growth regarding State TDR Proposed New Rules at N.J.A.C.5:86
- Public Comments
- Adjournment

Draft Joint Letter from Highlands Council, COAH and SPC

- The first item on the agenda was the draft joint letter from the Highlands Council, COAH and SPC.
- The background is that a number of municipalities, counties, and entities (e.g. the League of Municipalities) had requested that the Highlands Council, COAH and SPC issue a document that clarifies each agency's respective authority and provides a unified statement of the approach that will be taken on significant issues.
- In response, the Highlands Council staff prepared draft letter and shared it with SPC/OSG and COAH for review and comment.

- At today's meeting, staff presented the draft to the Interagency Committee for discussion. It noted that the draft did not include final comments from SPC and COAH (which staff hopes to receive shortly). Staff will follow up with both agencies and distribute a revised draft of the letter.
- In the discussion, the committee indicated it would like to see COAH and the Highlands Council working together to assist municipalities in addressing their COAH obligations using innovative approaches and creative options.
- The Committee would also like to see a designated Highlands Region COAH point of contact. It is important that municipalities get clear direction and solid guidance.
- Staff will be working with SPC/OSG and COAH to finalize the letter.
- If a member of the Interagency Committee has any additional comment or suggestion, he or she will advise the staff in the next couple of days.
- Thereafter, the staff will send the letter. The Committee suggests that the press be notified when the letter is sent in order to get the word out to all the interested parties who have been asking about this.

Memorandum of Understanding with State Planning Commission

- Coordination with the State Planning Commission is important given the similar missions of the agencies and somewhat varying schedules. Some of the central principles are as follows:
- Pursuant to the Highlands Act, the Highlands Council intends to submit the regional master plan ("RMP") to the State Planning Commission within 60 days of adoption of the plan in order to seek plan endorsement exclusively for the Planning Area.
- The SPC anticipates adopting the Final State Plan in December of 2006.
- Each municipality and county located wholly or partially in the Preservation Area of the Highlands is required by the Highlands Act to conform to the regional master plan. Under the Highlands Act, conformance confers automatic State Plan endorsement.
- Each municipality in the Planning Area of the Highlands may petition the Highlands Council to voluntarily opt into the regional master plan. If approved, the municipality would conform to the regional master plan. Under the Highlands Act, conformance confers automatic State Plan endorsement.

- Because conformance with the regional master plan confers automatic State Plan endorsement, staff proposes that the Highlands Council agree to consult with the SPC before determining if a municipality in the Planning Area is in conformance.
- Next steps – Interagency committee members will provide any review and feedback of MOU concepts. Staff will finalize the draft MOUs. Staff of the Highlands Council will work with other agency staff. Staff will present a final draft MOU to the Interagency Committee. The Interagency Committee will review and comment. Staff will finalize the draft MOU and present it to the full Council for approval.

Memorandum of Understanding with the Council on Affordable Housing

- Any MOU with COAH must address the following principles:
- Municipalities that have received a grant of substantive certification from the Council on Affordable Housing are required to obtain initial Plan Endorsement from the SPC by the three-year anniversary review.
- COAH's rules include a deadline for municipalities to take actions to address the Third Round obligations on or before December 20, 2005.
- COAH must take into consideration the RMP prior to making any determination regarding the allocation of the prospective fair share of the housing need in any municipality in the Highlands Region for the fair share period subsequent to 1999.
- Should the RMP include household and employment growth projections for each municipality in the Highlands Region?
- Submissions to COAH may require reexamination, after June, 2006, as a result of the resource assessment and a smart growth component of the RMP.
- The Committee recommended that the Council reach out and continue to work with COAH on outstanding Second Round concerns, such as the town of Bloomingdale in Passaic County.
- The Highlands Task Force and the Partnership Meetings continue to point out that addressing COAH obligations are of great concern to municipalities. It is important that the Council and COAH work out the process in this MOU document.
- Next steps – Interagency review and feedback of MOU concepts; finalization of internal MOU draft; staff to staff work sessions; presentation to Interagency

Committee of draft final MOU; Interagency Committee review and comment; finalization of MOU and presentation to Highlands Council for approval.

Draft Letter to Office of Smart Growth re: Proposed State TDR Rules at N.J.A.C.5:86

- The Highlands Act states that municipalities in the Highlands Region should not adopt a local TDR ordinance until the Highlands Council conducts the real estate analysis for the Highlands Region.
- This is to ensure that initial development right values are consistent; therefore, it is important that municipalities wait until the Highlands Region real estate analysis is completed before adopting local TDR ordinances.
- Lois Cuccinello reviewed the letter and provided comments.
- Next Step – the letter will be presented at the September 15th Highlands Council meeting.

DEP's Phase II Highlands Rules

As an informational matter for the Interagency Committee, Chairwoman Lois Cuccinello asked staff to provide a status update on the DEP Rules. Tom Borden responded that Steve Balzano and his staff have been working to advance the technical issues with DEP and that the DEP Rules updated version should be forwarded to the Highlands Council in the next few days. Tom noted that many of the issues that the Council raised in its comment letter to the Department have been worked out with the DEP; however, some -- like harmonization -- are still being worked on. Ms. Cuccinello asked that staff consider presenting a summary of the DEP Rules, noting which comments of the Council the Department adopted.

Public Comment

Lois Cuccinello opened the meeting to questions from the public.

No questions from the public were received.

Action Items/Next Steps

Interagency Committee members will review the joint letter document and provide comments within the next week.

The letter to Office of Smart Growth from John Weingart will be presented to the Council for consideration at the September 15th Council meeting.

Lois Cuccinello adjourned the meeting at 1:10 pm.