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# Highlands Development Credit Purchase Program

*2019 Request for Applications*

Application Due Date: **Monday, June 17, 2019**

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## I. Overview

### A. Highlands Development Credit Purchase Program

The New Jersey Highlands Water Protection and Planning Council (Highlands Council), under the provisions of the Highlands Open Space Partnership Funding Program and Highlands Development Credit Purchase Program (N.J.A.C 7:70), is now accepting applications for the 2019 Highlands Development Credit (HDC) Purchase Program.

The HDC Purchase Program is part of the Highlands Transfer of Development Rights (TDR) program, through which eligible property owners may apply for the certification and sale of HDCs allocated to their property to the HDC Bank. In exchange, these properties are preserved via a conservation easement held by the Highlands Council. The property owners retain private ownership of the land and may continue any existing legal use of the property. The program seeks to address preservation and landowner equity goals of the Highlands Water Protection and Planning Act and Highlands Regional Master Plan.

**The HDC Bank purchases HDCs for \$16,000.00 per credit.**

### B. Federal Highlands Conservation Act Grant Program

The Highlands Conservation Act (H.R. 1964, 2004; 16 U.S.C. 3901) is designed to assist Connecticut, New Jersey, New York and Pennsylvania in conserving land and natural resources in the Highlands Region through Federal assistance for land conservation projects in which a State entity acquires land or an interest in land from a willing seller to permanently protect resources of high conservation value. The USDA Forest Service has identified lands that have high conservation value through the “Highlands Regional Study: Connecticut and Pennsylvania 2010 Update” similar to that completed for the Highlands of New Jersey and New York in 2002. Subject to availability of funds through Federal appropriation, each year, Governors of the four Highlands States may submit land conservation projects in the Highlands Region for funding not to exceed fifty-percent of the total cost; projects must be consistent with areas identified in the Update as having high resource value.

The Highlands Conservation Act grant program is administered by the U.S. Fish and Wildlife Service. The Highlands Council is the designated “Lead State Agency” for New Jersey in this program (only eligible applicant).

### C. Funding Availability and Award Process

For the 2019 application round, the primary source of funding for the HDC Purchase Program will be the Federal Highlands Conservation Act Grant Program (Highlands Conservation Act). As such, all HDC purchases funded in this round must comply with the requirements of both the HDC Purchase Program and Highlands Conservation Act (see additional details in “Section II Eligibility” below).

Funding availability is contingent on the Highlands Council’s application to and award of Highlands Conservation Act funding for FY2019. Highlands Conservation Act funding availability is subject to change annually. The Highlands Conservation Act grant program requires a 50% match. Therefore, **funding is potentially available for a maximum purchase of 50% of the value of the HDCs associated with a property.**

Following the receipt and review of applications for administrative completeness by Highlands Council staff, a report on all applications is prepared for review by the Highlands Council’s Landowner Equity and Land Preservation (LELP) Committee. The Landowner Equity and Land Preservation Committee prepares a final recommendation for the HDC Bank. At a public meeting, the HDC Bank may then adopt a resolution issuing an approval of purchasing HDCs associated with a particular property. At that time, the applicant will have 6 (six) months to provide necessary closing documents to Highlands Council staff.

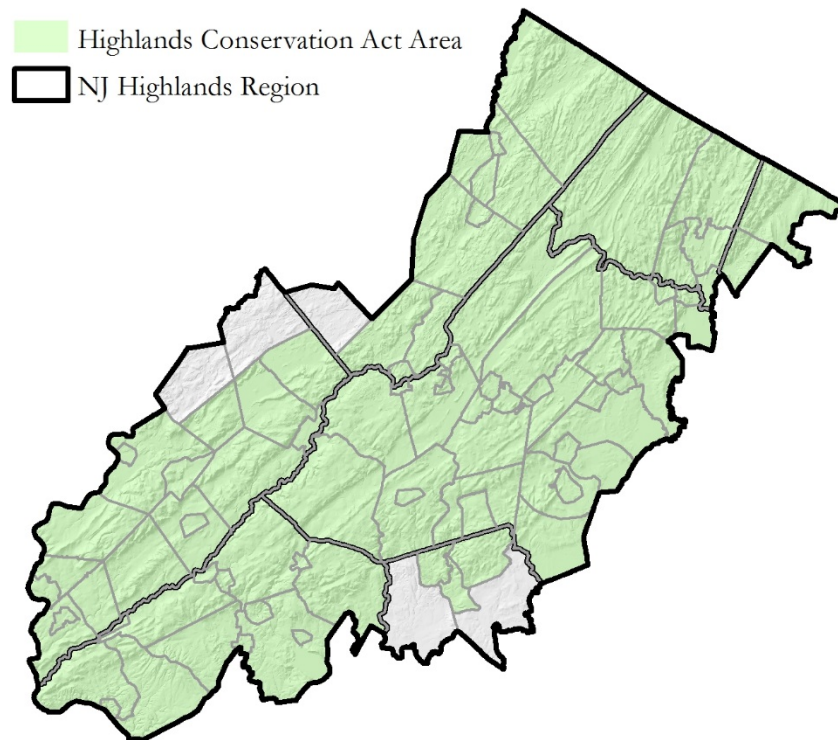
#### D. Application Deadline

Applications must be received by **Monday, June 17, 2019** to be eligible for the 2019 funding round.

## II. Eligibility

### A. Project Location

Properties located within the New Jersey Highlands Region that are eligible for an HDC Allocation are eligible for the HDC Purchase Program. Please note that applications funded through the Highlands Conservation Act must fall within the Federal Highlands Conservation Act Area, which excludes certain municipalities located in the New Jersey Highlands Region. Landowners outside of the Federal Highlands Conservation Act Area may still apply for funding, but funding opportunities are limited at this time.



Under the Highlands Conservation Act grant program, properties must also be fully or partially located in a high conservation value area as identified in the “NY-NJ Highlands Regional Study: 2002 Update” composite resource map, or in any of the individual resource maps as identified in the

study (water, forest, wildlife, agricultural, cultural/recreational). Highlands Council staff will review all applications for this eligibility requirement.

## B. Landowner-Provided Match Requirement

Due to the match requirements of the Highlands Conservation Act grant program, **the HDC Bank will only make offers to purchase 50% of the value associated with HDCs allocated to a property.** To be eligible for funding, the landowner must provide a source of match for the remaining 50% of the HDCs in one of two ways:

1. Donation of the remaining 50% of the value associated with HDCs allocated to the property to the HDC Bank. HDCs donated will be retired by the HDC Bank.
2. Identification of a third-party purchaser of the remaining 50% of the HDCs. HDCs may be purchased by any entity (such as State, county, or municipal government, non-profits, or private purchasers).

## III. Program Priorities

In this funding round, the Landowner Equity and Land Preservation committee will review all applications against priorities established in both the Highlands Development Credit Purchase Program and the federal Highlands Conservation Act.

As defined in N.J.A.C. 7:70-4.2(a), the HDC Purchase Program will prioritize funding awards based on the following, in no particular order:

- Properties designated as a Special Environmental Zone in the RMP
- Properties designated as High or Moderate Conservation Preservation Priority in the RMP
- Properties designated as High or Moderate Agricultural Preservation Priority in the RMP
- Projects that will provide connectivity to adjacent open space or preserved lands

Please note that prioritization is not based on date of HDC Allocation. Additionally, no prioritization is provided due to financial hardship.

Additional priorities established in the Highlands Conservation Act also will be considered as part of the review process.

## Highlands Development Credit Purchase Program Application

### Application Submission Requirements Checklist:

- Reviewed program overview, eligibility requirements, and priorities;
- Completed application form, including this checklist;
- Site inspection set up with Highlands Council staff, or permission to access the property granted (see contact information below).

### Additional information to provide, if available:

- A copy of the deed to the property;
- Title insurance policy;
- Copy of the municipal tax map sheet(s) showing the property;
- Any survey that has been prepared for the property, including those related to:
  - Property boundaries;
  - Any easements or right-of-ways impacting the property;
  - Letter of interpretation related to state wetlands; or
  - Any other environmental or access constraints.
- Commitment letters, adopted resolutions, or other documentation demonstrating proof of interest or intent of identified third party purchasers of HDCs related to the property.

Note to Applicants: Upon full closing, the applicant is eligible for reimbursement (up to \$1,000) for closing costs, including attorney fees. No costs incurred by the applicant prior to approval by the HDC Bank are eligible for reimbursement. If the HDC Bank approves the application for purchase, the landowner (or representative) will be notified at that time.

If you have any questions regarding this application or the Highlands Development Credit Purchase Program, please contact Drew Siglin, Open Space and TDR Coordinator at [drew.siglin@highlands.nj.gov](mailto:drew.siglin@highlands.nj.gov) or 908-879-6737. The completed application checklist, form, and all supporting materials may be mailed to the email address above; or mailed/hand delivered to:

**New Jersey Highlands Water Protection and Planning Council  
100 North Road  
Chester, NJ 07930**

Applications must be post-marked by Monday, June 17, 2019 to be eligible for the 2019 funding round.

## I. Property Owner Information

Property Owner(s) Name:			
Owner Mailing Address:			
Phone #:		Email:	
Co-Owner Name(s) (if any):			

## II. Property Information

Municipality(ies):		County(ies):	
Block(s) and Lot(s):			
Property Address:			
Property Acreage:			

## III. HDC Allocation

Please complete this section only if you have been issued an HDC Allocation Determination letter by the Highlands Council. Please complete a separate HDC Purchase Program application for each HDC Allocation.

If you have not received an HDC Allocation Determination, but are interested in selling HDCs associated with your property, please complete the remaining sections of this application as well as the HDC Allocation Application found on the Highlands Council's website: [https://www.state.nj.us/njhighlands/bdcbank/forms/bdc\\_allocation\\_app.pdf](https://www.state.nj.us/njhighlands/bdcbank/forms/bdc_allocation_app.pdf)

Allocation Determination No:		Allocation Letter Date:		# of HDCs Allocated:	
Has the property been altered or developed in any manner since the Allocation Letter was issued?					<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please explain changes to the property:					
Have there been any changes in the ownership or title of the property since the Allocation was issued?					<input type="checkbox"/> Yes <input type="checkbox"/> No
If yes, please explain changes to ownership or title:					

## IV. Mortgage Information

Is there a mortgage on the property? If yes, complete the sections below.		<input type="checkbox"/> Yes <input type="checkbox"/> No
Mortgage Holder Name:		
Mortgage Holder Address:		

## V. Matching Source

The Highlands Council is able to purchase a maximum of 50% of the HDCs Allocated to a property due to requirements associated with its funding source. The remaining 50% of the HDCs must be donated to the Highlands Council (where the HDCs will be retired) or purchased by a third-party as part of this transaction. Landowners are not compensated for donated HDCs.

Proposed matching source:	<input type="checkbox"/> Donation of 50% of the HDCs Allocated to the Property. <input type="checkbox"/> Sale of 50% of the HDCs to a third-party, otherwise a Donation of the HDCs. <input type="checkbox"/> Sale of 50% of the HDCs to a third-party only (no Donation considered). <input type="checkbox"/> No match is proposed; only willing to sell 100% of the HDCs to the HDC Bank.		
<i>Only if you selected a proposed matching source that includes "third-party," please complete the following:</i>			
Third-Party Organization Name:			
Mailing Address:			
Name of Primary Contact:			
Phone #:		Email:	
Have you discussed the sale of HDCs with the Third-Party?			<input type="checkbox"/> Yes <input type="checkbox"/> No
Do you expect this Third-Party become the owner of the property following the HDC transaction (through donation or sale of the underlying fee)?			<input type="checkbox"/> Yes <input type="checkbox"/> No

## VI. Representative Information

Do you authorize a person to act as your representative in all matters pertaining to this application? If yes, complete the sections below.		<input type="checkbox"/> Yes <input type="checkbox"/> No
Representative's Name:		
Organization:		
Mailing Address:		
Phone #:		Email: <input type="text"/>

## VII. Certification

I hereby certify that the information included within this application is complete and true and that I am the legal owner of the property described above, that I have marketable title to the property. I also hereby authorize the staff of the Highlands Council, upon notice, to conduct such site inspections on the property as are necessary to review this application.

_____	_____	_____	_____
Signature of Owner	Date	Signature of co-owner (if applicable)	Date
_____	_____		
Signature of Representative (if applicable)	Date		