



## State of New Jersey

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**CHRIS CHRISTIE**  
*Governor*

**KIM GUADAGNO**  
*Lt. Governor*

**JIM RILEE**  
*Chairman*

**MARGARET NORDSTROM**  
*Executive Director*

### MEMORANDUM

**To:** Landowner Equity and Land Preservation Committee  
**From:** Margaret Nordstrom, Executive Director  
**Subject:** Committee Meeting Minutes – October 12, 2017  
**Date:** November 2, 2017

A Landowner Equity and Land Preservation Committee meeting was held on Thursday, October 12, 2017 at the Highlands Council office in Chester. Committee Members present: Council Chair Rilee (via phone), Committee Chair Walton, and Committee Members Francis and Visioli.

Staff Members present: Margaret Nordstrom, John Maher, James Humphries, Kim Ball Kaiser, Drew Siglin, Christine LaRocca, Carole Ann Diction, and Annette Tagliareni

Also present via phone: Nicholas Kant, Assistant Counsel, Governor's Authorities Unit.

Committee Chair Walton called the meeting to order at 2:30pm.

Chief Counsel Maher introduced staff member Christine LaRocca, Staff Attorney, who is assisting with the closings for the Highlands Development Credit Purchase Program (HDCPP) and Highlands Open Space Partnership Funding Program (OSP).

#### HDC Purchase Program Update – recommendations for closing deadlines for applicants

Ms. Nordstrom turned the meeting over to staff member Drew Siglin to update the committee on the HDCPP applications since the Bank Board's approvals on November 3, 2016 and April 5, 2017:

- 46 total offers made to HDCPP applicants
- 3 applicants declined the offers or withdrew their applications
- 8 closings have been completed
- 35 pending closings
- 16 HDCPP applications remained unfunded (\$4,512,000 total request)

*Chairman Rilee joined the meeting via telephone at 2:32pm.*

Mr. Siglin noted that the HDC closings can take some time. Some common causes for delay include:

- Failure to receive a Letter of Acknowledgement from Mortgage holders
- Submission of incomplete documentation needed for closing by applicant
- Failure by applicant to submit any documentation needed for closing

Mr. Siglin further stated that, although the Open Space Rule (N.J.A.C. 7:70), specified that applicants to the matching grant program have 12 months to close (with up to two 6-month extensions), no deadline for closing is specified in the Rule for applicants to the HDCPP.

Member Visioli asked if we are able to impose closing deadlines without a Rule change. Chief Counsel Maher stated that language in the Rule would allow the Bank to withdraw an offer where the required information required from an offeree was not supplied within six months.

After much discussion, the members recommended that the previously approved HDCPP applicants will receive a letter indicating they have six months to provide a complete closing documentation package to the Highlands Council from the date of the letter. For those applicants approved for purchase in the future, a six-month deadline for providing closing documents will be clarified when applicants receive closing instructions from the Council.

Mr. Maher concluded that Council staff will notify the previously approved, outstanding applicants via a letter that applicants must provide all closing documents within six months. The closing deadline will be established as six-months following the Highlands Council approval and Governor review period of the next HDC Bank meeting minutes (scheduled for November 2, 2017).

If an extension is needed for an HDC closing, the applicant will need to request one from the HDC Bank.

#### Funding – HDCPP & OSP

Mr. Siglin provided an update regarding on the OSP applications:

- 5 total offers made to OSP applicants
- 1 closing has been completed
- 4 pending closings with a March 2018 deadline
- 26 OSP applications remained unfunded (\$10,754,824 total request)

Mr. Siglin then updated the committee on available funding for the HDCPP and OSP. Mr. Siglin noted that since the last time the committee met the Council received notification of an additional \$2.4 M award from the Federal Highlands Conservation Act (HCA) Grant. With this additional funding, the total available funding is approximately \$6.4M. Council staff discussed the option of applying approximately \$4.5M toward HDCPP applications, which would fund all 16 unfunded applications. With the remaining funding of approximately \$1.8M, Council staff discussed options, including (1) holding the remaining funding to use as required matching funds for the next HCA grant funding or (2) use the funding toward the outstanding OSP applications.

Regarding the 62 total HDCPP applications, the committee agreed to allocate funding to the remaining 16 applications. Regarding the OSP applications, the committee agreed to allocate the remaining funding (\$1.8M) towards the OSP applications instead of holding the funding. Mr. Siglin

noted that the OSP applicants will need to be contacted to see if the applications remained active. Once that is determined, the committee will recommend which OSP applications to fund, using the \$1.8M. Those OSP applications will be brought to the Council for consideration. Approximately \$60,000 would be reserved for closing costs or future allocation. It is anticipated that the Highlands Council will approve the additional OSP applications for purchase at a future Council meeting.

*Member Walton made a motion to allocate the funding for the HDCPP in the amount of \$4,069,302.00\* and for the OSP in the amount of \$1,774,395.50. Member Rilee second the motion. All were in favor.*

(\*\$4,512,000.00 minus \$442,698, representing previously approved allocations that have been withdrawn from the program.)

#### Report out to Council on October 19, 2017

Committee Chair Walton will provide an update to Council at its next meeting scheduled on October 19, 2017. Council will consider the committee's recommendation to allocate funding to the programs by a voice vote:

- \$4,069,302.00 to the HDCPP
- \$1,774,395.50 to the OSP
- Remaining funds (approximately \$60,000) set aside for closing costs and future allocation

#### Highlands Development Credit (HDC) Bank Meeting

The next HDC Bank meeting is scheduled for Thursday, November 2, 2017 at 4:00 pm. At this meeting the Bank will consider by resolution to approve the following HDCPP applications and associated parcels.

<b>Municipality</b>	<b>Block</b>	<b>Lot</b>
Clinton Township	68	6
Bedminster Township	2	8.02
Lebanon Township	56	13
Lebanon Township	65	2
Roxbury Township	9203	1
Lebanon Township	24	8
Alexandria Township	4	12
Independence Township	1	67
Lebanon Township	24	8.06
Alexandria Township	4	51
Lebanon Township	24	8.08
Lebanon Township	24	8.07
Lebanon Township	37	25
Lebanon Township	24	8.09
Union Township	25	21
Bethlehem Township	18	2

*The meeting adjourned at 2:57pm.*