



2009 Plan Conformance Grant Program for Highlands Municipalities

Purpose

The Highlands Act created the Highlands Protection Fund and authorized the Highlands Council to develop a grant program to provide municipalities with funding for the reasonable expenses incurred in revising local master plans, development regulations, or other regulations as needed to conform to the Highlands Regional Master Plan (RMP).

The purpose of the 2009 Plan Conformance Grant Program for Highlands Municipalities is to fund municipal Plan Conformance activities for lands within the Preservation Area where conformance is mandatory, as well as in the Planning Area where conformance is voluntary. These grants will allow municipalities to engage their professionals and staff to address Plan Conformance requirements. The Highlands Council has authorized a maximum allocation of \$7.5 million for the 2009 Plan Conformance Grant Program, with individual grant allocations not to exceed \$100,000 for any municipality. This grant program will focus initially on supporting the development of petitions for Plan Conformance using the requirements for Basic Plan Conformance.

Please note: this grant program includes stringent timelines to facilitate municipal completion of planning to meet the timelines established in the Highlands Act and the timelines for completion of Fair Share planning.

Eligibility

The Plan Conformance Grant Program will accept applications from any municipality in the Highlands Region, as defined by the Highlands Act. Plan Conformance Grants will be awarded only to those municipalities that have submitted a duly-adopted Notice of Intent to petition Highlands Council in accordance with the Council's Plan Conformance Guidelines.

A municipality wholly or partially lying within the Planning Area is not required to reimburse the Highlands Council for grant monies expended toward Plan Conformance should the municipality ultimately decide not to conform with the RMP for Planning Area lands. Receipt of a Plan Conformance Grant will not prejudice any applicant from receiving additional grants from the Highlands Council pursuant to other grant programs that may be offered by the Highlands Council.

Grant Objectives

2009 Plan Conformance Grant funding is intended to assist municipalities in developing each of the components required for a petition to the Highlands Council for Basic Plan Conformance. This grant program will consist of specific Plan Conformance Modules, which will be made available over

the course of the next several months. Each Module will set forth a specific scope of work, applicable requirements and completion timeframes, and the grant allocations that will be made available. These Modules will be ordered in such a way as to take applicants through a step-by-step process, with each Module providing the groundwork needed to pursue the next – exactly as would be necessary to develop a petition for Plan Conformance.

Plan Conformance Modules include the items listed below. A brief summary of what each will entail appears in the section that follows along with the base dollar amount available for each Module.

Plan Conformance Modules

1. Current Municipal Conditions and Build-Out Analysis Module
2. Land Use and Resource Capacity Analysis Module
3. Housing Element & Fair Share Plan Module
4. Highlands Environmental Resource Inventory Module
5. Highlands Master Plan Element Module
6. Highlands Regulations Module
7. Municipal Self Assessment, Implementation Plan & Petition Module

1. Current Municipal Conditions & Build-Out Analysis Module

A build-out analysis requires that municipalities have complete and current information available regarding developable lands (including identification of preserved lands) and areas currently served with water supply and wastewater utility services. The Highlands Council will provide to each municipality the information available on these features. Municipalities will then check the information and either accept it as sufficiently accurate for a build-out analysis, or prepare data reports that provide improved information.

Municipalities that participated in the Initial Assessment (IA) Grant Program have already begun compiling information on current municipal conditions. The Plan Conformance Grant program will make additional funding available to these municipalities, if needed, to complete the process to the extent necessary for a build-out model, and for later submittal of formal RMP Updates for Council approval. Municipalities that did not take advantage of the IA Grant program will receive full funding through the Plan Conformance Grant to complete data reports on municipal conditions. Data reports on current municipal conditions (or verification that none are required) must be sealed by a licensed professional and submitted in accordance with Highlands Council data specifications and requirements.

After Highlands Council staff reviews the revised municipal conditions data, it will provide to each municipality a revised Municipal Build-Out Geodatabase and local build-out Land Use Capability Map series capacity conditions based on existing local conditions. The Council staff determination will specifically identify the maximum build-out potential of a municipality based on available land, infrastructure and environmental carrying capacity, consistent with the RMP. The municipality may review the final results and identify any issues, including updated municipal conditions for consideration by the Council.

RMP Updates may be submitted at any time, with full verification in accordance with Highlands Council data specifications and requirements. Highlands Council approval of RMP Updates is not required for completion of the Current Municipal Conditions and Build-Out Analysis, but may be funded under this module. However, data reports on current municipal conditions (or verification that none are required) that are sealed by a licensed professional and submitted in accordance with Highlands Council data specifications and requirements are required for this module.

The base grant amount for this Module is \$15,000. Please see the “Current Municipal Conditions & Build-Out Analysis Module” for detailed information concerning timing, procedures, and submission requirements pertinent to these tasks.

2. Land Use and Resource Capacity Analysis Module

In this step, municipalities will determine the extent to which the build-out for developable lands under **current municipal zoning** will exceed the available capacity (based on the RMP) for Septic System Yield, public water supply utilities, public wastewater utilities and Water Availability. Municipalities will use the Municipal Build-Out Geodatabase and local build-out Land Use Capability Map series capacity conditions to evaluate these limitations. This information will be used by the municipality to perform a “limiting factor” analysis at the municipal level regarding the developable lands and associated land, resource and utility constraints.

The analysis will require municipalities to: compare RMP septic system yield to the build-out of non-sewered lands based on local zoning; compare RMP utility capacities to the build-out potential demands in the Existing Areas Served; and compare RMP water availability for each subwatershed to the demands from developable lands dependent on both domestic wells and public water supplies. This evaluation may result in the identification of conflicts with current municipal zoning due to RMP Plan Conformance and capacity conditions. This will enable the municipality to examine Plan Conformance decision-making and the results of this analysis shall be submitted as a Land Use and Resource Capacity Analysis report.

The base grant amount for this Module is \$10,000. Further information concerning timing and procedures will be provided in the “Land Use and Resource Capacity Analysis Module.”

3. Housing Element & Fair Share Plan Module

Municipalities seeking conformance with the RMP must prepare a Housing Element and Fair Share Plan in accordance with the requirements of the Fair Housing Act (N.J.S.A. 52:27D-301 et seq.). To address RMP requirements, Housing Elements must incorporate Build-Out Analysis capacity conditions in the determination of housing and employment projections for the municipality through 2018. In addition, the Fair Share Plan must be developed in compliance with all applicable RMP requirements, with water use/availability, wastewater treatment, and resource protection provisions being of particular relevance.

Plan Conformance Grant funding may be used to prepare the Housing Element and Fair Share Plan in accordance with RMP requirements. These documents should be provided to the Highlands Council for review prior to adoption by the municipality. After review by the Highlands Council, the Housing Element and Fair Share Plan must be submitted, as required by the RMP, to either the

Council on Affordable Housing or the Law Division of the Superior Court consistent with the Fair Housing Act. The base grant amount for this Module is \$7,500. Further information concerning timing and procedures will be provided in the “Housing Element & Fair Share Plan Module.”

4. Environmental Resource Inventory Module

The Highlands Council will provide a model Highlands Environmental Resource Inventory (Highlands ERI) along with tabular data, which may be used as either a supplement to an existing municipal ERI or as a stand-alone ERI, where the municipality has not previously adopted one. The Highlands ERI will include resource narrative applicable to the Highlands Region generally, as well as municipal-specific data and maps reflective of the particular resources of each Highlands municipality. The Highlands Council recognizes that the Regional Master Plan was created at a regional scale, and that additional information available at the municipal level may also be incorporated to update the model Highlands ERI.

Plan Conformance Grant funding may be used to prepare the ERI in a format directly applicable to the municipality, for approval by the Highlands Council prior to municipal adoption. The base grant amount for this Module is \$2,000. The “Highlands ERI Module” will provide further information concerning timing and procedures.

5. Highlands Master Plan Element Module

The Highlands Council will also provide a model “Highlands Element” for Basic Plan Conformance, which municipalities may adopt as a supplement to existing municipal Master Plans.

Plan Conformance Grant funding may be used to adjust the Highlands Element for specific application to the municipality, for approval by the Highlands Council prior to municipal adoption. The base grant amount for this Module is \$2,500. Further information concerning timing and procedures will be provided in the “Highlands Master Plan Element Module.”

6. Highlands Regulations Module

Under Plan Conformance, municipalities must prepare certain Highlands Regulations to conform to the RMP. Municipalities will have the option of referring to existing municipal ordinances where these satisfy RMP conformance standards. Achieving the basic level of Plan Conformance will require preparation of a Board of Health Ordinance and various Land Use and Development Ordinances, including an updated Development Application Checklist Ordinance.

The Highlands Council will provide sample “Highlands Regulations” that will address each of these areas, which municipalities may adjust as needed for municipal applicability. Alternatively, a municipality may propose specific revisions to existing regulations to achieve conformance with the RMP.

Plan Conformance Grant funding may be used to prepare the proposed Highlands Regulations in the format preferred by the municipality, for approval by the Highlands Council prior to municipal adoption. The base grant amount for this Module is \$5,000. Further information concerning timing and procedures will be provided in the “Highlands Regulations Module.”

7. Municipal Self-Assessment, Implementation Plan & Petition Module

The Highlands Council will work with the municipality to develop a Municipal Self Assessment Report which will discuss all progress made by the municipality toward achieving Plan Conformance as of the date of the Petition for Plan Conformance and the steps remaining to achieve full Plan Conformance. It will be accompanied by a proposed Implementation Plan and Implementation Schedule charting the outstanding items.

The Highlands Council will provide a sample resolution (required for the Preservation Area) and a sample ordinance (required for the Planning Area) for municipal adoption, which, when accompanied by all of the aforementioned Plan Conformance Module components, will constitute a Petition to the Highlands Council for Plan Conformance.

The base grant amount for this Module is \$8,000. Further information concerning timing and procedures will be provided in the “Municipal Self-Assessment, Implementation Plan & Petition Module.”

Application & Approval Process

The Plan Conformance Grant Application is available at the New Jersey Highlands Council website: www.highlands.state.nj.us. Applicants should complete this application electronically and submit **both an electronic and printed copy**. The printed application should be mailed to the Highlands Council with an original signature. No additional municipal resolution is required where a municipality has adopted a Notice of Intent to petition Highlands Council in accordance with the Council’s Plan Conformance Guidelines. Where a municipality is applying for a Plan Conformance grant and has not previously adopted and submitted a Notice of Intent, it must be submitted with the grant application.

The Manager of Grants Administration will confirm the receipt of this application with the applicant. When all of the required information is received, Highlands Council staff will review the materials and present the application to the Executive Director for consideration.

Applications shall utilize the Scope of Work for each Module, setting forth a specific description of the tasks that the applicant intends to complete using the allocated grant funding, or specifically modify the sample Scope of Work and provide a detailed narrative basis for the proposed changes.

Approved applicants will immediately be authorized for the base amount of \$50,000, and additional funding of up to \$100,000 (for the above Modules) may be authorized with justification and a formal request to the Executive Director for the requested supplemental amount.

Preservation Area municipalities should note that a Petition for Plan Conformance must be submitted on or before December 8, 2009 (within nine to fifteen months of the effective date of the RMP as required by the Highlands Act). Therefore, all Preservation Area municipalities and all other municipalities that are utilizing the Plan Conformance grants for their fair share planning are encouraged to apply for this grant funding as soon as possible.

Timeframe & Reimbursement

Upon approval, the Highlands Council's Executive Director will issue a Commitment Letter with a Grant Agreement. The applicant must execute and return this agreement to:

**New Jersey Highlands Council
Attention: Manager of Grants Administration
100 North Road
Chester, New Jersey 07930**

An electronic version of the grant agreement must be e-mailed to the Manager of Grants Administration at grants@highlands.state.nj.us **in addition to** mailing the executed original. Failure to execute and return the Grant Agreement to the Highlands Council within 30 days may result in rescission of the grant approval.

A brief final report must be provided at the conclusion of each Module, along with Module deliverables as listed above, to substantiate reimbursement. To receive reimbursement, municipalities must provide a municipal invoice itemizing all grant-related expenditures, as well as a voucher and a statement of Certification by the governing body (provided by Highlands Council staff). After submission of these items, Council staff will determine satisfactory completion of approved scope of work. The municipality will be reimbursed for the reasonable expenses associated with all grant-related invoices provided to the Highlands Council, up to the total grant amounts.