

B O R O U G H O F
NEW PROVIDENCE

SETTLED IN 1720

**Borough of New Providence
Affordable Housing Q & A**

Part 2

- 1. Can the Borough buy land and build the affordable housing required on its own, thereby avoiding the need to construct four regular units for every affordable unit?**

Constructing our own affordable housing would be cost prohibitive given the number of units required. Building out the required 249 units could cost as much as fifty to seventy-five million dollars.

- 2. Is our obligation larger than other towns bigger than New Providence in land area and population?**

The affordable unit obligation is not based upon a percentage of population nor on the geographic size of a town. It is based upon the projected need for affordable housing in the region of the state where the town is located, which for New Providence includes Union, Essex, Morris, and Warren Counties. Need is determined by a complex calculation which involves projected population growth, projected jobs within the region, income, and the land area available for development. All settlements have been within the same range based upon these factors. We were able to rezone some land and place a zoning overlay on currently occupied commercial property to satisfy our obligation. Other towns have come up with similar plans as that developed by New Providence.

- 3. Why don't we already have a plan for infrastructure and community services necessary to support the added development expected to satisfy the Borough's affordable housing obligation since we have known this was coming for the last couple of years?**

It would be incorrect to assume that there is no plan. The police department knows theoretically how many officers it needs based upon certain population. This is also the same for Emergency personnel such as fire and rescue. We have engineering studies related to roads and traffic. Waste water conveyance and treatment capacity is being studied by our engineering department. It would be premature to hire staff or finalize plans for new infrastructure until we know what will be built and when the construction will occur. While we know the total number of residential units that could be built as a result of the settlement agreement, we do not know how quickly this is going to ramp up and we will not know until buildings, most of which are currently occupied with multi-year leases, are actually sold and turned over to developers.

4. Will this cause our taxes to go up?

The Borough is actively analyzing the impact of the development that could potentially be built as a result of the settlement agreement. Our tax assessor is currently evaluating the tax assessed value of the current uses of the buildings versus the tax assessed value of residential developments. Our engineering department is looking at our waste water used and possible future needs. Our CFO is engaged and analyzing the impact on our tax rates. In general, more services require more taxes. We need to analyze the offset by any incoming revenue from the added development before making a determination that the new development will increase the tax burden on individual property owners.

5. Why are we allowing our schools to be destroyed by affordable housing?

We completely agree that rezoning resulting from court imposed settlement agreements is not a sensible way to plan for the growth of New Providence or any of the other communities being forced to go through this process. All we can do is to make the best of the mess that the courts and the legislature have left us with. If residents feel strongly that such a haphazard method of imposing zoning on communities is counterproductive, we recommend that you write to the leaders of the legislature and the Governor in Trenton and let them know your thoughts on this.

However, please keep in mind that the quality of our schools is driven by our students and their supportive/involved parents. This culture will remain regardless of increases in population.

6. What is the timing on development?

There are several steps that need to be completed before development can begin. In addition to the actual land sales/turnover, there are several other steps that need to happen. The compliance hearing in court to approve the settlement agreement is expected to occur on April 5, 2019. We expect to be given 120 days to pass amendments to our zoning ordinance to effectuate the new zoning in accordance with the terms of the settlement agreement. That should be completed in August 2019. At that time, the zoning will have been changed to permit the redevelopment. If a developer has the property and plans, they would need to make an application to the planning board. Review of the plans of this magnitude would take some time. Thereafter, permits would be issued and construction can begin. There are two areas that look closer to development than others: 100 Mountain Avenue and the Becton Dickinson Company property off of Central Avenue. Construction may take more than a year once development plans are completed, site plans are approved and construction permits are obtained. We won't know anything concrete about the time frames until properties actually turn over.

7. Why is all of the rezoning for affordable housing on the AWR side of town and not spread out around other parts of the community?

We had to decide where to put the zoning or overlay zoning, considering that there is limited vacant and available land in the Borough. We could have put an overlay across the whole town, but that would create a risk that builders decide where the housing would go with unpredictable impacts to nearby residential neighborhoods. Available land on the Salt Brook side of town was not suitable for large scale development. The location chosen on the west side of town was favorable from a land use planning perspective because it is close to transit and provides walkability to the schools, nearby shopping and downtown. If there is development, the BOE can decide if the lines separating Salt Brook School from AWR sending districts need to be changed.

- 8. The 100 Mountain Avenue property is slated for a 55 and over age restricted community. If it does not sell as such, can the developer demand that they be allowed to take families without age restrictions to sell?**

No one can say for certain what a future court or the legislature might say if the planned 55 and over community is a bust from a marketing point of view. However, as far as we know at this time, we are under no obligation to remove the 55 plus age restriction and there appears to be a strong demand for this type of community that offers activities and a social environment for seniors in a town like New Providence.

- 9. What are the environmental impacts on the demolition of commercial structures in the rezoned areas given their relative proximity to residential neighborhoods and schools?**

A permit is required before any building of this type can be demolished. There is a study to determine if asbestos is present. If the study discloses the presence of asbestos, a remediation plan designed by a licensed asbestos remediation professional is put in place if needed. If other environmental issues are revealed, there are strict regulations which must be followed for site remediation. Our inspectors and licensed professionals hired by the site owner or developer monitor the demolition activity to maximize safety to the surrounding areas.

- 10. What are PILOTS and will they be used here?**

PILOTS are Payments in Lieu of Taxes which means the developer pays an agreed upon amount to the town instead of an annual tax bill. A small portion of that payment goes to the County (smaller than their usual share). This allows a town to maintain payments nearly commensurate with the municipal taxes it otherwise would have received while relieving some of the tax burden that would otherwise be paid by the developer. These agreements usually occur with blighted properties that are shown to be unusable in their current form. The term blighted does not only mean a run-down area but also includes old and dilapidated buildings. We have been approached by one property owner to consider a PILOT. In their case, the owner claims that the building is outdated and not usable in its current state. We have an obligation to evaluate the proposal to see if such an arrangement is in the best interests of our taxpayers while complying with applicable law regarding conditions that must be satisfied prior to entering into an agreement for a PILOT. However, no decision has been made at this time.