RULS-AD-1976-80 7/22/1976 Deposition of will Allen

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LAW DIVISION - SOMERSET COUNTY 2 DOCKET NO. L-25645-75 P.W. 5-1290 THE ALLAN-DEANE CORPORATION, Delaware corporation, qualified to do business in Civil Action the State of New Jersey, 5 Deposition of: Plaintiff, -WILLIAM W. ALLEN 6 -vs-7 (Volume II) : THE TOWNSHIP OF BERNARDS, 8 in the County of Somerset, a municipal corporation of Recorded Bk. _ 9 the State of New Jersey, 10 Defendant. 11 DEPOSITION of WILLIAM W. ALLEN, taken by 12 before Henry E. McGrorry, Jr., a Notary Public an 13 Shorthand Reporter of the State of New Jersey, at the municipal 14 Building, Basking Ridge, New Jersey, on Thursday, July 22, 15 1976, commencing at 9:35 a.m. 16 APPEARANCES: 17 For the Plaintiff Messrs. Mason, Griffin & Pierson By: Henry A. Hill, Jr., Esq. 18 Messrs. McCarter & English For the Defendant 19 Nicholas Conover Eralish, Esq. JOSEPH F. READING Certified Shorthand Reporter 13 Ramson Avenue Trenton, New Jersey 22 882-3088 23 587-3251 RULS - AD - 1976 - 80

SUPERIOR COURT OF NEW JERSEY

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1 WILLIAM ALLEN, previously sworn, 2 resumes. 3 DIRECT EXAMINATION CONTINUED BY MR. HILL: Q Mr. Allen, you are still sworn. 5 I would like to introduce this plan. It is entitled 6 "Bernards Township Potential Parks and Recreation Sites", and 7 it is dated 7 July 1975. 8 Mr. English, would you like to look at it? 9 MR. ENGLISH: I would, thank you. 10 MR. HILL: We can call that PWA-9. 11 (Document entitled "Potential Parks and Recreation Sit 12 marked PWA-9 for identification.) 13 Mr. Allen, have you ever seen that plan 14 Well, excuse me. I believe I have seen this Α Yes. 15 I can't remember whether it encompassed the Deane 16 property. Certainly, I have seen this plan. I believe I have 17 seen a plan similar to this. 18 Do you know who drew up this plan? 19 Well, Maurice Wrangell is the name on the bottom, and he commissioned by the Township Recreation Committee, and drawnst of his work during 1975 to develop a recreation master plan, and he is listed here as a landscape architect, 22 23 but I believe he specializes in recreational matters. By whom was he commissioned to do this plan? 24 The recreation committee of Bernards Township, and 25

authorized by the Township Committee.

Do you recall any discussions at which the possibility of acquiring land from Allan-Deane for park purposes was discussed?

was interested in selling this. It was one item. The second item was that Maurice Wrangell independently surveyed the township on his own time, or not on his own time, but unaccompanied by others, and in doing that, he came across this particular piece of land that he thought would be of interest for recreational purposes.

Do you recall why he thought this partitional be of interest for recreational purposes?

A I personally went out there with him and Fred
Conley one day, and my recollection of it was that it was
actually two valleys, but you can call it one valley, somewhat
set off from the surrounding territory. It seemed to have a
natural geological boundary, if you will, or topographical
boundary. It had meadows at the bottom, a stream running
down at one end, some trees on the slopes. It

- Q A park to be used by who?
- A By the municipality.
- Q Is it near any population center in the municipality?

ed to a natural setting for a park from his viewpoint.

I don't believe you would say that there is any

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24 25 population center near there, no. It is to the west of Liberty Corner, which is a village. That was not our concerh, its proximity to a population center. It was looking far down the road toward the need for open space in the township

What is the status of that plan?

This was a recommendation that he made to the township to consider. I am no longer affiliated with the recreation committee this year. I was last year. There is a subcommittee of the recreation committee which is, I believe, charged with the responsibility of reviewing open space requirements and opportunities, and I would think the might be one of those things, but I don't believe any active program now to acquire that or to get the for it.

Such an acquisition would depend on acquiring Green Acre funds, is that right?

It was not a specific decision, because we didn't Ã. even know how much it would cost. I think that my own feeling at least was that the township would probably not be able decaring it without some outside financial support, but it remarked a public dialogue stage. I would venture that most members of the public were not aware even that this proposal was existent.

Do you know who was asked to contact Allan-Deane and give them that map?

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As far as I can recall, no one was asked to contact Allan-Deane. I personally don't think we ever had an emissary to Allan Deane. It could have happened, there was no secret about it but I don't think we ever got to the official formal negotiating stage.

You say that that is one of several pieces that is being considered, to your knowledge, by the Recreation Committee?

Ä This was a specific large tract. It was probably the only specific large tract that was proposed during my two years with the Recreation Committee. In the had been some other tracts proposed, and I am not to tell you where they are. There was not an active program on the Recreation Committee in this field. One of the reason's we developed a recreation master plan was to try to define our needs and our options better than had been in the past.

Have the needs, to your knowledge, of the township Q · for future parks been defined at this time?

I indicated earlier that I believe there is a tree of the Recreation Committee which is charged with the sibility of reviewing this on an ongoing basis.

The master plan that Maurice Wrangell prepared, and I believe there was subsequent modifications of it, but it was officially adopted and incorporated into the overall township master plan this last spring. Lo, it is an official document

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now, and it does have in it some comments with regard to open space requirements. The status of the investigation of this matter of open space and any additional parcels, and any additional discussion of this, I am not sware of.

- Do you know if this map, or that parcel, is incorporated in the recreational master plan?
- A This first was mentioned in a separate memo from Maurice. I honestly am not sure whether this particular parcel is cited in the master plan in its official form.
- Then, to your knowledge, there are no efforts being made at the present time to acquire, or to obtain the funds, and the proposal for the acquisition of the dormant. Would that be a fair statement?
- A I think that is reaching a little. I said I am not familiar with the present deliberations, the status of the deliberations of a subcommittee of the Recreation Committee on this latter. I don't know thather they have gone any further or not.
 - Who is on that subcommittee of the Recreation

Maittee?

I am not even sure of that.

- Q Who is on the Recreation Committee?
- A Jerry Kienlen is the present chairman.

MR. ENGLISH: Could you spell that.

THE WITNESS: K-i-e-n-l-e-n, I think. It is

a matter of public record.

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a handout available at the Town Hall. 25

The Recreation Committee now has some 20 some people. It was greatly expanded at the latter part of last year and early this year. Most of the membership is new. They divided themselves into several subcommittees, and some have been more active than others. I'm not familiar with the personnel of each subcommittee and what their progress has been.

- Now, Mr. Allen, can you tell me how many people are on the Bernards Planning Board at the present time
- I would rather not quote a number. I tick them off. Is it seven with a couple of alternates? I think that is a matter of record.
- Will you tell me who is on the Planning Board this year.
- May I simply go get the township summary that is handed out at the desk here and just read off the names?
- Surely. I have summaries for '74 and '75 but I the '76 summary.

If you want, I can read off the names listed here.

Yes.

This is from page one, at the bottom, of a document entitled "Bernards Township 1976 Information Guide." It is

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The chairman is Godfrey K. Preiser; vice chairman, Robert Mann; regular members, Harry Dunham, Wayne Koppes,

John Campbell, Robert Conway, Robert Deane, who is also mayor,

and Ralph Scklenker, who has now resigned. He is chairman of the invironment Commission, and was not able to continue in both roles.

- Q When did Mr. Scklenker resign?
- A Officially, about two months ago. He has added job responsibilities, and he had to retrench somewhere, and he decided to resign from the Planning Board.

Also, william Allen, who I am, and the Robert Brokaw.

- Q Are any of these members alternates?
- A Now, lower down we have alternates of W. Barnum Wahl and Robert P. Haycock, and I guess that's that.

Mr. Allen, we served Bernards Township with

interrogatories, and one of the questions, and I will read it to you, was: "Did one or more members of the defendant's public bodies attend a meeting on March 18, 1976 called by et County Planning Board to discuss the zoning of correct Hills, or the Allan-Deane development proposals", and the answer we got to that question was yes, and we asked who attended, and we were informed that on March 18, in the first floor conference room of the county administration

building, Robert M. Deane, William W. Allen, Godfrey K.

Preiser and Ralph Scklenker attended that meeting. was the meeting at which the Court Reporter was present. that your recollection as to who attended?

That is my recollection.

- Do you recall if anyone else attended besides that from Bernards Township?
 - No, I believe we had a car with four people.
- I am going to repeat my question, and Mr. English may wish to object, and I am going to ask you what occurred at that meeting.

MR. ENGLISH: I will object, Mr. Hill the reason that that was held as a closed and the issue as to whether or not it was c is the subject of litigation, and therefore, I direct the witness not to answer the question.

(Discussion off the record.)

- Were there any other meetings, if you recall, with the Planning Board, or Bedminister Township, or Far Hills regarding the Allan-Deane proposal or the plan to save the contills from residential development?
- That last phrase colors the question somewhat. recall no meetings with representatives of Bernards Township, Far Hills and/or Bedminister this year other than the one that has been mentioned earlier.
 - Do you recall any meetings last year?

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No, I do not recall any such meetings last year.

Do you recall any meetings with the county Planning Board this year, other than this one on March 18, regarding the Allan-Deane proposal or the general plan to save the Somerset Hills?

I certainly can speak for my own participation or lack thereof, and I have not participated in any discussions with the county Planning Board as a body at any time other than the meeting that was referred to before. I think we must agree though that there have been some informal discussions with representatives of the township staff of the county Planning Board from time to variety of subjects.

I am just concerned with what you were involved in. Were you involved in any meetings with the staff of the Planning Board of Somerset County specifically on the Allan-Deane proposal or specifically on the general plans to keep sewers out of the Somerset Hills?

No.

Nere you involved in any such meeting in the year

- Not a meeting as you have described it, no.
- I gather from your answer that it was not a meeting at which the Allan-Deane proposal was talked about.
 - 2 There was a meeting which I attended in 1975 in the

office of Bill Roach to discuss the general question of Mt. Laurel, and how we would go about developing our fair share under that decision.

- Can you tell me approximately when that was?
- If not positive, but I believe it was in the summer of last year. There was a small subcommittee of the Planning Board formed which was called the Mt. Laurel Committee. I was a member of it. Those people, one of which was Peggy Fox, and I, and I am not sure who else, met with Bill Roach and Arthur Rubin, but the thrust of the meeting was the general question of Mt. Laurel obligations.
- with regard to Bernards and its obligations under Mt. Laurel?

 MR. ENGLISH: I think that calls for hearsay,

 but I will make the objection and I will not direct

 him not to answer the question.

Do you recall what Mr. Roach's general

- A At that time, we were told that we were one of the first who were working on this, and he wished us well, essentially.
- Did he indicate to you in any manner how he thought that problem should be tackled or what he thought the extent of the obligation might be?

MR. ENGLISH: Same objection.

A He was not in a position to tell us what our obligation would be.

20.

Q As a result of that meeting, Mr. Allen, the first Mt. Laurel report was submitted to Judge Leahy in the Lorent case, of which I have got a copy, is that right?

with Bill Roach. The submittal to the court in September, or August, late August or whenever it was, was a combination of many things, and documents generated within Bernards and things generated outside of Bernards that were put together primarily by Margaret Fox. In fact, at this point I cannot recall everything that was in that set of documents, but there were many meetings, and a lot of research done by that led up to that submittal.

Q Can you tell me anything of Mrs. Fox's expertise?

It seems to me that we are talking about a fairly technical understanding, and I just wondered what her background was, if you recall it.

A She was the lay coordinator of this effort. Not being a full time employed person as some of the rest of us are, she was in a better position to do this. Her professional mateground is that she is a degreed person, and had done computer programming at Bell Labs. She was familiar with the analysis of data. She was assisted by Fred Conley. A great deal of Mr. Conley's time during the last year has been related to or has been assumed in this matter. She was also assisted by Mr. Agle, who is our planning consultant.

background, if you know it?		
be the product of tighte thinking. What is Mr. Conley	r's	
Committee, and they are concise and probative, and s	eem i	to
Q I have been reading Mr. Conley's memoranda	to t	the

A You asked me that before, and I really can't expand on that. His profession is municipal administration. Before he became a line person, if you will, he was in staff positions of various types in municipal government. I think it is best probably if his background was presented by himself.

Q Going back to your fair share analysis Manual len,
I have a couple of questions. You called the analysis are the letters again?

A SORD, Job Oriented Residential Distribution.

MR. ENGLISH: Excuse me. Just for the record, are you referring to Exhibit PWA-4 for identification?

MR. HILL: PWA-4 and PWA-6.

Q There is a memorandum from Mr. Conley in which he reviews the Lindbloom analysis. He reviews the old, and compares the old Margaret Fox analysis, and then he compares an analysis called "The Commuter Shed Analysis". Is The Commuter Shed Analysis and the JORD analysis the same?

A I'm not sure. The JORD is a mathematical representation of the--the Commuter Shed is the name for the

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quantitative concept, and the JORD is an attempt to quantify it, but you are referring to something from Mr. Conley and I'm not sure.

Well, I'm looking for a memorandum dated March 1976 to the Township Committee in which he compares the various analyses.

(Discussion off the record.)

MR. HILL: We all have copies of this, and I would rather not put it in as an exhibit. I don't mind marking it but we all have copies.

MR. ENGLISH: Just identify it suffic on the record so that we can find it.

MR. HILL: What I am speaking of is a memorandum from Fred C. Conley to the Township Committee and Planning Board, dated March 24, 1976, and entitled "Preliminary Work Paper, Mt. Laurel Ordinance."

Now, there are three approaches which are analyzed Q by Mr. Conley. The first is the Mt. Laurel subcommittee fair share approach. The second is Mr. Allen's Commuter Shed oproscie. The third is the Lindbloom approach.

First, let me say I don't believe I ever read this. This looks to me like I may have received it, but I don't believe I read it. This looks to me like a memo that was submitted to the subcommittee. I can't remember the exact date of the start of the subcommittee's work, but this may

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well be something submitted to them. I'm not sure. Anyway, I can't place this.

There were many, many documents floating around during the early part of this year. My concern was primarily on the employment zones during the early part of this year. So, I can't place this. If you can ask me a question specifically, I will try to deal with it, but offhand, I don't recall this report. It is rather extensive. I would have read it.

Q The report describes three different approaches, and the first approach is the Mt. Laurel subcommittee approach. and it divides into various boxes the regions of approaches.

A Yes.

The Mt. Laurel subcommittee region is Bernards Township only, the Allen region is the Commuter Shed, and the Lindbloom region is the area within one-half hour's drive of the center of Bernards Township, according to this report.

Yes.

The report is dated March 24, 1976. When. approximately, did you submit your "Mt. Laurel, a Truly Regional Response"? It is dated September 1, 1975.

It was submitted--I believe September 1 may have been a Monday of that week, or Sunday, because I finished it up on Labor Day Weekend, and it was submitted that following week.

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Did you have any other proposals in March of 1976 besides your "A Truly Regional Response" proposal before the municipality?

My main energies were directed toward the question of employment zones during the first part of this year, and I was not involved in any serious way in the low and moderate income housing issue until approximately April, which is the date, I believe, on one of the exhibits that has been marked Those work sheets represented the initiation of my effort this year on this question.

You have never seen this report dated 1976?

I don't want to lie. I cannot recall it. me, there have been many documents of this nature circulating, and I presume you have seen most of them. This one does not ring a bell though, but I may have received it. It may have become buried in the mountain of paper that we were discussing earlier. I do not recall the specific document.

This document characterizes the Lindbloom fair approach as naive and simplistic. Do you recall that characterization?

> MR. ENGLISH: Just a minute, I object to the question if you are asking if he recalls the characterization from the document, because he has

said he has no recollection of it. If your question means does he recall other discussions involving that term, that is different. Could you clarify it?

Q Do you recall other discussions involving that term?

A There have been some verbal discussions of the Lindbloom report. There has been mention of this report, I presume, in some of the memos that have gone back and forth, and it has been our position that that report was not a sophisticated analysis.

Q And your JORD analysis, on the other having to be sophisticated.

A The JORD model, with regard to its use for establishing a region, I believe is more sophisticated than the method used by Lindbloom. There are many other components, however, to the analysis of fair share. Region has been one of the sticky questions, and I believe the JORD model does a better job with regard to characterizing region.

Q As a result of the JORD model, and we went over that yesterday, you came to the conclusion that Bernards' fair share for future low and moderate income housing was 354 units, is that correct?

A That is the result of what we term Computation One, which is the computation that was of a preliminary nature, but it was used to develop Ordinance 385.

1	Q And that 354 represents prospective need only, is
2	that correct?
3 4	That 354 was based on analysis only of a prospective
5	
	Q And Computation One does not include any figure
6	for Bernards' present need, is that correct?
7	A That is correct.
8	Q Do you have an opinion as to whether or not
9	Bernards has a present need for low and moderate income
10	housing?
11	A I read the Mt. Laurel decision to require
12	make an estimate of present need, and Computation
13	incorporate an estimate of present need.
14	Q How do you get a handle on present need, or how do
15	you propose to get a handle on present need in Computation
16	Two?
17	A I have used the Department of Community Affairs
18	report. I believe it is the same that Mr. Lindbloom used,
19	and let us just identify that. This report is entitled
20	of Low and Moderate Income Housing Needs in New
21	It is published by the New Jersey Department of
22	Community Affairs, or DCA. My particular copy is a copy of
23	a copy. I have not been able to determine the publication
24	date of this. It doesn't seem to be listed.

It should be April of 1975.

A Okay, I didn't find that ever specifically stated.

I will take your word for that.

Q That is my recollection. I have a copy of that report, and if Mr. English wants it marked for reference, or if he doesn't have a copy, we will mark it for reference. I don't need a copy.

MR. ENGLISH: I don't know whether I have a copy or not, but like you, I am inundated by papers.

MR. HILL: You can obtain one from Mr. Allen.

I don't propose to mark it because I don't need

more copies of the same paper.

THE WITNESS: I have no idea what reference is.

Q I think I can find a date for you.

A I thought it was probably 1974 from the language in the text, but I'm not sure.

Q It came out in the middle of a trial that I was involved in, Mr. Allen, so I was made aware of the publication, but it may have been prepared before that.

Now, you used that report, and that report, as I recall. assigns an existing need for Bernards Township of 191 units of low and moderate income housing. Did you accept their figure?

A I did not use the figure you just quoted. I worked from the data that was presented in the report.

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Q Let's go over the data that they presented for Bernards Township. What data is in that report?

Well, there are a total of ten columns on this page, and this page refers to Somerset County, and each of the 21 municipalities in the county.

Q I will just read into the record what the columns say. The first column says, "Bernards Township Physical Housing Need, 81 units of moderate housing, 45 units of dilapidated housing, 25 units lacking plumbing, total, 151 units."

The next column is Bernards Township's financial housing need, low income, 44 units, moderate income, 45 for a total of 65 units.

Now, when you add the 65 units of financial housing need to the 151 physical housing need, you get the number 216, but they deduct 25 ffom that for overlap, and their conclusion is that Bernards Township has a need of 191 units of low and moderate income housing, which are divided into physical units needed and financial units needed, is that

I haven't followed your figures, but I believe you correctly read off what the page says. I haven't followed your figures.

Q You used those figures in order to determine

Bernards present housing need, or you propose to use those

figures in your second calculation, is that correct?

A I propose to use data from this report in determining present need.

Q How do you propose to go about that?

A This report divides housing need first into two major subcategories, one related to the physical characteristics of the dwelling, and one related to the financial resources of the inhabitants of the dwelling, so-called financial need.

Now, it is my position that the remedy for inadequate financial resources is not to be found in zoning for new structures. So, inadequate financial resources not influence a Bernards Township obligation for zoning. I have not considered those units.

Q Does the municipality intend to undertake a program to update their existing housing stock?

A There has been no discussion in my presence to do so.

Q Well, if the report indicates that there is a provide housing need due to lack of maintenance, lack of repair. lack of plumbing, do you think that the governing body has any affirmative obligation to undertake programs which might result in the upgrading of that existing housing stock?

A I do not believe that today a township governing

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body is legally required to subsidize through financial means, through the use of local moneys, the rehabilitation I have seen no mandate of that type. of housing.

Well, a number of municipalities in New Jersey have a requirement, and they have it by ordinance, that before a house can change hands, before it can be sold, it must be inspected by the building inspector, who checks to see if the house is above or below standards, and if it doesn't meet the municipal standards, it must be upgraded before it can be sold. Such a legislative technique would end up over a period of time, through the use of moneys, upgrading your existing housing stock. thought of such?

I am not aware of the procedures that you have A just described.

So, it is your testimony that there is no intent that you know of on the part of the governing body to undertake procedures which would require that the existing housing stock in Bernards Township be upgraded.

> MR. ENGLISH: I object to that guestion. He has not testified that there is no intent to do that. The question is leading, and I think it goes far beyond anything the witness has stated.

> > MR. HILL: Well, I will rephrase it.

Q Is there any intent, to your knowledge, on the part

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of the local legislature, the governing body of which you are a part, to undertake programs which would tend to upgrade the existing housing stock of Bernards Township?

That question can't be answered yes or no. is an active program by our building inspector to see that the building codes and zoning codes are enforced, and this in some cases involves the identification of substandard structures, and negotiating first informally and then through more formal procedures with the owners of those structures to either have the structures razed or have them improved. and this is an ongoing policy of the township that building inspector, and we have a man who wears He is called the zoning enforcement officer and the building inspector.

With regard to the other part of the question, I again repeat that I can recall no discussions in which I have participated or observed which were intended toward the use of local tax money for the purpose of rehabilitation of private structures.

So, your testimony is that it is your conclusion Mat the only part of the present need obligation which the State Department of Community Affairs has identified in that report which Bernards is obligated to add to their fair share is the financial need, it is not the physical need, is that correct?

A I think you may have said that differently than you intended. It is my position that an estimate of present need that one derives from this report--excuse me, let me back up.

If you are dealing with the specific phrase in the Mt. Laurel decision which says "shall provide in their land use regulations", and that is the part that we are talking about here, that the remedy for housing need that land use regulations can supply is best reflected by the structures that are identified here as physically inadequate.

I think I probably had a very involved sentence there, but what I am saying is that we are dealing to day with Ordinance 385, or the support for such an ordinance, and the thrust of that ordinance is toward land use regulations, which, by my way of thinking, means new structures If I am trying to get a handle on the number of new structures that are required, I would take the data from this report that deals with physically inadequate structures, and I would ignore that data which deals with inadequate financial resources.

- Did you read the preface to this report?
- A Yes, two or three times, and I'm not sure exactly yet what it says.
- Q Does the Department of Community Affairs state in the preface that in defining financial housing need, they

looked for people who were renting within the municipality
that were paying more than one-quarter of their annual
income for rent, and they determined as a matter of policy
that that was improper, and that those people had a financial
housing need for lower cost housing?

A There were statements of that nature in there. I can't speak to the specific one you refer to. They did have some rules of thumb regarding the definition of financial need. They may have been as you have described.

Bernards Township--I'm not saying that is true, because true that there are 65 families in Bernards Township are paying more than the state thinks is a proper per cent of their income for rent, would you agree that they have a housing need for lower cost housing than they are now living in?

A If a family is resident in a dwelling, and the rental, or mortgage, or whatever, if the carrying costs of residency in that dwelling are greater than the financial of the family, then there is a need of some kind.

It is now could also argue that the need is financial, that there is a need for more money. I don't think you can translate that into a need for a house.

Q Does the report contain this sentence: "The second important indicator of housing need, financial housing

inadequacy, consists of low and moderate rent, or households paying 25 per cent or more of their incomes for rent."

Is that a correct reading of a sentence in this report?

A I take that sentence to be a description or identifier of an additional set of data in the report. It may also reflect a policy of the writer of the report, or a philosophy, I'm not sure. It is not necessarily mine.

- Q Do you have a policy in this regard?
- A I have no data which suggests that a family is able to pay X per cent of its income for housing purposes.

 I have never made a study of that subject.
- Q Is it your proposal then to take the number of units listed in the state report indicating physical housing need and to add those to your prospective housing need in order to come up with Bernards' fair share?
 - A Partially, yes, I am making use of that data.
- Q Are you aware that that data was for the year 1970? In other words, it was derived from 1970.

Yes.

- The 1970 census, which really the latest figures were 1969, is that correct?
- A There is some discussion in the narrative here about the methodology. It is certainly not a very clear methodology. In fact, it would appear that some of the data

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goes back to the 1960 census. I'm not at all clear how they have done this. However, I have not seen any more recent data which appears to be more clearly derived. So lacking a superior alternative, I have used this.

Let's look at some of the assumptions in your JORD formula. By way of preface, the obligation, we all seem to agree, is that each municipality provide their fair share, and "fair" can mean different things to different The federal government, in determining people's fair share of their income for tax purposes, has a policy that the more you earn, the more taxes you should pay. should pay a graduated income tax because it is the wealthier people pay a larger per cent of their income taxes to support our government than poorer people. your JORD formula contain the assumption that it may be fair that wealthier communities such as Bernards, which enjoys a population of relatively affluent people relative to other communities in the State of New Jersey, should perhaps bear a larger share than a less affluent community? In other words, is there built into your JORD formula some device which would increase the share of wealthier communities as opposed to a community next door that theoretically might have an income, mean population income, of less than Bernards Township but was like Bernards Township in every other way?

A No.

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Q So, there is no income redistribution provision in your JORD formula, is that correct?

Correct.

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Q Does that reflect your belief that it is not fair that wealthier communities should have a higher fair share than poorer communities?

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A "Fair" is a subjective term. Now, I don't myself

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see in the Mt. Laurel decision, or any other related decision

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with regard to zoning that I have seen, and I have not made

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a major study of the subject but I have read a commandate to correct all the ills of society. Fire

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the ills are defined differently by different members of

an appropriate variety of housing, housing in terms of a

prospective and future regional need. I do not see in that

any mandate to correct income disparities such as you have

What I do see in Mt. Laurel is a mandate to each

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society.

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municipality that it provide in its land use regulations for

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Now, it seems to me that what is fair at this point

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not suspected of being self-serving, and in a manner which

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does not include a lot of subjective factors, and the analogies

in time is a simple formula which can apply equally to everyone

that come to mind, which are again imperfect, would be affirmative action plans for major employers to try to establish a better balance with regard to the employment and prometion of minority groups or females, busing for purposes of establishing better balance of races in schools. These are not perfect solutions, but because there is not a clear concensus in society to use a more sophisticated approach to deal with these problems, a somewhat mechanistic approach is being used. I think that is where we are with regard to housing, and so, my approach is a mechanistic approach, admittedly so, and intentionally so, and I think that a quota system based on a mechanical application.

Q So that if Bernards Township had a mean family income of \$5,000 per family, according to the 1970 census, instead of the mean family income which it has, its fair share under the JORD formula would be the same as it is in your calculation.

A There is nothing in Computation One or Computation deals with the incomes of the people who already this municipality, or in any other municipality of the region, other than the estimate of that proportion of new households which will be of low and moderate income. Now, in determining that proportion, I have utilized data on incomes, but aside from that, I have not utilized data

on incomes.

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- Q You have used data on Somerset County income?
- No, in the second computation, I have used data on the income of each of the contributing counties.
- Q But isn't it true that the population of Bernards
 Township is better able to afford higher taxes to pay for
 services for low and moderate income people who may not be
 able to pay their way in municipal taxes than a community
 such as Manville which has a considerably lower mean income
 than Bernards?

A There are two aspects to that question one, you have to know what the burdens of low and income housing on a municipality will be, and the only experience that I have had with that is an attempt to determine what the burdens of the senior citizen housing called Ridge Oak on Bernards Township will be, and we were not very successful in determining that. So, I don't know what these burdens are.

Secondly, one would have to determine the past capacity of the municipality to support those burdens, and have never made a study of that either. So, I don't think I can answer your question.

Q Does your JORD model contain any mechanism in it which would prevent, if applied on a statewide basis, fully developed municipalities from acquiring a fair share?

A The JORD model as now put forward assigns a fair share to a municipality on the basis of what is happening in the region around it and in it, and the fair share is tased on the area, geographical area, of its municipality. It does not include any provision for existing housing, that is, the degree of development that already exists. If it is found that a particular municipality, by virtue of full development, such as Judge Furman stated in Dunellen, or by virtue of environmental restrictions, cannot support the fair share, then presumably that fair share would be apportioned in some way across those municipalities that can afford a fair share.

I believe the Mt. Laurel decision leads one easily to the concept that we are talking about here, that you first assign a fair share, and then the burden of proof falls on the municipality to show that it can't support it. But, initially at least, you assign that fair share to the municipality and wait and see what happens.

Let us suppose that Plainfield is fully developed and it can't support its fair share, and Manville is fully developed and it can't support its fair share, and Somerville is fully developed and it can't support its fair share, and Newark is fully developed and it can't support the additional housing which should be allocated to it under the JORD formula as its fair share. Does your formula add to Bernards Township

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its share of the housing which other municipalities cannot, because of their present state of development, accommodate?

The formula does not. I will speak for myself only, but I think it is important to emphasize that this is step one in a process. The kind of premise that you have just referred to requires greater knowledge of the region and its ability to absorb housing, and its need for housing than we have in this township. If a sharing technique were developed and applied throughout the region, and if it were found that individual municipalities could not support their share, then I personally would recognize and support additi shares for this township, if I were in a position government to do so. But, that information is not a to us today. I think that what we are putting forth now is a very adequate step one in this process.

Do you have any opinion as to whether or not Bernards is limited either through environmental constraints or its state of development from supporting its fair share?

I do not believe that the number of housing units put forward in Ordinance 385 is in any way not feasible over the period of six years that we are talking about. believe that there are any local environmental restrictions that would prohibit that. There may be financial restrictions that are imposed from outside, I don't know that, but one premise, however, is that the capacity of the sewerage plant

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will increase to in the neighborhood of three million gallons per day, which is the proposal of the sewerage authority, and we have in our plans assumed that at some reasonable time in the future, that that expansion will be in place. There have been many delays, and no one in the township that I know of is able, with any accuracy, to predict the actual schedule for completion of that expansion. So, we have assumed that that will take place, and have based our planning decisions on that.

In your documents, you refer a great deal to Q Princeton Community Housing. I happen to live in Princeton and am familiar with the project, and I guess your it because Mr. Agle is familiar with it, and his partner worked on it. Have you seen Princeton Community Housing?

A Yes.

Do you know how many years it took from conception Q to construction?

A No.

Mr. Agle never told you?

He may have. I suspect it was a long time, as our ewn Ridde Oak is taking a long time.

When was Ridge Oak first proposed? Q

I don't know when it was first proposed. Board of Adjustment affirmatively acted on it in 1973, I So, certainly there was work done before that.

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Assuming that the experience in New Jersey Q indicates that it takes some seven or eight years to first begin construction of a housing project, depending on governmental funds and approvals, and local approvals, and tax abatements, do you think it is reasonable to bite off your fair share in six year chunks rather than a longer period?

Yes.

Why did you pick six years?

Six years is a period of time that receives some A endorsement in the new municipal land use law in that suggest that a master plan be reviewed, and zonimer be reviewed and revised where necessary at least every The origin of that particular six years, prior to vears. the land use law, I am not sure of. In other words, I don't know how that particular number, six years, appeared in the municipal land use law, but it seems to me that a period of time should be allocated such that people can lay their plans and implement their proposals. I think that the period of x years should be adequate for that.

Q Isn't it true that if you converted your JORD formula to a 20 year formula to conform with the Carl Lindbloom approach, that the numbers aren't that different?

A I have not made a comparison, numerical comparison, between the two approaches in a detailed sense. I kind of

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mentally made some gross comparison, but I can't answer your question precisely because I haven't made that kind of detailed comparison.

If a developer comes before the requisite boards and bodies of Bernards Township, and intends to build in accordance with Ordinance 385, some low and moderate income housing, and one of your Allen doughnuts, or Agle doughnuts, or Dunham doughnuts--

Larry Dunham is a member of the Planning Board, and it was his idea, so it is called a Dunham Doughnut.

Q All right, one of those Dunham Doughnuts has consultants of some experience who tell him that a the time he applies to the time he can probably start building, given the usual federal delays, that the experience in New Jersey is seven years, how can he operate under your ordinance which gives him no assurance that when he is ready to construct, that there will be any fair share available?

I don't accept the premise. The Planning Board A today, the Board of Adjustment, would have to act on the special exception application, which is the procedure under which a person would make this proposal. I quess under the new law, the municipal land use law, the Planning Board would make this decision.

But anyway, as I understand it, Ordinance 385 will permit the Planning Board to approve development up to a

particular quota, or to approve a project which in the aggregate reaches up to a particular quota.

Now, there will be some tallying of the approvals here. Certainly, the first man that comes in with a proposal for up to 150 dwelling units has no problem. If he got the approval to proceed, there is no indication that anyone will change the rules of the game and in some way frustrate his proposal. As subsequent proposals come forward, and the quota is almost used up, there might be a degree of uncertainty for that last proposal, but I don't think that it is a real problem today.

Q The ordinance was designed to make dame.

Bernards doesn't get more than its fair share, wasn't it?

A I think an editorial in the Bernardsville News deals with this concept rather well, but I will refer to my own personal case. I personally believe that the federal income tax is full of loopholes which should be closed, that the scheme of deductions is entirely too complex, and essentially unfair, and should be greatly simplified.

ever was long as those deductions are in force, I will a deduction are in force, I will be deduction as an individual taxpayer to the fullest extent possible, because that is the way the game plays. If the law permits that, I suggest that individual citizens have every right to take advantage of those laws.

Now, I think the same thing is true here. The

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mandate or a responsibility to try to correct alleged evils in our society. I think they have an obligation to adhere to the mandate of the court, and of every subsequent mandate by the legislature or executive departments, to provide its share of housing, but we have no mandate from our own citizens to go far beyond that. Therefore, our attempt was to come up with an estimate which was defensible but which was not excessive.

Q You must be aware that Judge Furman has assigned fair shares to some 14 municipalities in Middlesex County three to five times what Bernards has projected share.

A I have read Furman's report. I have seen the numbers. I don't mean his report, his decision or opinion.

There may have been some subsequent amendments or explanations as to what I have read, I can't say. I certainly was not present at the trial. I cannot determine from what I have read the methodology that he used to determine his numbers.

So, I really can't comment on the application of those numbers or the consistency of those numbers with regard to anything we are doing in Bernards Township.

Q In your report, you refer to the Montgomery case.

Are you familiar with that case?

A I don't know that I referred to it in any report

that I have written. I think we have verbally here mentioned it. I remember reading something in the newspapers, but I don't know that I ever read the actual report that Lindbloom submitted in Montgomery Township. I think most of what I know about it came out in the newspapers.

(Brief recess taken.)

Q In Ordinance number 385, you have 354 units of low and moderate income housing. You then have a number of units--what is it, 190 for market housing?

A It is half of that 354, whatever that is. 177, I think.

. Q 177?

A Yes.

Q How do you define market housing?

A Moderate income housing, as we have understood it up until now--by the way, I understand these definitions change from time to time, and also the specific dollar figures change from time to time, but market income housing begins where moderate income housing leaves off. Now, moderate income housing leaves off. Now, moderate up to \$8,000, thereabouts. Low is up to five.

Leading the emphasize that this is a sliding scale depending on the subsidizing agency at the time the application is made, but then market income begins at \$8,000, let us say, and goes up to the neighborhood of 23, 24. The word "market" comes from the concept that these people will live in the

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structures that have been built, utilizing subsidy money but they will then pay their full rent. The rentals of these people will not be subsidized.

Is that your estimate, that there are 177 families that can be expected to move into Bernards Township within the six year period that will be making between \$8,000 and \$23,000?

A No. I would say the ratio came about by a different route. I personally wasn't involved with the selection of this fraction. I believe it was stated by Mr. Agle and Mrs. Fox after consultation with the housing finance agency. that a ratio of two thirds low and moderate income and created market income was an acceptable ratio for their purposes.

I suspect, and my memory may fail me here, that the one third market was the maximum that the housing finance agency would support, that this was the maximum non-subsidized per cent that they would support. But, I believe that the origin of that fraction came about through discussions with the subsidizing agency rather than through any demographic

Assuming that your Ordinance 385 in fact looks after people making less than \$8,000, and that it does provide Bernards' share of low and moderate income housing, would you agree that there are people making more than \$8,000, or whatever the cutoff for moderate income housing is, but

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less than \$30,000 or \$40,000, or whatever income it takes to buy new housing in Bernards Township today, who cannot live in Bernards Township because of their means?

I think you better redo that question.

Q What is your estimate as to the approximate cost of new housing in Bernards Township today?

A There has been a building of new housing on 40 thousand square foot lots, which is well over \$100,000, and in terms of the housing that has actually been sold, new housing that has actually been sold, most recently, it is certainly in the \$100,000 plus range.

Q Do you have any opinion as to what the kous could be expected to cost that will be built in the PRN zones?

A Not a well calibrated opinion. I have seen a study of hypothetical costs based on certain premises, and I am trying to remember what those units costs were, and I can't remember, and it is best for me not to try to guess. They are in a report that Mr. Agle has published, which I presume you have.

Do you recall if they were in the \$40,000 range, or \$50,000 or \$60,000?

A I think they probably are below 50, maybe mid-30's 40's. I'm not sure. Again, let me not guess at that, because it is in the report that he submitted, and housing costs, as we all know, are dependent on other things, what the person

wants to pay in the way of housing, the development costs, the going rate in the market. In other words, how much you can get for it as opposed to how much it costs to construct it. I am not an expert in this field.

Q Are you aware that there was approval in Bernardsvill for 53 townhouses?

A I am aware of a proposal off Child's Road. I attended one public meeting on the subject. I don't remember the exact number of units.

Q Do you recall the approximate density?

but I am not sure that I had the right square for determine density in our municipality now primarily in terms of a floor ratio, which is the ratio between the constructed floor area with some additional parking added on, and the total land area upon which you are developing. That is the statistic we use. I suspect that the numbers I got the day I was there at the Bernardsville hearing, that the numbers they were talking about were in excess of what we would approve there, but without knowing how they define their tatistics, I couldn't be sure.

Q Do you know what those townhouses are selling for, approximately?

A No.

Q Would you agree as a general proposition that it

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is difficult for people making more than \$8,000 but less than \$25,000 to buy housing in Bernards Township?

That is a very wide range. Between eight and 25. did you say?

Yes. Q

A I believe that people near the lower end of that range have trouble buying houses anywhere. I don't believe the private housing market is able to accommodate people near the lower end of that range anywhere in the state, from what I have heard.

Assuming that people can afford to pay annual income, in your opinion, can any substant of housing be found in Bernards Township for \$50,000 or less?

- A For purchase?
- Q For purchase.

We did a study, using the tax assessor's data, A and there was a percentage that was valued at less than \$50,000. What that percentage was, I don't know, but it certainly wasn't the majority of the housing in town, but there are at least some.

Those are theoretical studies. Have you ever seen housing listed for under \$50,000 in Bernards Township?

Α I will argue with you very strenuously when you say they are theoretical. A tax assessor's records, which include all of the assessable property in the township, are not

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theoretical. They are probably the best picture or profile of the price of housing in this township, because they represent everything.

Do you think your house is assessed at what you could sell it for?

A I think if houses of the type that I live in collectively were placed on the market, that they collectively would bring a price very close to the adjusted assessed value. Remember, there is an equalization ratio which is developed by each year. It takes the assessed value on the books, and in our case the reassessment took place in 1972, which takes that assessed value on the books and up in terms of what the actual arm's length transactions have been. Now, if you use that factor, I believe you will come very close to the true market value of the houses.

Remember now, if you go by sales, you are not dealing necessarily with a representative sample. I think that intuitively, and if you are at all close to the movement of people in the township, you will find that the higher price the ones that turn over more. Also, if you look at realistate ads, you are going to get an inflated view of housing costs. People settle for something less than they advertise for.

Q But in the meantime, there are large quantities of the population making between \$8,000 and \$30,000, and they

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have housing needs. I am asking you if you think those people can typically find housing in Bernards Township.

There are certainly many people who cannot afford to live in Bernards Township, and I suspect that there are many people who could not afford to buy in any township, at least this is what the press usually states, and what the general qualitative statements of matters are.

Q Do you know if your policemen and school teachers live in Bernards Township?

A I have made no personal survey of the residences of the township people. I don't think there is point in belaboring the subject. I think it is hard to buy housing in Bernards as it is hard to buy housing anywhere, and if you want to look at the tax assessment records and demonstrate that the assessed values with equalization factors applied in Bernards Township are higher than in Manville say, you will probably find that could be the case. I am not denying the average housing price in Bernards is higher than some of the more urban areas.

What does a policeman in Bernards Township make?

Do you recall what the starting salary for a policeman is?

A Well, we just changed it. We just had a contract approval. It is in the neighborhood of nine or ten.

Q What does the starting schoolteacher in Bernards
Township make?

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I'm not sure. Somewhere in the high part of the A first decade.

Do you, as a member of the Planning Board and the coverning body, feel that it would be desirable or that you have any obligation to undertake land use policies which would allow those people who protect your streets and those people who teach your children to live in the town?

> I object to the question because MR. ENGLISH: there has been no showing that those people do not live in the township at the present time, or that the policemen and teachers are not reca existing inhabitants of Bernards Towns

You can answer the guestion, Mr. Allen. Q

The PRN legislation was a step which this township A took as a result of its recognition of a need for a greater variety of housing. Now, thus far, no builder has availed himself of the PRN option, but it was a step which the township took in recognition of the need for a different kind of housing.

If sewers and water were available on the Allanperty, what would you consider to be the appropriate zoning for that property?

> MR. ENGLISH: I object to that question because the sewers and water are not available, and the Somerset County master plan proposes that they not

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be made available for the foreseeable future, which I think is defined as being to the end of this century.

You can answer the question, Mr. Allen.

MR. ENGLISH: Also, you say if sewers and water are available. I think that question cannot rationally be answered without attention being given to where the sewerage effluent is to be disposed of, that the present studies of the New Jersey rivers pursuant to the Federal Water Pollution Control Act Amendments of 1932 indicate that the capacity of the strevicinity of Bernards Township, or that are accessible to it, to absorb additional quantities of sewerage effluent, is nonexistent, and that there may have to be in effect a freeze, or a virtual freeze, on additional population in this area.

MR. HILL: Mr. English, I don't appreciate your feeding the witness an answer by way of an objection, and you have had a lot of discovery, and you have objected to my making those kinds of statements, and if that is the way you want to play it, I will in future discovery object and tell the witness what I think the answer should be, and we can conduct discovery in that fashion. But, I

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don't think that that is a proper kind of objection, and I think you know it.

MR. ENGLISH: Mr. Hill, you misconceive my purpose, and I do not accept your characterization of my objection. I am trying to state on the record grounds why I think the question is an absolutely ridiculous one and totally unrealistic.

MR. HILL: Mr. Allen is as intelligent and able as any member of the governing body, I'm sure, and I think he can answer the questions without any help.

- Q Will you try to answer the question,
- A Would you restate it.
- Q If sewers and water were available on the AllanDeane property, what would you consider to be the appropriate
 zoning for that property?

I don't think that I can answer that question

is an integrated—a plan should be an integrated plan with

the premise that you have supplied. Planning
is an integrated—a plan should be an integrated plan with

the premise more considerations than just water and sewerage.

The premise more considerations than just water and sewerage.

The premise more considerations than just water and sewerage.

The premise that I can envision which would depart radically from the master plan that we now have, that that area of the township should be low density, and I don't believe that the factors of water and sewerage are the only controlling factors. They have an influence, certainly, but

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I don't think it is proper to hypothesize on the proper density as a result of two specific factors that are changed from our present plan. In toto, I think the zoning that we proposed in our master plan, which suggests a higher concentration around the existing village, and a lower concentration in the outlying part of the township, is appropriate zoning, and appropriate for many reasons.

Q Have you seen any on-site soil studies of the Allan-Deane property?

A I have been present while such studies have been referred to. They are referred to in our master along again, each of us has our own specialty, and I have delved into the real meaning of these studies or the authenticity of them, or whatever.

Q Do you know what geological conditions were observed?

A In layman's qualitative terms, the recollection I have is that that general area of the township, and I am not now going to be specific with regard to Allan-Deane's holdings, but that general area of the township, on both sides of 78,

The helding capacity for water, which dictates two considerations, as I understand it: Number one, that it won't absorb water very well from the viewpoint of septics, and secondly, it won't produce water very well from the viewpoint of wells, and taken together, this dictates rather low

density if public sewers and water are not available.

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Might it not dictate that the land should not be at all if the land can't absorb effluent by way of

absorption capacity of the soil were so limited that you

could not have any septics on it. I have never heard any

testimony to that effect. It seems to me that almost any

It is not like putting it on barren rock. It is just the

So, I think your question was wouldn't

reason to put sewers in the area, or to allow developers to

that there should be no development, and I have never

amount of absorption that we are talking about.

evidence to support that restrictive a proposal.

real world soil condition will absorb some septic effluent.

I think it would have to be established that the

If there are septic limitations, isn't that a good

If one has septic limitations, and one has other

mptic systems? 5

bring sewers in?

question.

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motivations for development, and these septic limitations ccompanied by other kinds of limitations, then you I guess theoretically, fine, let's overcome the septics by virtue of sewers, but again, that is a hypothetical question and not necessarily applicable to the land in

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Q In the Lorent suit, your attorney stipulated that

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Bernards was a developing community within the meaning of Mt. Laurel. Do you believe it to be such?

I personally believe, from the language in Justice in the decision, that we have a developing municipality, and this government has so conceded.

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MR. HILL: I have no further questions.

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MR. ENGLISH: I have no questions.

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CERTIFICATE

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I, HENRY E. MC GRORRY, JR., a Notary Public and Certified Shorthand Reporter of the State of New Jersey, do

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hereby certify that the named witness was first

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sworn and that the foregoing transcript of deposit

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true record of the proceedings and testimony as taken by and

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before me at the offices of the Municipal Building, Basking

Ridge, New Jersey, on Thursday, July 22, 1976.

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McGrorry, Jr.

Notary Public and Certified Shorthand Reporter of New Jersey



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