

RULS-AD-1981-340

11/8/81

Letter of intention to form a Limited Dividend Corp.
called Bedminster Community Village.

Pgs-30

theHuls

DEVELOPMENT COMPANY
3 BURNT MILL ROAD
PO BOX 500
PLUCKEMIN, NJ 07978
(201) 234-1377

November 3, 1981

Mr. Bruce G. Coe, Executive Director
New Jersey Housing Finance Agency
3625 Quakerbridge Road
Trenton, New Jersey 08619

Dear Mr. Coe:

In accordance with the recent communication between your office and members of Richard B. Reading Associates, we are pleased to formally submit herewith (in triplicate) the completed Site Inspection Request Form (NJHFA-S.I.R., Rev. 10/80) in connection with our application for mortgage financing and rental assistance under Section 8 of the U.S. Housing and Community Development Act of 1974.

As requested, this letter shall confirm the interest of the sponsor in obtaining available assistance under Section 8, and represents our intention to form a Limited Dividend Corporation to be known as Bedminster Community Village for the purposes of obtaining the aforesaid subsidy funds, for the development, administration and operation of the proposed 154 subsidized housing units on the property owned by the sponsor in Bedminster Township. The Limited Dividend Corporation shall be duly formed and incorporated upon receipt of a letter of conditional site approval from the New Jersey Housing Finance Agency.

Your continued cooperation and assistance in this matter will be sincerely appreciated.

Very truly yours,

John H. Kerwin
President

RULS - AD - 1981 - 340

EXHIBIT I

BEDMINSTER COMMUNITY VILLAGE: PROJECT DESCRIPTION, HISTORY AND MARKET POTENTIAL

The following narrative is provided in response to paragraph 20 of the Site Inspection Request Form (NJHFA-S.I.R., Rev. 10/80) of the New Jersey Housing Finance Agency. The purpose of this narrative is to furnish a discussion of the background and overall development concept of The Hills Development Company for its properties in Bedminster and Bernards Township with specific emphasis upon the subsidized housing units planned within the Pluckemin Plain portion of the Bedminster section of the development. Although this application for Section 8 subsidy funds through the New Jersey Housing Finance Agency involves 154 housing units, these subsidized housing units are an integral component of a larger overall development of nearly 3,000 housing units (2,996 units) on 1,532 acres of land in two Somerset County municipalities.

Site History and Zoning

The property upon which the subsidized housing units in Bedminster Community Village are proposed to be located is a portion of a larger tract of land purchased by Johns-Manville Properties Corporation in 1969. This tract of land, commonly referred to as the Allan-Deane Tract, consists of a total of 1,532 acres, of which 461 acres are situated in Bedminster Township with the remaining 1,071 acres of land located within Bernards Township. Following the purchase of the Allan-Deane Tract, Johns-Manville Properties Corporation and its subsidiary, The Allan-Deane Corporation, sought to have the acquired property rezoned to accommodate a denser and, consequently, more affordable form of residential development than that which was possible under the extremely large-lot zoning requirements of the Land Development Ordinance in both of the municipalities wherein the acquired property was situated.

The initial requests of the property owner for variances and rezoning to permit denser and more affordable housing on their property were unsuccessful and costly litigation spanning nearly a

decade ensued. The property owner's protracted and costly litigation in seeking relief from the exclusionary and cost-generative zoning regulations in Bedminster Township, aided by the Supreme Court's decisions in Mt. Laurel and Madison, was ultimately granted by a court order which invalidated Bedminster's Zoning Ordinance and required the Township to rezone under the auspices of a court-appointed master. Although appealed, the lower court's decision was not overturned. The invalidation of Bedminster's Zoning Ordinance by the court encouraged Bernards Township to reach an out-of-court settlement that was acceptable to the plaintiff for the portion of the acquired property in that municipality. The end result of these activities undertaken by the property owner has been the establishment of new zoning regulations affecting the owner's properties in both Bedminster and Bernards Townships and which, in the aggregate, permit the construction of nearly 3,000 housing units including a specific requirement for the provision of subsidized rental units and "least-cost" purchase units within the Pluckemin Plain area of Bedminster Township. This application for Section 8 subsidies through the New Jersey Housing Finance Agency represents the culmination of nearly ten years of determined efforts by the property owner to develop its property for a variety of housing units including housing units suitable for families with lower and moderate income levels. To the applicants knowledge, its plans for the development of the Allan-Deane Tract are one of the first tangible results of the Mt. Laurel and Madison decisions and represents the first time that subsidized and "least-cost" housing units would be provided within the confines of a larger planned unit development.

The Site Community

Although the overall development planned by The Hills Development Company includes portions of both Bernards and Bedminster Townships, it is the latter community (Bedminster Township) wherein the proposed subsidized housing units are to be located which is of principal concern to this Site Inspection Request. Bedminster Township, a sprawling rural-suburban community in the

northern (Somerset Hills) section of Somerset County, contains a land area of 26.7 square miles and a 1980 Census population of 2,469 persons in 884 occupied households. Bedminster's residential density (population per square mile) of 92 persons per square mile is substantially below the Somerset County and New Jersey averages of 665 persons per square mile and 995 persons per square mile, respectively. Even among the affluence of the surrounding communities in the Somerset Hills (Bernards Township, Bernardsville, Far Hills and Peapack-Gladstone), the wealth of the Township's population is noteworthy. The most recent (1977) per capita money income estimates prepared by the U.S. Census Bureau reports an average per capita income of \$13,570 in Bedminster Township, an income level not only above every other community in the County, but fourth among the 567 municipalities in New Jersey. Notwithstanding the affluence of Bedminster, its effective tax rate of \$1.50 per \$100 valuation in 1979 was the lowest in Somerset County and twenty-fourth from the lowest among all New Jersey municipalities.

Between 1970 and 1979, the level of covered employment in Bedminster increased from 347 jobs to 4,854 jobs, or by 1,399 percent. During the 1970's, the new jobs created in Bedminster accounted for 15.7 percent and 1.0 percent of the total job growth in the County and State, respectively. Despite this enormous growth of employment in Bedminster during the 1970's, and concomitant pressure for new housing, the Township's population actually declined from 2,597 in 1970 to 2,469 persons in 1980 with only 95 new housing units occupied in Bedminster during this entire decade.

The failure of housing growth to keep pace with employment growth in Bedminster during the 1970's cannot be attributed to a lack of demand or land availability, but has been highly influenced by local zoning policies which discouraged, and essentially prevented, all but the most expensive single-family homes on very large lots. These prior and restrictive zoning policies have been the subject of litigation since the early 1970's and only after a protracted legal battle in which Bedminster was ordered to rezone (under a court appointed master) have any improved housing opportunities

been provided. The Township's rezoning to comply with the edicts of Mt. Laurel and Madison includes subsidized rental housing units for persons with low incomes and "least-cost" purchase units for moderate income families. The zoning revisions which have been enacted by Bedminster Township that permit (and actually require) the provision of subsidized and least-cost housing units suitable for families with lower and moderate incomes have been extended to the portion of the owner's property in Bedminster Township which is located in the Pluckemin Plain. The subsidized/least-cost zoning provisions embodied within the Planned Unit Development Option specify that 20 percent of the 1,287 total housing units to be constructed by The Hills Development Company in the Pluckemin Plain, or 257 housing units, be committed to subsidized/least-cost housing units.

Project Description

The Allan-Deane Tract, as previously noted, lies within two municipalities and is covered by a total of four zoning areas (two in each municipality). The Bernards Township portion of the Tract consists of two zones divided essentially along the existing drainage basin demarcation (Raritan Basin and Passaic Basin). The zoning in the Bernards Township portion of the Tract permits a total of 1,275 housing units consisting primarily of single-family detached homes on varying sized lots, as well as cluster development townhouses and small commercial area.

The portion of the owner's property in Bedminster Township consists of two zoning areas commonly referred to as A) Pluckemin Plain and; B) Schley Mountain. Of the 1,721 housing units contemplated for the Bedminster portion of the Tract, approximately 75 percent (1,287 units) are proposed in the Pluckemin Plain. The Pluckemin Plain, which permits the densest residential development and which is the location of the 154 subsidized housing units, includes 160.9 acres of land located in the northeast quadrant formed by the intersections of U.S. Routes 202-206 and Washington Valley Road. In terms of the overall development planned, it is

the Bedminster Township section and, particularly, the Pluckemin Plain portion thereof, that is of greatest significance of the 154 subsidized rental units. The Hills Development Company has filed its preliminary plat and conceptual plans under the Planned Unit Development option permitted by Bedminster Township's new Zoning Ordinance. As can be seen in Table 1, the Planned Unit Development will contain a variety of housing types and configurations at densities ranging from 7.5 to 38.0 dwelling units per acre. The 257 subsidized and "least-cost" housing units, consisting of 131 senior citizen units and 126 family units are an integral part of this plan and, indeed, required by Bedminster's Land Development Ordinance.

To implement its plans for the development of the Pluckemin Plain to include the provision of 154 subsidized rental housing units, The Hills Development Company intends to form a Limited Dividend Corporation to construct and operate the subsidized rental units. This corporation, to be known as Bedminster Community Village, Inc., is the Sponsor for the submission of this proposal to NJHFA requesting its consideration of mortgage financing for the 154 units including special rental assistance under Section 8 of the U.S. Housing and Community Development Act of 1974. As requested, the interest of the sponsor in obtaining available assistance under Section 8 is confirmed in the accompanying letter of transmittal.

Bedminster Community Village

Bedminster Community Village represents the subsidized element of the Planned Unit Development situated within the Pluckemin Plain portion of the owner's property in Bedminster Township. Situated on approximately ten acres of land in the high-density section of the P.U.D. site and in closest proximity to transportation facilities on Routes 202-206, closest to the existing commercial facilities in the Village of Pluckemin (unincorporated) and nearest the commercial area planned within The Hills at Bedminster, Bedminster Community Village will contain 154 subsidized rental housing units. Of the total of 154 units for which housing subsidies are

TABLE 1

THE HILLS AT BEDMINSTER
PLUCKEMIN PLAIN PLANNED UNIT DEVELOPMENT

<u>Type of Unit</u>	<u>Density</u>	<u>No. of Units</u>	<u>Bedrooms Per Unit</u>	<u>No. of Bedrooms</u>
<u>Subsidized/Least Cost</u>	28DU/AC	257	1.56	401
<u>Subsidized</u>	33DU/AC	154	1.33	205
Senior Citizen	38DU/AC	131	1.00	131
Family Units	20DU/AC	18	3.00	54
Family Units	20DU/AC	5	4.00	20
<u>Least Cost</u>	20DU/AC	103	1.90	196
Family Units	20DU/AC	41	1.00	41
Family Units	20DU/AC	41	2.00	82
Family Units	20DU/AC	11	3.00	33
Family Units	20DU/AC	10	4.00	40
<u>Market Units</u>	11DU/AC	1,030	2.62	2,703
<u>High Density</u>	20DU/AC	389	2.25	875
Condominium	20DU/AC	292	2.00	584
Condominium	20DU/AC	97	3.00	291
<u>Medium Density</u>	9.5DU/AC	399	2.76	1,102
Townhouse	9.5DU/AC	95	2.00	190
Townhouse	9.5DU/AC	304	3.00	912
<u>Lower Density</u>	7.5DU/AC	242	3.00	726
Townhouse	7.5DU/AC	242	3.00	726
TOTALS/AVERAGE		1,287	2.41	3,104

sought, 131 units will be provided in mid-rise elevator structures with special design considerations for senior citizens and handicapped persons. These units, which are of one-bedroom configuration, shall comply with all construction and design requirements for such units established by H.U.D. and N.J.H.F.A.

In addition to these mid-rise units, an additional 23 housing units of larger bedroom configurations shall be provided to accommodate larger families. These additional units, which consist of 18 three-bedroom units and 5 four-bedroom units, shall be located in two-story walk-up structures. The walk-up units shall also comply with all spatial, design and construction requirements established for such housing by H.U.D. and N.J.H.F.A.

Bedminster Community Village is an integral component of a larger Planned Unit Development with substantial areas devoted to passive open-space and active recreational areas. Residents of Bedminster Community Village will be members of, and afforded rights to all such common, open-space, passive and recreational areas under the terms of the Master Association of Condominium Owners as set forth by the Pluckemin Plain Association, Inc. The residents of Bedminster Community Village shall also be members of a separate Tenants Association organized to address the specific needs and management of their rental units. As a result of rights-in-common to all open-space on recreational facilities, the residents of Bedminster Community Village will be afforded a much greater range of leisure opportunities than would be typically available to residents in subsidized housing projects.

Preliminary calculations and analysis of the income and expenses itemized in Form 10 indicate that the 154 subsidized housing units would be feasible with an aggregate rent role based upon the currently allowable Fair Market Rents applicable to Bedminster Township. Furthermore, due to the exceptionally low effective tax rate of approximately \$1.50 per \$100 valuation, a Tax Abatement would be required from Bedminster Township.

Market Potential

The Sponsor believes that this project has one of the strongest market potentials of any location in New Jersey. This optimism is confirmed by two independent market studies--one by the well-known Center for Urban Policy Research at Rutgers University, and the other by a California based research firm engaged by the sponsor. The Rutgers study refers dramatically to Somerset County as being within "New Jersey's Sunbelt". The following quotation is typical:

"Within the state, it is the older urban industrial areas, dedicated to an earlier economic era, which are experiencing declining job bases. Conversely, it is the counties at the outer metropolitan fringe--territories bordering Interstate 287--which are the focal points of economic vigor and which merit the title of 'New Jersey's Sunbelt'.

1. Middlesex, Morris and Somerset Counties, sitting astride the major circumferential freeway of the New York metropolitan region, are rapidly forming an economic nexus replicating on a statewide scale that of the national sunbelt.
2. This new band of growth stands in contrast to the older urbanized core of Essex, Hudson and Union Counties, which is undergoing a long term process of economic contraction.
3. The changes evidenced over the 1972 to 1977 period document the disparate patterns of growth and decline

<u>Area</u>	<u>Total Employment Change</u>
New Jersey Sunbelt	15.2%
Middlesex County	11.6
Morris County	17.2
<u>Somerset County</u>	<u>23.2</u>
New Jersey Core	-5.5
Essex County	-6.0
Hudson County	-8.0
Union County	-2.2
UNITED STATES TOTAL	10.4

- a. New Jersey's Sunbelt counties have far exceeded the national growth rates in total employment. Indeed, Somerset County's job base was expanding at a pace almost two and one-half times that of the nation. (emphasis added)

The lack of any population growth or any significant housing growth in Bedminster during the 1970's is almost totally attributable to its prior exclusionary zoning policies which were contrary to the principals of Mt. Laurel and Madison. The following excerpt from the Rutgers report amply demonstrates this fact:

"To the degree that the primary growth trends of jobs and population are coordinated efficiently, they should within reasonable measure coexist in space, i.e., areas that attract new jobs should secure some equivalent proportion of new housing. To the degree that this does not occur, by very definition a gap opens between job location and residence place; the resulting dislocation in space beomes a dislocation in the personal lives and career opportunities of many people: the latter may well occur in New Jersey's Sunbelt.

1. Over the 1970 to 1978 period, the state's Sunbelt demonstrated the following population growth patterns.

<u>County</u>	<u>Population Change</u>	
	<u>Number</u>	<u>Percent</u>
Middlesex	7,300	1.3%
Morris	20,000	5.3%
Somerset	9,400	4.7%

2. This stands in market contrast to the payroll employment gains over the 1970 to 1977 period.

<u>County</u>	<u>Employment Change</u>	
	<u>Number</u>	<u>Percent</u>
Middlesex	37,002	17.0%
Morris	30,876	24.0%
Somerset	22,366	34.5%*

*Note: This percentage (34.5%) applies to 1970-1977 perior vs. 23.2% increase 1972-1977 period shown in previous table.

Consequently there is a major discontinuity within the Sunbelt between employment and population growth. While jobs in Somerset County expanded by 34.5 percent over seven years, its population growth was but 4.7 percent over eight years." (emphasis added)

Now that Bedminster has changed its zoning and passed an ordinance permitting the development of The Hills Development Company property, including subsidized/least-cost housing units, an important step will be taken toward remedying the imbalance between growth in employment and population. There can be no doubt that the planned development in Bedminster has a very strong market potential, even if its were based solely on its close location to two enormous AT&T's facilities. However, its close proximity to Route 287 intensifies its market potential due to the short travelling time between the planned development and other major industrial employers located only a few minutes drive away on Route 287 east toward Bridgewater and Piscataway Township, to the north along Route 287 in Morris County or westward along Route 78 toward the new Exxon facility in Hunterdon County.

Area-Wide Rent Structure

The rent structure varies with one's interpretation of "area-wide". In the narrowest sense, the Planned Unit Development in Bedminster could be construed to be an "area" unto itself, particularly in view of the absence of any comparable housing complex in the immediate surrounding area. There are new major rental unit projects in adjacent Pluckemin Village or elsewhere in Bedminster Township. The only rental units available in the Pluckemin area are single-family homes or portions thereof, with monthly rents ranging from \$600 to \$1,100 and up, with tenant typically paying for utilities and taxes in addition to the base rent.

The nearest rental units to the proposed site are situated to the south along Route 22 in Bridgewater Township and Somerville Borough. These apartments are typically located in older and smaller complexes and telephone surveys reveal a general lack of vacancies

in these complexes. The nearest rental units in a sizeable apartment complex that does report some available units as a result of normal turnover, is situated approximately 13 miles to the north on Route 206 in the Flanders section of Mt. Olive Township. In the Somerville area, monthly rents including utilities, of \$435 for one-bedroom units and \$535 for two-bedroom units are typical. To the north, the apartment complex in Flanders offers all-electric rental units with utilities paid by the tenant at the following monthly rental rates: one-bedroom, first floor--\$325; one-bedroom, second floor--\$330; two bedroom, first floor--\$400; two-bedroom, second floor--\$405. Certain units in this complex may also be rented with gas heat and water paid by the landlord at the following monthly rates: one-bedroom, first floor--\$385; one-bedroom, second floor--\$390; two bedroom, first floor--\$470; two-bedroom second floor--\$475.

Project Proximity to Other HUD-Related Housing Projects

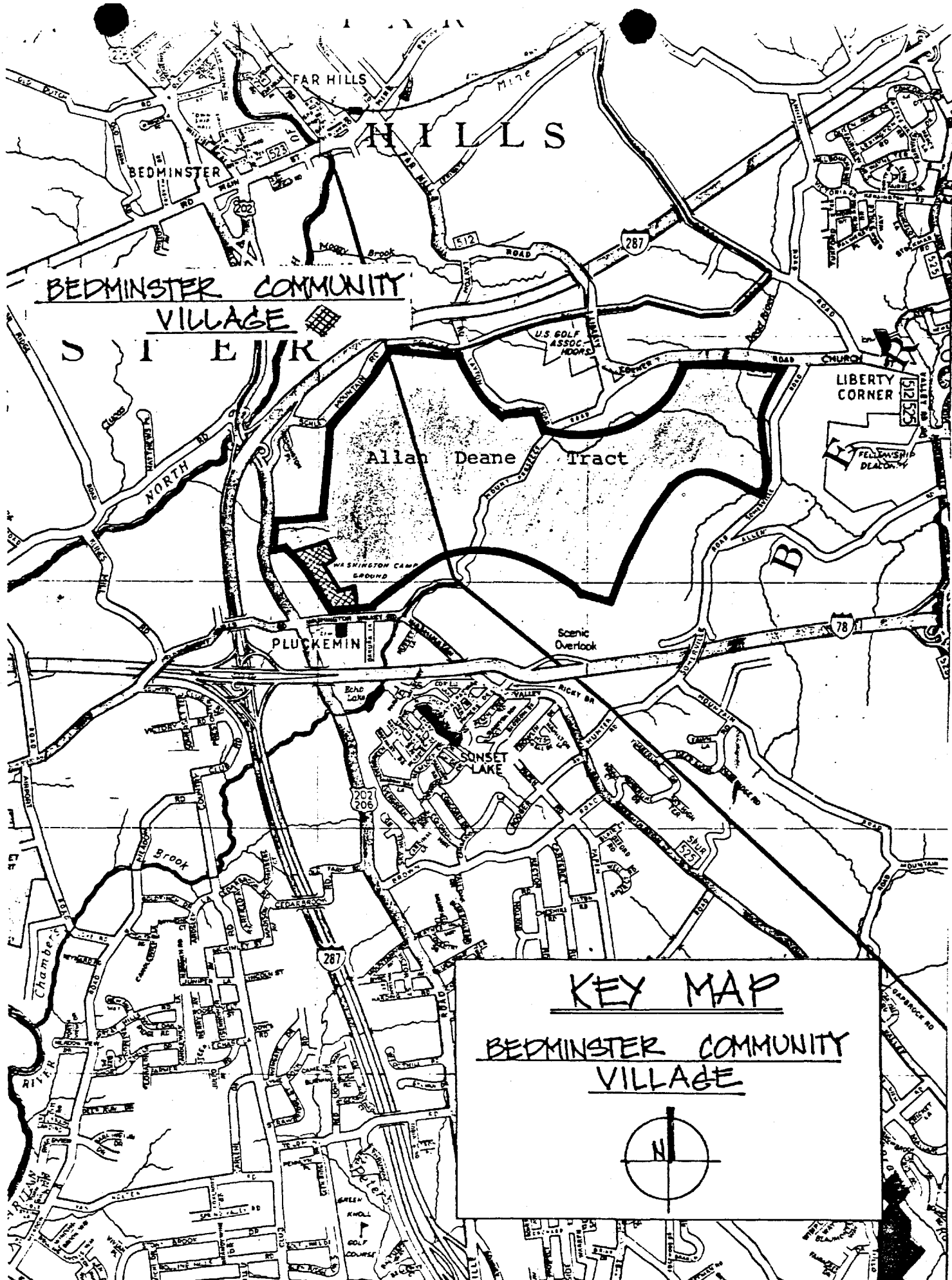
Subsidized rental-housing units exist to the east in Bernards Township (senior citizens) and to the south in the Borough of Somerville. The type of subsidy, number of units, rent levels and other details pertinent to these subsidized rental units as well as information concerning other subsidized rental housing units in Somerset County, although requested under the Freedom of Information Act by letter dated September 14, 1981, has not yet been received from H.U.D.

A New Concept and Opportunity

The Sponsor is well aware that H.U.D. and N.J.H.F.A. financed and assisted housing projects have typically been situated in highly urbanized, inner-city locations and that the "Criteria for Project Selection" has, in the past, been oriented to such type of locations. It is respectfully urged that N.J.H.F.A. review and consider this application from a new perspective of housing opportunity consistent with edicts of Mt. Laurel and Madison and Executive Order Number 35.

In this particular instance, the property owner has labored assiduously to obtain the zoning which will permit the type of housing units proposed herein and through years of perserverance has finally prevailed over the efforts of Bedminster to prevent the provision of a full range of housing opportunities including those available for lower-and moderate-income families. It would be extremely unfortunate if these efforts and the housing opportunities which they would provide shall be for nought.

It is hoped that N.J.H.F.A. will join with the Sponsor in this landmark development, as in the absence of subsidy funds from N.J.H.F.A. and/or H.U.D., it would be impossible to provide housing suitable to the long-neglected, lowest income segments of population in the Somerset Hills.



FAR HILLS
HILLS

BEDMINSTER COMMUNITY
VILLAGE

S I E R

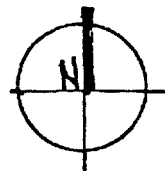
Allan Deane Tract

PLUCKEMIN

Scenic Overlook

KEY MAP

BEDMINSTER COMMUNITY
VILLAGE



11/3/81

BRENER, WALLACK & HILL

2-4 CHAMBERS STREET
PRINCETON, NEW JERSEY 08540
(609) 924-0808
ATTORNEYS FOR **Plaintiff**

Plaintiff

THE ALLAN-DEANE CORPORATION, et al.

vs.

Defendant

THE TOWNSHIP OF BEDMINSTER, et al.

STATE OF NEW JERSEY)
) ss.
COUNTY OF MERCER)

SUPERIOR COURT OF
NEW JERSEY
LAW DIVISION
SOMERSET COUNTY

L-36896-70 P.W.
Docket No. L-28061-71 P.W.
Consol.-L-321017-71

CIVIL ACTION
AFFIDAVIT

Richard B. Reading, of full age having been duly sworn according to law, upon his oath deposes and says:

1. I am the president of a consulting firm specializing in economic, financial and market research and have been retained by The Hills Development Company (successor in interest to the Allan-Deane Corporation) as a project planner for the purpose of submitting and processing housing subsidy applications.

2. I have met extensively with The Hills Development Company staff for the purpose of choosing an appropriately located site for subsidized housing within The Hills Development Company property in Bedminster Township.

3. Pursuant to the request of The Hills Development Company, I met twice with the staff of the New Jersey Housing Finance Agency (N.J.H.F.A.) in Trenton, New Jersey and a member of my staff met with the United States Department of Housing and Urban Development (U.S.H.U.D.) in Newark, New Jersey in order to ascertain the categories and availability of federal and state housing funds, as well as the most expeditious manner to submit subsidy applications.

4. As a result of my review of the regulations of the New Jersey Housing Finance Agency and the U.S. Department of Housing and Urban Development, and meetings with the staff of both agencies, I determined that Hills Development Company should submit an application for Section Eight Rental Assistance Program Funding for the following reasons:

- a. Of the approximately twenty different N.J.H.F.A. and U.S.H.U.D. funding programs available, only Section Eight Rental Assistance provides housing for the lowest income groups;
- b. The maximum amount of subsidy funds are available through the Section Eight program.

5. Hills Development Company has applied for funding through the N.J.H.F.A. because quicker processing of subsidy applications occurs through N.J.H.F.A., more Section Eight program funds are available through N.J.H.F.A. than through U.S.H.U.D. and because N.J.H.F.A. is not committed

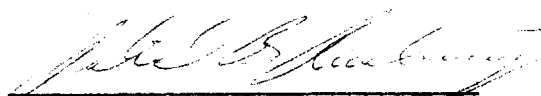
to a geographical distribution of funds and instead approves applications based on their relative merit.

6. The site inspection request form a copy of which is attached, which is the application form required for Step One of Phase One was submitted to the N.J.H.F.A. on November 4, 1981. The applicant, Hills Development Company, has experienced a number of unusual preapplication problems which have delayed submission of the application to this date. These preapplication problems include:

- a. The fact that this is the first planned unit development in New Jersey which has attempted to integrate subsidized housing with housing which is selling at regular market rates has created problems with respect to the overlapping jurisdictions of N.J.H.F.A. and the Department of Community Affairs both of which purport to regulate charges to residents through the homeowners associations;
- b. Because of the size of the planned unit development proposed, conceptual approval of the entire development had to be obtained from the Bedminster Township Planning Board prior to any commitments for the subsidized component of the development;
- c. Approval for construction of the sewage treatment plant to serve the planned unit development had to be obtained from the New Jersey Department of Environmental Protection and the Bedminster Township Planning Board prior to any further commitments for development of the subsidized units.

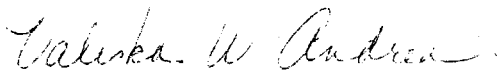
7. I have been instructed by The Hills Development Company to pursue Section Eight funding or any other subsidy funding which is available and to prepare all applications and expedite the processing of these applications so that a commitment for subsidy funds may be obtained at the earliest date possible.

8. In my opinion Hills Development Company is proceeding expeditiously under the circumstances, in attempting to obtain subsidies for a portion of its project.


Richard B. Reading

Dated: November 3, 1981

Sworn to and subscribed before me
this 7th day of November,
1981.



VALESKA W. ANDREN
A Notary Public of New Jersey
My Commission Expires July 28, 1985

NEW JERSEY HOUSING FINANCE AGENCY
SITE INSPECTION REQUEST FORM
Sheet #2

19 Market Analysis Not Applicable

(use additional sheets if needed and attach)

Use the Below for Additional Information
to the Questions on Sheet #1

20 - Information in response to the questions raised in
Paragraph 20 is provided in the form of a narrative in Exhibit 1,
attached.

#

#

Bedminster Community Village
PROJECT NAME

NJHEA NUMBER

SIGNATURE OF REPRESENTATIVE

RESOLUTION

WHEREAS, the Township of Bedminster in the County of Somerset has been directed by the Superior Court of New Jersey to zone for moderate income housing projects within its borders, and

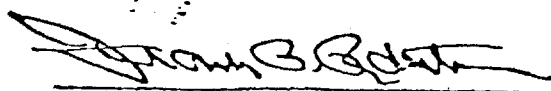
WHEREAS, pursuant to the provisions of the New Jersey Housing Finance Agency Law of 1967 (Chapter 81, Laws of 1967), wherein it states that "No application for a loan for the construction or rehabilitation of a housing project to be located in any municipality shall be processed unless there is already filed with the Secretary of the Agency a certified copy of a resolution adopted by said municipality reciting that there is need for moderate income housing in said municipality",

NOW, THEREFORE, BE IT RESOLVED by the Township Committee of the Township of Bedminster, in the County of Somerset, that they find and certify that there is a need for moderate income housing projects in the Township of Bedminster, in the County of Somerset.

The Township Clerk be and he hereby is authorized and directed to file a certified copy of this resolution with the with the Secretary of the New Jersey Housing Finance Agency.

CERTIFICATION

I, Frank P. Robertson, Clerk of the Township of Bedminster in the County of Somerset, New Jersey, do hereby certify the foregoing to be a true and correct copy of a resolution adopted by the Township Committee of the Township of Bedminster at a regular meeting of said Township Committee held on Monday, May 4, 1981.



Frank P. Robertson

Township Clerk

northern (Somerset Hills) section of Somerset County, contains a land area of 26.7 square miles and a 1980 Census population of 2,469 persons in 884 occupied households. Bedminster's residential density (population per square mile) of 92 persons per square mile is substantially below the Somerset County and New Jersey averages of 665 persons per square mile and 995 persons per square mile, respectively. Even among the affluence of the surrounding communities in the Somerset Hills (Bernards Township, Bernardsville, Far Hills and Peapack-Gladstone), the wealth of the Township's population is noteworthy. The most recent (1977) per capita money income estimates prepared by the U.S. Census Bureau reports an average per capita income of \$13,570 in Bedminster Township, an income level not only above every other community in the County, but fourth among the 567 municipalities in New Jersey. Notwithstanding the affluence of Bedminster, its effective tax rate of \$1.50 per \$100 valuation in 1979 was the lowest in Somerset County and twenty-fourth from the lowest among all New Jersey municipalities.

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Project Description

The Allan-Deane Tract, as previously noted, lies within two municipalities and is covered by a total of four zoning areas (two in each municipality). The Bernards Township portion of the Tract consists of two zones divided essentially along the existing drainage basin demarcation (Raritan Basin and Passaic Basin). The zoning in the Bernards Township portion of the Tract permits a total of 1,275 housing units consisting primarily of single-family detached homes on varying sized lots, as well as cluster development townhouses and small commercial area.

The portion of the owner's property in Bedminster Township consists of two zoning areas commonly referred to as A) Pluckemin Plain and; B) Schley Mountain. Of the 1,721 housing units contemplated for the Bedminster portion of the Tract, approximately 75 percent (1,287 units) are proposed in the Pluckemin Plain. The Pluckemin Plain, which permits the densest residential development and which is the location of the 154 subsidized housing units, includes 160.9 acres of land located in the northeast quadrant formed by the intersections of U.S. Routes 202-206 and Washington Valley Road. In terms of the overall development planned, it is

the Bedminster Township section and, particularly, the Pluckemin Plain portion thereof, that is of greatest significance of the 154 subsidized rental units. The Hills Development Company has filed its preliminary plat and conceptual plans under the Planned Unit Development option permitted by Bedminster Township's new Zoning Ordinance. As can be seen in Table 1, the Planned Unit Development will contain a variety of housing types and configurations at densities ranging from 7.5 to 38.0 dwelling units per acre. The 257 subsidized and "least-cost" housing units, consisting of 131 senior citizen units and 126 family units are an integral part of this plan and, indeed, required by Bedminster's Land Development Ordinance.

To implement its plans for the development of the Pluckemin Plain to include the provision of 154 subsidized rental housing units, The Hills Development Company intends to form a Limited Dividend Corporation to construct and operate the subsidized rental units. This corporation, to be known as Bedminster Community Village, Inc., is the Sponsor for the submission of this proposal to NJHFA requesting its consideration of mortgage financing for the 154 units including special rental assistance under Section 8 of the U.S. Housing and Community Development Act of 1974. As requested, the interest of the sponsor in obtaining available assistance under Section 8 is confirmed in the accompanying letter of transmittal.

Bedminster Community Village

Bedminster Community Village represents the subsidized element of the Planned Unit Development situated within the Pluckemin Plain portion of the owner's property in Bedminster Township. Situated on approximately ten acres of land in the high-density section of the P.U.D. site and in closest proximity to transportation facilities on Routes 202-206, closest to the existing commercial facilities in the Village of Pluckemin (unincorporated) and nearest the commercial area planned within The Hills at Bedminster, Bedminster Community Village will contain 154 subsidized rental housing units. Of the total of 154 units for which housing subsidies are

TABLE 1

THE HILLS AT BEDMINSTER
PLUCKEMIN PLAIN PLANNED UNIT DEVELOPMENT

<u>Type of Unit</u>	<u>Density</u>	<u>No. of Units</u>	<u>Bedrooms Per Unit</u>	<u>No. of Bedrooms</u>
<u>Subsidized/Least Cost</u>	28DU/AC	257	1.56	401
<u>Subsidized</u>	33DU/AC	154	1.33	205
Senior Citizen	38DU/AC	131	1.00	131
Family Units	20DU/AC	18	3.00	54
Family Units	20DU/AC	5	4.00	20
<u>Least Cost</u>	20DU/AC	103	1.90	196
Family Units	20DU/AC	41	1.00	41
Family Units	20DU/AC	41	2.00	82
Family Units	20DU/AC	11	3.00	33
Family Units	20DU/AC	10	4.00	40
<u>Market Units</u>	11DU/AC	1,030	2.62	2,703
<u>High Density</u>	20DU/AC	389	2.25	875
Condominium	20DU/AC	292	2.00	584
Condominium	20DU/AC	97	3.00	291
<u>Medium Density</u>	9.5DU/AC	399	2.76	1,102
Townhouse	9.5DU/AC	95	2.00	190
Townhouse	9.5DU/AC	304	3.00	912
<u>Lower Density</u>	7.5DU/AC	242	3.00	726
Townhouse	7.5DU/AC	242	3.00	726
<u>TOTALS/AVERAGE</u>		1,287	2.41	3,104

sought, 131 units will be provided in mid-rise elevator structures with special design considerations for senior citizens and handicapped persons. These units, which are of one-bedroom configuration, shall comply with all construction and design requirements for such units established by H.U.D. and N.J.H.F.A.

In addition to these mid-rise units, an additional 23 housing units of larger bedroom configurations shall be provided to accommodate larger families. These additional units, which consist of 18 three-bedroom units and 5 four-bedroom units, shall be located in two-story walk-up structures. The walk-up units shall also comply with all spatial, design and construction requirements established for such housing by H.U.D. and N.J.H.F.A.

Bedminster Community Village is an integral component of a larger Planned Unit Development with substantial areas devoted to passive open-space and active recreational areas. Residents of Bedminster Community Village will be members of, and afforded rights to all such common, open-space, passive and recreational areas under the terms of the Master Association of Condominium Owners as set forth by the Pluckemin Plain Association, Inc. The residents of Bedminster Community Village shall also be members of a separate Tenants Association organized to address the specific needs and management of their rental units. As a result of rights-in-common to all open-space on recreational facilities, the residents of Bedminster Community Village will be afforded a much greater range of leisure opportunities than would be typically available to residents in subsidized housing projects.

Preliminary calculations and analysis of the income and expenses itemized in Form 10 indicate that the 154 subsidized housing units would be feasible with an aggregate rent role based upon the currently allowable Fair Market Rents applicable to Bedminster Township. Furthermore, due to the exceptionally low effective tax rate of approximately \$1.50 per \$100 valuation, a Tax Abatement would be required from Bedminster Township.

Market Potential

The Sponsor believes that this project has one of the strongest market potentials of any location in New Jersey. This optimism is confirmed by two independent market studies--one by the well-known Center for Urban Policy Research at Rutgers University, and the other by a California based research firm engaged by the sponsor. The Rutgers study refers dramatically to Somerset County as being within "New Jersey's Sunbelt". The following quotation is typical:

"Within the state, it is the older urban industrial areas, dedicated to an earlier economic era, which are experiencing declining job bases. Conversely, it is the counties at the outer metropolitan fringe--territories bordering Interstate 287--which are the focal points of economic vigor and which merit the title of 'New Jersey's Sunbelt'.

1. Middlesex, Morris and Somerset Counties, sitting astride the major circumferential freeway of the New York metropolitan region, are rapidly forming an economic nexus replicating on a statewide scale that of the national sunbelt.
2. This new band of growth stands in contrast to the older urbanized core of Essex, Hudson and Union Counties, which is undergoing a long term process of economic contraction.
3. The changes evidenced over the 1972 to 1977 period document the disparate patterns of growth and decline

<u>Area</u>	<u>Total Employment Change</u>
New Jersey Sunbelt	15.2%
Middlesex County	11.6
Morris County	17.2
<u>Somerset County</u>	<u>23.2</u>
New Jersey Core	-5.5
Essex County	-6.0
Hudson County	-8.0
Union County	-2.2
UNITED STATES TOTAL	10.4

- a. New Jersey's Sunbelt counties have far exceeded the national growth rates in total employment. Indeed, Somerset County's job base was expanding at a pace almost two and one-half times that of the nation. (emphasis added)

The lack of any population growth or any significant housing growth in Bedminster during the 1970's is almost totally attributable to its prior exclusionary zoning policies which were contrary to the principals of Mt. Laurel and Madison. The following excerpt from the Rutgers report amply demonstrates this fact:

"To the degree that the primary growth trends of jobs and population are coordinated efficiently, they should within reasonable measure coexist in space, i.e., areas that attract new jobs should secure some equivalent proportion of new housing. To the degree that this does not occur, by very definition a gap opens between job location and residence place; the resulting dislocation in space beomes a dislocation in the personal lives and career opportunities of many people: the latter may well occur in New Jersey's Sunbelt.

1. Over the 1970 to 1978 period, the state's Sunbelt demonstrated the following population growth patterns.

<u>County</u>	<u>Population Change</u>	
	<u>Number</u>	<u>Percent</u>
Middlesex	7,300	1.3%
Morris	20,000	5.3%
Somerset	9,400	4.7%

2. This stands in market contrast to the payroll employment gains over the 1970 to 1977 period.

<u>County</u>	<u>Employment Change</u>	
	<u>Number</u>	<u>Percent</u>
Middlesex	37,002	17.0%
Morris	30,876	24.0%
Somerset	22,366	34.5%*

*Note: This percentage (34.5%) applies to 1970-1977 perior vs. 23.2% increase 1972-1977 period shown in previous table.

Consequently there is a major discontinuity within the Sunbelt between employment and population growth. While jobs in Somerset County expanded by 34.5 percent over seven years, its population growth was but 4.7 percent over eight years." (emphasis added)

Now that Bedminster has changed its zoning and passed an ordinance permitting the development of The Hills Development Company property, including subsidized/least-cost housing units, an important step will be taken toward remedying the imbalance between growth in employment and population. There can be no doubt that the planned development in Bedminster has a very strong market potential, even if its were based solely on its close location to two enormous AT&T's facilities. However, its close proximity to Route 287 intensifies its market potential due to the short travelling time between the planned development and other major industrial employers located only a few minutes drive away on Route 287 east toward Bridgewater and Piscataway Township, to the north along Route 287 in Morris County or westward along Route 78 toward the new Exxon facility in Hunterdon County.

Area-Wide Rent Structure

The rent structure varies with one's interpretation of "area-wide". In the narrowest sense, the Planned Unit Development in Bedminster could be construed to be an "area" unto itself, particularly in view of the absence of any comparable housing complex in the immediate surrounding area. There are new major rental unit projects in adjacent Pluckemin Village or elsewhere in Bedminster Township. The only rental units available in the Pluckemin area are single-family homes or portions thereof, with monthly rents ranging from \$600 to \$1,100 and up, with tenant typically paying for utilities and taxes in addition to the base rent.

The nearest rental units to the proposed site are situated to the south along Route 22 in Bridgewater Township and Somerville Borough. These apartments are typically located in older and smaller complexes and telephone surveys reveal a general lack of vacancies

in these complexes. The nearest rental units in a sizeable apartment complex that does report some available units as a result of normal turnover, is situated approximately 13 miles to the north on Route 206 in the Flanders section of Mt. Olive Township. In the Somerville area, monthly rents including utilities, of \$435 for one-bedroom units and \$535 for two-bedroom units are typical. To the north, the apartment complex in Flanders offers all-electric rental units with utilities paid by the tenant at the following monthly rental rates: one-bedroom, first floor--\$325; one-bedroom, second floor--\$330; two bedroom, first floor--\$400; two-bedroom, second floor--\$405. Certain units in this complex may also be rented with gas heat and water paid by the landlord at the following monthly rates: one-bedroom, first floor--\$385; one-bedroom, second floor--\$390; two bedroom, first floor--\$470; two-bedroom second floor--\$475.

Project Proximity to Other HUD-Related Housing Projects

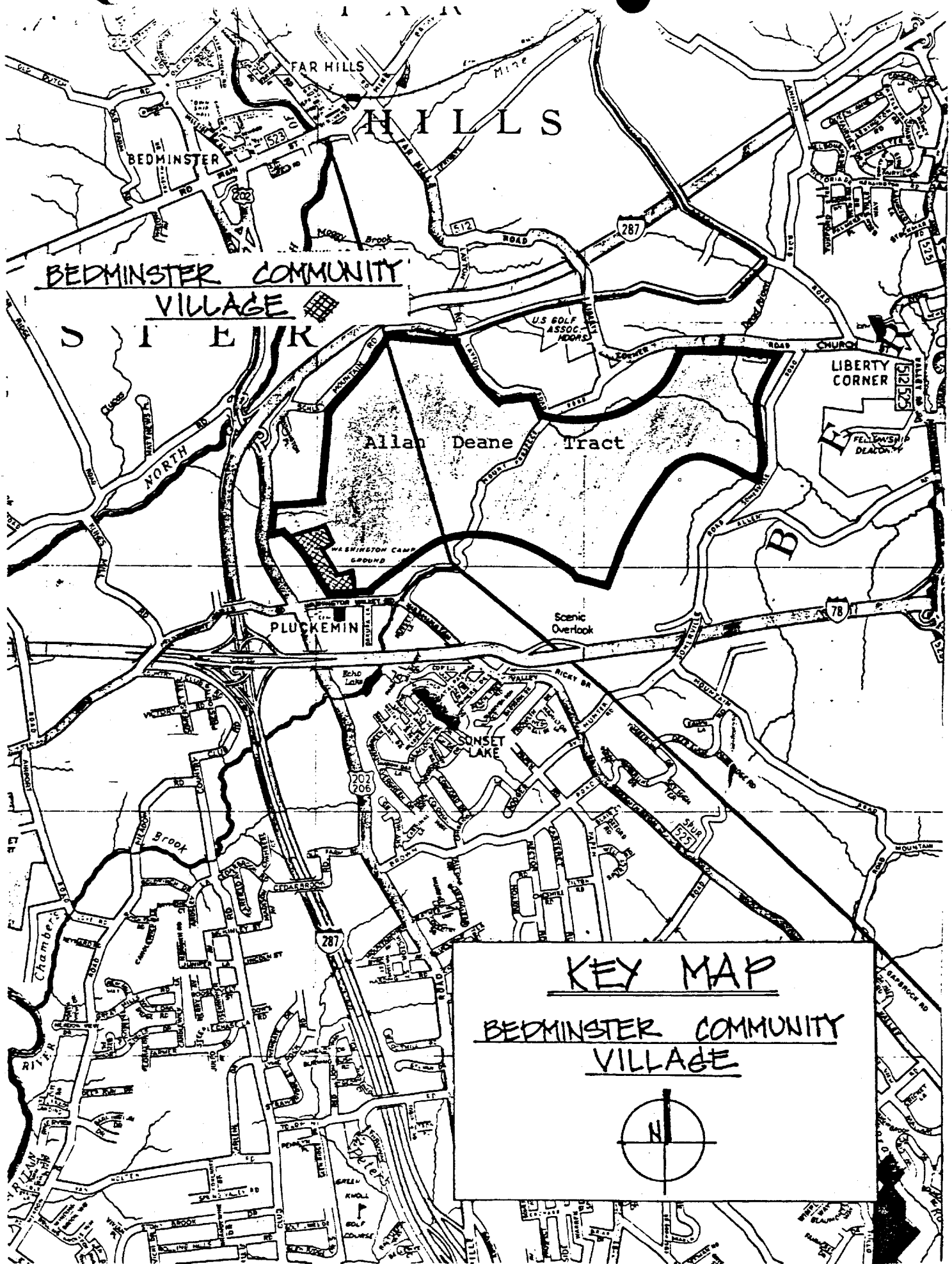
Subsidized rental-housing units exist to the east in Bernards Township (senior citizens) and to the south in the Borough of Somerville. The type of subsidy, number of units, rent levels and other details pertinent to these subsidized rental units as well as information concerning other subsidized rental housing units in Somerset County, although requested under the Freedom of Information Act by letter dated September 14, 1981, has not yet been received from H.U.D.

A New Concept and Opportunity

The Sponsor is well aware that H.U.D. and N.J.H.F.A. financed and assisted housing projects have typically been situated in highly urbanized, inner-city locations and that the "Criteria for Project Selection" has, in the past, been oriented to such type of locations. It is respectfully urged that N.J.H.F.A. review and consider this application from a new perspective of housing opportunity consistent with edicts of Mt. Laurel and Madison and Executive Order Number 35.

In this particular instance, the property owner has labored assiduously to obtain the zoning which will permit the type of housing units proposed herein and through years of perserverance has finally prevailed over the efforts of Bedminster to prevent the provision of a full range of housing opportunities including those available for lower-and moderate-income families. It would be extremely unfortunate if these efforts and the housing opportunities which they would provide shall be for nought.

It is hoped that N.J.H.F.A. will join with the Sponsor in this landmark development, as in the absence of subsidy funds from N.J.H.F.A. and/or H.U.D., it would be impossible to provide housing suitable to the long-neglected, lowest income segments of population in the Somerset Hills.



BEDMINSTER COMMUNITY
VILLAGE

S I E R

HILLS

Allan Deane Tract

PLUCKEMIN

LIBERTY CORNER

KEY MAP

BEDMINSTER COMMUNITY
VILLAGE

