

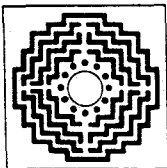
Hillsborough Lit

8-1-97

re: Planner's report. Gateway at Sunnymerde
planned adult community

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August 1, 1997

Glenn S. Pantel, Esq.
Shanley & Fisher
131 Madison Avenue
Morristown, New Jersey 07962-1979

Re: Planner's Report
Gateway at Sunnymeade Planned Adult Community/Health Care Facility
Hillsborough Township, Somerset County, New Jersey
SKP Land, Inc.-P.E.C. Builders, Inc. Joint Venture

Dear Mr. Pantel:

This letter-report addresses the proposed Gateway at Sunnymeade project, which requires three variances from the PAC/HCF Planned Adult Community/Health Care Facility provisions of the Development Regulations of Hillsborough Township,¹ as part of the application for development seeking PAC/HCF classification for this project from the Hillsborough Township Planning Board. For the reasons detailed in this letter-report, I conclude that the requested relief is warranted and that the Township Planning Board should grant the requested variances and classify the project as a PAC/HCF (Planned Adult Community/Health Care Facility).

Site Description

The site is a 240.2 acre, essentially undeveloped tract in generally developed central-eastern Hillsborough, with frontage on U.S. Route 206 on the west, Falcon Road on the south, and Sunnymeade Road on the east. A tributary of Royce Brook is the northern edge of the site. The tract is mostly fields, woods, flood plains, and wetlands, with some stables, farm buildings, and a dirt training horse track. The site has direct access to sewer infrastructure, with existing sewer lines practically ringing the tract, and is entirely within the NJDEP-approved sewer service area. The site also has direct access to water infrastructure, as water lines of Elizabethtown Water Company exist along Route 206. Less than one-quarter of the tract is zoned Residential (one acre minimum lot size), while most of the tract is zoned Rural/Agricultural (two acre minimum lot size). The *State Development and Redevelopment Plan*, adopted by the State Planning Commission in 1992, placed the entire tract in its Suburban Planning Area (PA 2).

¹ Hillsborough Township Development Regulations, §77-91.1., as amended by Ordinance 94-4 and Ordinance 95-31.



Project Description

The developer proposes to develop the entire tract into a planned adult community with a total of 800 dwelling units and 240 beds in health care facilities, together with green area and open space.² Attachment A presents a detailed land summary and development program for the project. While all of the health care beds and 95% of the dwelling units are proposed for senior citizens, it is important to note that, in accordance with the applicable Ordinance, 5%, or 40, of the dwelling units are proposed for families and would not be age-restricted. Also, 10% of the proposed dwelling units, i.e., 80 units, are proposed to be rented or sold at prices or rents to be affordable to low and moderate income households, as defined by the New Jersey Council on Affordable Housing ("COAH").

Compliance with the PAC/HCF Ordinance and Requested Variance Relief

The developer complies with virtually all of the essential elements of the Township's PAC/HCF Ordinance. First, the project includes a mix of senior citizen housing: detached cottages, attached villas, and flats. Second, the project includes a range of health care facilities geared towards the varying needs of senior citizens. Third, the project's net buildable area density of 7.0 units per acre is less than half of the density allowed by the PAC/HCF Ordinance. Fourth, the project provides almost twice the green area and open space required by the Ordinance. Fifth, the project provides the full measure of age-restricted housing required by the Ordinance. Sixth, the project provides in full the non age-restricted housing required by the Ordinance. Seventh, the tract is currently zoned RA and R, which are two of the ten zone districts in Hillsborough where the PAC/HCF overlay zone is permitted under the Ordinance. Attachment A also details the project's compliance with key Ordinance provisions.

The developer seeks relief to deviate from only three provisions of the Township's PAC/HCF Ordinance:

Requested Variance Relief: Gateway at Sunnymeade PAC/HCF, July 1997			
Issue and Citation	Ordinance Requirement	Developer's Proposal	
1. Minimum Parcel Size §77-91.1.A.(2)(a) & §77-91.1.G.(1)(b)	450 acres	240.2 acres (200 acres minimum)	
2. Maximum Building Height §77-91.1.G.(5)	3 stories and 30' height	3 stories and 32.9' building height	
3. Set-Aside of Low, Moderate, and Least Cost Housing §77-91.1.H.(1)(a)[1]-[3]	50% of age-restricted units (i.e., 47.5% of total units)	10% of total units for low and moderate income housing, with no least cost housing	

Source: Development Regulations of Hillsborough Township, as amended by Ordinance 94-4 and Ordinance 95-31.

² The developer currently identifies a 29.5 acre remaining parcel, fronting on U.S. Route 206, on the conceptual site plan and in the land summary. Some of this parcel will be developed for the "Shopping and service facilities for the everyday needs of the residents" required by the PAC/HCF Ordinance. Hillsborough Township Development Regulations, §77-91.1.D.(2)(d).

Standards for a "c.(2)" Variance

The Municipal Land Use Law authorizes the Planning Board to grant the requested relief if three findings can be made:

First, the application must relate to a specific piece of property;

Second, the purposes of the Municipal Land Use Law must be advanced by the deviation; and

Third, the benefits of the deviation must substantially outweigh any detriment.³

I will now review the conformance of the requested relief with these three standards:

Specific Piece of Property

The application for relief clearly relates to a specific piece of property, the 240.2 acre tract controlled by the SKP Land, Inc.-P.E.C. Builders, Inc. Joint Venture. The tract consists of five lots, described on the Township tax maps as: Block 140, Lot 1, and Block 141, Lots 2.01, 7.01, 30, and 31.02.

Advance Purposes of the Municipal Land Use Law

One of fifteen enumerated purposes of the Municipal Land Use Law is "To encourage senior citizen community housing construction."⁴ This application for relief unquestionably advances this key purpose of the law.

Granting the requested relief from the minimum parcel size requirement will enable the project to qualify as a PAC/HCF and lead to the construction of 760 senior citizen housing units and 240 health care facility beds for senior citizens.

Granting the requested relief from the maximum height requirement will facilitate the sound design, aesthetics, construction, and maintenance of three story buildings with apartments for independent senior living units.

Granting the requested relief from the requirement to provide substantial "least cost housing" and an unspecified number of low and moderate income housing units will make the project predictable as to pricing, and economically feasible to provide a substantial amount of senior citizen community housing construction. It is important to stress that the developer proposes to set-aside 10% of the proposed dwelling units for low and moderate income households, with one-half of those affordable units for senior citizens. The developer does not seek relief from the obligation to provide low and moderate income housing. Rather, the

³ N.J.S.A. 40:55D-70.c.(2).

⁴ N.J.S.A. 40:55D-2.I.

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developer advances now a specific proposed set-aside of affordable units, for consideration by the Township Planning Board. This approach is in accordance with the Ordinance, which calls for the Township Planning Board and the developer to reach an agreement on the number of low and moderate income units to be provided.

The proposed deviations will also advance other purposes of the Municipal Land Use Law,⁵ but the primary purpose that is advanced concerns senior citizen community housing construction.

Benefits of the Deviation Must Substantially Outweigh Any Detriment

The proposed Gateway at Sunnymeade Planned Adult Community will provide at least six significant benefits to the Township of Hillsborough and its residents:

1. Provide a significant amount of senior citizen housing.⁶
2. Provide a significant amount of health care facilities for senior citizens.⁷
3. Provide 80 low and moderate income housing units, for both senior citizens and families.⁸
4. Dedicate 2.5 acres of well-located land to the Township for municipal use.⁹
5. Relocate and improve the intersection of Valley Road and U.S. Route 206.¹⁰

⁵ Other purposes of the Municipal Land Use Law advanced by the requested deviations include: "To promote the establishment of appropriate population densities and concentrations that will contribute to the well-being of persons, neighborhoods, communities and regions and preservation of the environment" (N.J.S.A. 40:55D-2.e.) and "To provide sufficient space in appropriate locations for a variety of agricultural, residential, recreational, commercial and industrial uses and open space, both public and private, according to their respective environmental requirements in order to meet the needs of all New Jersey citizens." (N.J.S.A. 40:55D-2.g.)

⁶ Provision of senior citizen housing is a key, long-standing goal of the Township Master Plan

⁷ Provision of health care facilities for senior citizens is another key, long-standing goal of the Township Master Plan.

⁸ The Township's current, COAH-certified Housing Element and Fair Share Plan calls for the creation of 136 new affordable units (40 family rental units and 96 senior citizen housing units). A challenge by New Jersey Future, Inc. to that certification is pending in the Appellate Division of Superior Court and COAH moved last week for the matter to be remanded to COAH. The 80 low and moderate income units proposed as part of the Gateway project are realistic and could be counted by the Township towards a future fair share housing obligation, if not needed sooner in light of the current judicial and anticipated future COAH proceedings.

⁹ The developer proposes to dedicate 2.5 acres of land to the Township. This land fronts on Falcon Road at the proposed intersection with the project's interior road, and is ideally suited for municipal construction of a rescue squad building or other municipal use.

¹⁰ The developer, in cooperation with NJDOT, will make its fair share contribution to the cost of relocating and improving this intersection, to provide a safe second principal means of access and egress to and from the tract.

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6. Generate a \$1.5 million annual fiscal surplus to the Township.¹¹

The proposed development of this tract could also lead to two very limited detriments:

1. *Convert farmland and woodlands to developed land uses:* It is important to recognize that development of the tract under the current Residential and Rural/Agricultural zoning would also lead to conversion of the tract's farmland and woodlands to developed land uses.
2. *Add school children to the public school system:* It is important to remember that this tract could, theoretically, yield 76 single family detached houses under the current zoning.¹² These 76 theoretical houses would add far more school children to the public school system than the conservative projection of 34 children in my Gateway fiscal impact analysis from the proposed 40 affordable family apartments at Gateway. In fact, 76 single family detached houses on one and two acre lots are likely to generate at least, on average, one school age child per house, if not more, or more than double the school age children projected from the Gateway project.

In comparing and weighing these six benefits of the Gateway project with its two detriments, I conclude that the benefits clearly and substantially outweigh the detriments, particularly as I have commented on and explained these three detriments.

¹¹ The net fiscal impact of the total Gateway project (800 dwelling units, 240 health care beds, and recreation center) on both school and municipal costs is a substantial annual surplus of \$1,539,907, using conservative assumptions and standard fiscal impact analysis techniques. Attachments B, C, and D provide the detailed information on the development program, tax and cost data, and cost, revenues, and net impact of the Gateway project. Note that this fiscal analysis does not include the proposed 29.5 acre minor subdivision portion of the tract. If developed for a nonresidential use, this additional portion of the tract would lead to an increase in the annual fiscal surplus from the tract. Finally, it is important to note that housing is 82% of the tax base in Hillsborough, school costs account for about 64% of property taxes in Hillsborough, and the proposed Gateway project would increase the local tax base by about \$121 million, or 5.3%.

¹² This theoretical lot yield is based on the existing R and R/A zoning, excluding the 66 acres of Conservation lands, and deducting 20% of the remaining, buildable land for roads and rights-of-way.

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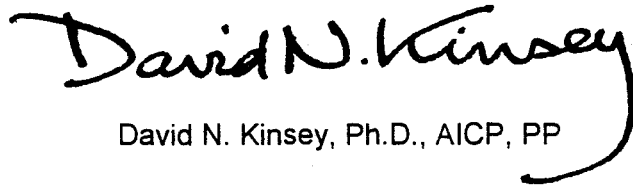
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Conclusion

In conclusion, I believe that the Township Planning Board can and should make the three required findings to grant the variance relief requested, so that the proposed Gateway at Sunnymeade Planned Adult Community may be classified as a PAC/HCF and proceed through the approvals process established by the Ordinance.¹³

Sincerely yours,

A handwritten signature in black ink that reads "David N. Kinsey". The signature is written in a cursive style with a large, sweeping flourish at the end of the name.

David N. Kinsey, Ph.D., AICP, PP

cc: Henry Stein
Joel Schwartz
Attachments (4)

¹³ Hillsborough Township Development Regulations, §77-91.1.B.

Attachment A

**Gateway at Sunnymead, Hillsborough Township, Somerset County, N.J.
Project Information - July 1997**

Land Summary

	acres
1 Health Care and PAC/HCF Land Use (assisted living and skilled nursing)	10.0
2 Senior Independent Living and Family Apartments	9.0
3 Senior Villas (attached - 28' wide)	30.0
4 Senior Cottages (detached - 55'x100' lots)	74.0
5 Green Area or Open Space	
6 Conservation (wetlands, flood plains, buffers)	66.0
7 Usable common space (paths, uplands, recreation center, etc.)	5.9
8 Total Green Area or Open Space	71.9
9 Municipal Use	2.5
10 Circulation (Roads and Rights-of-Way)	13.3
11 Remaining Parcel (no development proposed now)+	29.5
12 Total Tract Area	240.2
13 Net Buildable Area (Total Tract Area - Conservation Area - Minor Subdivision)	144.7

Development Program

Health Care Facilities		beds	units
14	Assisted living residence*	120	100
15	Skilled nursing facility*	120	120
16	Total	240	220
Dwelling Units			units
17	Senior Independent Living Apartments (gross density of 25 units/acre)		150
18	Family Apartments (non age-restricted) (gross density of 16 units/acre)		40
19	Senior Villas (attached at gross density of 6.7 units/acre)		200
20	Senior Cottages (detached - 55'x100' lots - gross density of 5.6 units/acre)		410
21	Total Dwelling Units		800
22	Total Units for Density Calculation Only (line 16 + line 21)**		1,020
23	Recreation Center (building, pool, field, shuffle board, bocci, tennis)		

PAC/HCF Ordinance Compliance

	units/acre
23 Proposed Net Buildable Area Density (line 22/line 13)	7.0
24 Maximum Permitted Net Buildable Area Density	15.0
	% of tract
25 Proposed Green Area or Open Space (line 8/(line 12 - line 10 - line 11))	36.4%
26 Required Green Area or Open Space (minimum)	20.0%
	units % of housing
27 Proposed Age-Restricted Housing***	760 95.0%
28 Required Age-Restricted Housing	760 95.0%
29 Proposed Non Age-Restricted Housing***	40 5.0%
30 Required Non Age-Restricted Housing	40 5.0%
31 Proposed Low and Moderate Income Housing****	80 10.0%
32 Required Low, Moderate, and Least Cost Housing (50% of age-restricted housing)	380 47.5%

Notes:

- + Some of this parcel will be developed for the "Shopping and service facilities" required by the Ordinance.
- * Some of the units may be converted to "comprehensive personal care homes"
- ** The Ordinance includes health-care and personal care-facilities in the density calculation; Section 77-91.1G (2)(b). For purposes of density calculation only, this table identifies the number of units (bedrooms) in these facilities.
- *** For purposes of age-restricted and low and moderate income housing set-aside calculation, "housing" excludes health care facilities.
- **** Designated low and moderate income units are included within the proposed total of 800 dwelling units, and may be a combination of family and senior units, to be designated by agreement with the Township.

Prepared by Kinsey & Hand

Attachment B

Fiscal Impact Analysis
Gateway at Sunnymead
Hillsborough, New Jersey

Sheet No. 1 - Development Program

Development Program	Units	Residents Per Unit	Beds	Residents	Floor Area (Sq. Ft.)	Projected Assessed (Market) Value		
						Per Unit	Per Sq. Ft.	Total
1 Senior Cottages (detached)	410	2.0		820		\$155,000		\$63,550,000
2 Senior Villas (attached)	200	2.0		400		\$115,000		\$23,000,000
Seniors Independent Living Flats								
3 One bedroom (market rate)	75	1.5		113		\$80,000		\$6,000,000
4 Two bedroom (market rate)	75	2.0		150		\$105,000		\$7,875,000
5 Total (market rate)	150							
6 One bedroom (low-moderate income)	40	1.5		60		\$65,000		\$2,600,000
7 Total (low-moderate income)	40							
8 Total Seniors Independent Living Flats (lines 5+7)	190							
Family Apts (non age-restricted, low-moderate income)								
9 One bedroom	8	1.5		12		\$65,000		
10 Two bedroom	24	3.0		72		\$75,000		
11 Three bedroom	8	4.5		36		\$85,000		
12 Total	40							
13 Total Dwelling Units (lines 1+2+8+12)	800							
14 Health Care Facilities			240	240	150,000		\$107	\$16,050,000
15 Nonresidential Development (Recreation Center)					20,000		\$90	\$1,800,000
16 Total Development	800			1,903	170,000			\$120,875,000

Sources:

- A Henry Stein and Joel Schwartz, SKP Land, Inc.
- B Kinsey & Hand
- C Andrew Sullivan, Sullivan Associates
- D NJ COAH

Prepared by Kinsey & Hand

Attachment C

Fiscal Impact Analysis
Gateway at Sunnymead
Hillsborough, New Jersey

Sheet No. 2 - Data

1996 Property Tax Rate (per \$100)

1	Local School District	1.398
2	County	0.434
3	County library	0.038
4	County open space	0.015
5	Local municipal purpose	0.245
6	Local fire district	0.022
7	Local municipal open space	<u>0.021</u>
8	Total Tax Rate	2.173

9 Total Municipal Tax Rate (lines 5+6+7) 0.288

Real Property Valuations, 1996

Code	Class	Parcels	% of Total Valuation	Assessed Valuation
10	1 Vacant Land	1,423	4.37%	\$98,021,300
11	2 Residential	10,774	80.75%	\$1,811,932,900
12	3a Farm (regular-structures)	198	2.23%	\$50,059,700
13	3b Farm (qualified-land)	399	0.24%	\$5,358,600
14	4a Commercial	318	7.46%	\$167,504,200
15	4b Industrial	102	3.41%	\$76,491,800
16	4c Apartments	7	1.54%	\$34,504,900
17	Total	13,221		\$2,243,873,400
18	Telephone and telegraph personal property			\$12,011,655
19	Total tax base			\$2,255,885,055

Municipal expenditures (local tax levy for municipal purpose, fire district, and open space)

20	local tax levy for local municipal purpose (rate multiplied by valuation, line 17)	\$5,497,490
21	local tax levy for fire district (rate multiplied by valuation, line 17)	\$493,652
22	local tax levy for municipal open space (rate multiplied by valuation, line 17)	\$471,213
23	total local tax levy for municipal expenditures	\$6,462,355
24	data provided by Tax Assessor	\$6,031,050
25	difference	\$431,305
26	local tax levy for local municipal expenditures (rate multiplied by total tax base, line 19, including telephon	\$6,496,949
27	data provided by Tax Assessor	\$6,031,050
28	difference	\$465,899

School expenditures (local tax levy)

29	total local levy (rate multiplied by valuations, line 17)	\$31,369,350
30	total local levy, data provided by Tax Assessor	\$31,539,081
31	difference between line 29 and line 30	-\$169,731
32	average daily public school enrollment, 1995-1996	6,200 students
33	total annual school expenditures, 1995-1996	\$40,845,600
34	annual school expenditures, local tax levy (64% of total) 1995-1996	\$26,141,184
35	annual school expenditures per student raised by local tax levy, 1995-1996	\$4,216

Sources: Paul Embly, Hillsborough Township Tax Assessor, March 13-14, 1997, and
NJ Dept. of Education, Comparative Spending Guide, March 1997

Prepared by Kinsey & Hand

Attachment D

Fiscal Impact Analysis
Gateway at Sunnymead
Hillsborough, New Jersey

Sheet No. 3 - Costs, Revenues, and Net Impact

Municipal and School Costs

1 Annual municipal expenditures, 1996 (local tax levy)	\$6,031,050
2 Township population estimate (January 1, 1996)	32,358
3 Annual municipal expenditures per capita	\$186
4 Annual school expenditures, 1995-1996 (local tax levy)	\$26,141,184
5 Average daily public school enrollment, 1995-1996	6,200
6 Annual school expenditures per student (local tax levy), 1995-1996	\$4,216
7 Total Residents from the Gateway Adult Community	1,903
8 Public school children from Gateway Adult Community (40 low-moderate income apartm	34
9 Municipal costs (annual) for Gateway residents	\$354,691
10 School costs (annual) for Gateway Adult Community	\$143,355
11 Total municipal and school costs (annual) for Total Gateway Development	\$498,046

Municipal and School Revenues

12 Total Gateway Development Projected Assessed (Market Value)	\$120,875,000
13 State equalization ratio, 1996	100%
14 Municipal tax rate, 1996 (per \$100)	0.288
15 School tax rate, 1996 (per \$100)	1.398
16 Municipal revenues from Total Gateway Development	\$348,120
17 School revenues from Total Gateway Development	\$1,689,833
18 Total municipal and school revenues (annual) from Total Gateway Development	\$2,037,953

Net Fiscal Impact

19 Net Gateway Development Municipal Fiscal Impact	-\$6,571
20 Net Gateway Development School Fiscal Impact	\$1,546,478
21 Net Total Gateway Development Municipal and School Fiscal Impact	\$1,539,907

Sources:

- A Shirley Yannich, Township Planner, March 13, 1997 (Township population estimate)
- B See Sheets Nos. 1 and 2 for some of the data used in this sheet.
- C Multiplier of 0.85 school children per affordable family unit based on actual 1994 data from a comparable 42 unit affordable rental family project, Peachtree Village, in Washington Township, Morris County.

Prepared by Kinsey & Hand