

Hello everyone, I am Committeeman Clint Hoffman. I will be presenting on behalf of my fellow Committee members today because I drew the short straw. Seriously though, we all share the same goals regarding our affordable housing obligation and we also share the same commitment to this very sensitive issue every day.

You have heard from our Mt. Laurel attorney about the history of affordable housing in the State of NJ and the legal challenges that have been mounted. We, your township representatives are in the forefront of these legal challenges and while we can not overreact with anticipation of positive results, we can and should be hopeful. The situation is so ridiculous in so many ways that we believe something positive will come out of these very well written, common sense challenges.

Still, we have to do what is necessary to protect our town. As onerous as our affordable housing obligations are the prospects of builder remedy lawsuits is even more frightening, so we will take every step necessary at every point in time necessary to protect against those. They would have far greater impact on our infrastructure, our schools and our therefore our taxes if we were to allow ourselves to fall victim to them.

With that in mind, let me quickly recap what we have done so far, what we will be doing going forward and the reasons for our actions.

We are in the Third Round of affordable housing obligations. Wall successfully completed both the First and Second rounds. This third round is a 15 year period that began on January 1, 2004 and runs through December 31, 2018. You may ask, if it began on January 1, 2004, why are we just now talking about it in early 2009. That is because COAH did not adopt round three regulations until November 2004 and because COAH took a year and a half to adopt new round three regulations when the court said they were illegal on January 25, 2007. After COAH worked on the rules several years, we had to put together a plan to satisfy these rules in less than 3 months. To further complicate things, many of the compliance tools from rounds 1 and 2 were eliminated or rendered useless to us.

RCA's or regional contribution agreements that allowed us to "sell off" part of our obligation to towns that truly needed affordable housing for people already in their communities were eliminated. First, the price was going to increase more than 2 fold, from around \$35,000 to probably \$70,000 per RCA. Then, they were eliminated altogether. As a tool, they were valuable to both the sending and receiving communities. Some people think they are not a panacea and are just the lesser of two evils and they could be right. Either way, they are gone.

When you look at what we are left with for compliance of an obligation greater than 30 or so units, it comes down to two things. Inclusionary zoning and 100% municipally sponsored projects. When you look at these two options, only 100% projects will work for Wall Township. The reason Inclusionary zoning won't work is that for every 100 units we allow a property owner and a developer to build, we get a very, very small reduction in our obligation of 667. We would have to allow thousands and thousands of homes to be built over and above our 667 unit obligation. Any infrastructure or school problems we foresee with the addition of 667 homes would be dwarfed by the problems all these thousands of units would bring.

Also, all the large property owners who have properties to support this and the desire to do it are once again in the Central School region of town. These properties are mostly on highway 34 which in our master plan is our commercial corridor, not intended for residential and retail. This would change the face of highway 34 forever if they were permitted to be residential. These property owners and their developers are also the ones who are looking to file builder remedy law suits against the town. As property owners who want to maximize the value of their land, I both understand and respect their feelings, but I don't think they are in the best interest of all of Wall's residents.

That leaves 100% municipally sponsored projects as our ONLY real option for compliance. Forget for one moment how expensive this option is and how only Wall taxpayers would unfairly bear the burden for our 667 units. Forget also for a moment that the number of 667 is too high. These are facts that we are legally challenging. We may not be successful and we have to protect against builder remedy lawsuits. We have to try and figure out the best way to fulfill this obligation, and our only compliance tool is 100% projects.

Once you accept that, it is apparent we need large properties to proceed to meet our obligation. Based on densities, we are looking GENERALLY for sites of 10 acres or more.

Now there are three kinds of sites available to us. There are those we own, those where a willing developer and owner exists and those that we would have to acquire, either through purchase, condemnation or eminent domain. The first two are infinitely better financial options for us and are much easy to argue for as part of a plan in front of judge or COAH. Plus, with those we have to acquire, if it is not a friendly purchase, we may have to take someone's land from them. They may also be operating a business on that land. It may represent the livelihood of many people. We don't want to do that unless there is absolutely no other choice. I would like to think we would never have to do that. Still, this limits us even further in our property options.

Unfortunately it is a fact that sites that are generally 10 acres or more, whether we own them or not, are mostly located in the Central School district. It would be great if we could implement out affordable housing obligation to match our school capacities, but we physically cannot do that with 100% projects as our only realistic compliance mechanism. We have to comply and then figure out the school situation. You cannot add these units to Wall Township and not have a school problem, regardless where they are located.

Currently, we have amassed through certificates of occupancy a third round obligation of about 174 units per COAH's rules. We generate one affordable housing obligation for every 4 houses built and one affordable housing obligation for every 16 jobs added to Wall Township. We call these the residential and commercial components of the rules. The commercial, or jobs component is based on formulas tied to the square footage and nature of use of commercial space built in town. In Wall, we also have CO's approved but not yet built that by 2011 we expect to our obligation will have increased to 300 units at about the time we will have to physically start constructing units of affordable housing.

As an aside of sorts, I do feel compelled to mention that the round three rules state that our obligation is based on actual housing units built and actual commercial units built, but that if our actual

performance runs behind COAH's guess of 667, we still have to plan for 667 units. It actually contradicts itself. It is amazing.

Many of you are familiar with the first pass of our plan. We are about to amend the plan we submitted on December 31st, 2008. Please, understand that this process is ever changing. It is fluid. What we believe today may be different tomorrow. Tomorrow we may have a better option because of a new opportunity or new development or new idea. We can amend our plan three times before the Court or COAH approves it under current COAH standards. We can amend our plan as many times as we want after it is approved if the Court approves the change. Consequently, we can continue to explore new ideas and make changes subject to certain limitations. We can and will do this in phases though. We do not want to get ahead of our actual commitment. We want to do only what is required of us when it is required of us. Things can change at any time and we don't want to be committed to one thing if a better option becomes available. That may be easier said than done, but we will be working as hard as we can to do that as well as we can.

Right now, today, this minute, our idea as to how best to satisfy our 667 unit obligation is to build 167 senior units somewhere, anywhere in Wall. We can use up to 25% of our obligation to build age restricted housing for senior citizens. As part of obligation we HAVE to build 25% rental units. After we build 25% rental units, any further rental units we build we get a 2 for 1 bonus up to a cap of 167 units – 25% of our 667 unit obligation. So, if we build the 167 senior units we build the 167 rental units we are required to build, we could build 167 more rental units, get a 2 for 1 bonus, and as a result build 500 units and meet our 667 obligation. It would mean 167 senior units and 333 rental units. This way we cut our number by 167 units and we minimize the number of units that may contribute children to our already overcrowded schools.

To that end, we have two willing developers who could help us meet our 333 family rental unit obligation. They are both on Asbury Road in the Collingwood section of town. If we work with them, and we put 167 senior units in Wall, most likely utilizing the Holly Boulevard site which is already approved for a senior development and which we would have to acquire, and the Wyckoff Road site we own, would have to be done.

With that in mind, as our most current thinking, which once again is fluid, we are amending the plan we submitted on December 31, 2008 by taking out two sites altogether. We are taking out one site known as the Hurley Pond Rd. site and one known as the West Hurley Pond Rd. site. We are also changing the language regarding the Wyckoff road site to make it part of the plan to house 35 senior units rather than family rental units.

Let me summarize this one more time to be succinct. Our current plan from this moment going forward will be to satisfy our 667 unit obligation with about 500 units. The bulk of which will be senior units on Holly Boulevard and Wyckoff Road and 333 rental units on Asbury Road between the Schwartz and Olympic Limousines properties. All of these approximate 500 units would be built in phases as needed to satisfy our obligation by 2018.

We have maps placed throughout the room to try and illustrate several things, particularly how the larger parcels of land possible for this are laid out in Wall. We have our Township Engineer Matt Zahorsky here and our Planners John Hoffman from our staff and Cheryl Bergailo from Taylor Design here to answer any questions as well.

I just want to emphasize once again before I wrap up that this situation is fluid. Any property in Wall Township, whether it has been in the plan or not, could conceivably at anytime become an option. I know that is not comforting, but it is true. If a property becomes a good option, it has to be considered. It will be considered in the future with greater public participation. We have to be diligent in our efforts to comply, but we are no longer being frantically rushed as we were in the fall, at least under the current rules at this time. We recognize that if we establish an actual "agreement" with a willing developer that we do at that time incur a liability to work with that developer and we will approach such agreements wisely.

That is where we are at today with regard to our thinking about the plan and meeting our obligation.

Meanwhile, we are taking steps to be as transparent as possible going forward. We are, as far as we know, the only community establishing a Citizens Committee on Affordable Housing. We introduced an ordinance to form that committee and we will approve that ordinance at our March 11th meeting and then we will constitute that committee.

We started a page on our web site for Affordable Housing. It already has all three legal briefs discussed earlier today posted on that page for anyone to review. We will continue to update that page.

We want to work with everyone in our town to meet the requirements of us in the best way possible.

In the end folks, if we want to focus on how unfair the rules are. If we want to talk about how the funding is non-existent and it falls unjustly on us as taxpayers. If we want to yell out about how the calculations were skewed and the numbers are way too high to begin with. If we want to shake people till they realize how we deserve better compliance techniques. If we just can't understand how common sense does not allow our leaders to see how it should be the responsibility of every taxpayer in NJ, not just those doing a good job planning their community. We can do all that all day long. BUT, what will make a difference, what will matter and what will change this substantially is your VOICE and your VOTE.

Our legislators who will talk to you soon are outnumbered. It appears that our Governor made a promise about a number of affordable houses he would have built in NJ without the benefit of facts and now feels stuck trying to keep that number in play so as not to look dumb. The only effective change will come from our legislators and our Governor, whoever is in that chair. You need to use your voice and your vote as it relates to Trenton to signal it is time for a little common sense and a little dose of good old fashion reality.

Thank you. I would now like to turn it over to my fellow committee members before we proceed to hear from our special guests.