

Talking Points Virtual Town Hall

Thursday, October 29, 2020

220/230 TEAM:

- Councilwoman Amy Wilczynski amywilczynski@allendalenj.gov
- Councilwoman Liz Homan lizhoman@allendalenj.gov
- Mayor Emeritus Vince Barra
- Mayor Ari Bernstein aribernstein@allendalenj.gov
- Borough Attorney Ray Wiss
- Borough Attorney Tom Bouregy

As we are all aware This is a very big project in Allendale, one of the biggest and we understand there are lots of questions and concerns. Our intention tonight and always is to be as transparent as possible and answer whatever questions that we can especially on the municipal facility.

We are hopeful that we will Pull together as a community...understand that this is positive for Allendale, This is a BOROUGH project, We went to bid and CHOSE this developer and their plans as the best fit for Allendale

The Borough knew this was a very important piece of property and 4 years ago when we started the process of acquisition which you will hear more about in a few. We actually started ED (Eminent Domain) proceedings, that is how much we wanted this property. It had always been in our master plan as a desirable property for the Borough to own. 2 years ago this month was first town hall in person about this development where overall there was a lot of positivity. We reviewed the following goals:

- Control the growth and maintain character of Allendale
- Satisfy affordable/subsidized housing mandates
- Provide much needed efficient Boro hall space
- Provide much needed community space- place for youth and well as our elders
- Allow for our library to also have more space to add better value and become more functional for residents
- Eliminate and or decrease tractor trailer and excessive trucks in that area
- Do this all without raising taxes

We talked about these 2 years ago, it was exciting then and now it's finally coming to reality. After listening to residents and reading comments as well as taking into consideration questions from the LUB last week...we wanted to remind everyone of the goals and importance of this project and also realizing that they may be newer residents that might not be aware

WE also realized that it is critical for the community to give some background info so the agenda for the meeting will be as follows:

- Mayor Barra will speak about the history of COAH
- Mayor White will talk about how we came to acquire this property
- Recap our current situation-
- Then we will have a Q&A – some that were sent in and some live

Mayor Emeritus Vince Barra: The History of COAH (in Allendale)

Good evening. My name is Vince Barra, Allendale Mayor Emeritus. I wanted to speak tonight because of what I heard at the Land Use Board meeting. This project may be one of the most important issues of our town that could have implications for generations to come.

I am 1,000 % in favor of the project as presented to the Land Use Board. Does that mean that it cannot be improved? Of course not. In fact I have always been a proponent of resident participation. I always believed that we have an enormous amount of talent in our town and that elected officials should seek out ideas and suggestions from our residents. This project is no different.

However, I am concerned that this transaction with Hampshire could be derailed and this would be catastrophic for our town. I would like to address why I am saying this. The stakes could not be higher. Believe me this is not an exaggeration. I think it is important for everyone to understand why. The history of affordable housing is critical in understanding this project. Affordable housing can change a town in a heartbeat and damage the very fabric of what we love about Allendale. I have lived with this issue for over 2 decades. It is important to appreciate the history of the past, the present and the future of affordable housing in the state of New Jersey and the impact it has on towns especially the small towns in our state.

Decades ago The NJ Supreme Court decided what has been commonly known as The Mount Laurel decision. Essentially it stated that each town had the constitutional responsibility to provide affordable housing to NJ residents. In theory it sounded very noble but in reality it changed the quality of life and character of many small towns in NJ. Let me state right up that I was always in favor of affordable housing but not if it destroyed the character of our town. When I became Mayor in January 2007, it was obvious to me that we needed to be proactive and provide affordable housing in a smart, efficient manner without causing an undue burden on our residents. I saw what happened with the 150 unit development at the Whitney and knew Allendale could not afford more of these large developments. Within weeks of being sworn in, we stopped the Orchard Common project of 24 townhouses. We were able to obtain grants, bought the property and built Orchard Common park.

However, the Council and I knew we needed a long range plan to provide affordable housing as mandated but not at the expense of the character of Allendale. We needed to be proactive and hit upon the concept of special needs housing. There was a tremendous demand. Funding was available and COAH bonus credits made it a home run for all concerned. I was blessed with a great and courageous Council. Together, we got the grants and built Orchard Commons. Later, we followed up and built Crescent Commons with grants and at no cost to our residents.

Allendale's governing body continued to be proactive and looked at the former Black Millwork site because this land is prime property for large scale development. As I have said it has been the mantra of our leadership to stay proactive and ahead of the developers who want to saturate towns like Allendale with hundreds and hundreds of multi-family housing. That is why your governing body decided to obtain this property so it could be developed and protected on our terms.

During this period, the COAH agency was disbanded and the decisions with respect to affordable housing were relegated to the courts. The courts, developers and affordable housing lobbyists believed they now had the upper hand and would continue to pressure towns with devastating effect. The courts have now mandated that towns in our area build a significant number of units to satisfy their COAH obligations:

Upper Saddle River	200
Old Tappan.....	229
Mahwah.....	800
Englewood.....	800
Park Ridge.....	850

Additionally, there is one recent example which should have a chilling effect on all of us. Our neighbor Saddle River took little if any steps to deal with affordable housing. The courts, pressured by the affordable housing lobby, have now forced a mandate on Saddle River that will change the character of that town for generations. Saddle River has half the population of Allendale. Nonetheless, the courts are requiring them to build a total of 247 multi-family units with 147 affordable units. This will increase the total households in Saddle River by 20 %. The court did not stop there. Since the town has all wells and septic, water and sewer line infrastructure must be built at town expense. Additionally, 127 of the affordable units will be built on 3 parcels. Since these 3 parcels will be 100% affordable housing, Saddle River is being required to float a \$25-30 million bond issue to pay for these units. Needless to say this will result in significantly higher property taxes and lower property values. The message is clear "no town is safe from the affordable housing powers that be"

When I was Mayor and before the courts took over the COAH mandates, approaches were made by the former owner of Black Millwork to build 350 multi-family units. We were able to

deny this overture. Subsequently after the Boro took over ownership, this project was put out to public bid. In addition to Hampshire's bid, the other bids were for up to 177 residential units. Hampshire's bid was by far the most beneficial for Allendale. Also, the proposed development in question is part of a Redevelopment Plan which will protect this property for the next 25-30 years. That is the primary reason why the Hampshire transaction must be approved. I believe that if Hampshire's proposal fails, our town will be exposed to development with many, many more residential units.

I would not be supporting this project if I did not think it was in the best interests of Allendale and its residents. We need to come together as a town and support this project. Then we can work collaboratively to get as much input as possible, especially on the Municipal Facility to make it the best it can be. I urge you all to support this project so we can maintain the charm and character of Allendale in these challenging times. Thank you for your patience and understanding.

MAYOR EMERITUS LIZ WHITE: (220/230 Acquisition)

Thanks Mayor Barra. This is Liz White, Mayor Emeritus of Allendale. I had the incredible privilege of working alongside Vince during his 2 terms or 8 years as Mayor. Therefore, I was fully aware of the potential devastating impact 220/230 W Crescent would have on our community if that property fell into the wrong hands.

I was often asked what keeps you up at night as Mayor, and my answer was always #1 one being able to maintain Allendale's charm and character while keeping it an affordable place to live, and #2 was always, what would happen with the property at 220/230 W Crescent Avenue.

Within first few months of becoming Mayor, I reached out to Kevin Hoffman who headed the Black Millwork Family Trust, the entity who at that time owned 220/230 W Crescent. I subsequently spoke and met with Kevin on 3 occasions and each time made very clear the Borough's intent to purchase that property. Each time Kevin told me we would be the first to hear if there was any decision by the members of the trust to sell the property.

Therefore, I was shocked when less than 4 months after my last conversation with him on March 14, 2016, I learned that property was in contract to be sold to the gentlemen who had been renting the site at 220 W Crescent Avenue. I immediately called Kevin who said, "I'm so sorry, my lawyer will call you." That was one of my toughest days as mayor which started years of incredible dedication, tenacity and courage by the governing body and the people of Allendale.

We considered obtaining the property via eminent domain but were able to negotiate an agreement with the entity owned by Menachem Halberstam, the principal of West Crescent LLC. At this point I think it's important to remind everyone that the agreement between the Black Millwork Family Trust and Mr. Halberstam was not an arms-length transaction. The transfer of the property was a closed deal and the property never hit the public real estate market, before Mr. Halberstam and his associates purchased 220/230 W Crescent Avenue.

We purchased the property below the real-market appraised value. At the closing I had the opportunity to meet Mr. Halberstam in person. One of my best days as mayor was after walking out of the meeting knowing we had control of that property and the ability to prevent what could have been a catastrophic loss to our community of unwanted development. We took control and are now working to turn these parcels into a win for Allendale.

I can say this is a win, as during my four years as mayor I spent countless hours negotiating with the Fair Share Housing team and the court appointed master who was assigned to oversee our affordable housing settlement. During many of these discussions we fought, and I don't use that word lightly, we fought to keep those from outside Allendale who wanted to impose high density housing on that site. They wanted upwards of 300 units on that site and only 40 of those units would have designated as affordable units. Because of proper planning we now have the ability to see that site become what we want it to be. ... a site with 6 affordable housing units and 3 below market rate Volunteer Housing units... so a total of 9 below market rate housing units and 61 regular rate units... many of which are one bedroom. The Borough of Allendale has demonstrated a nearly 20-year commitment to voluntarily complying with the affordable housing obligations, and more particularly has secured substantive certification from COAH for all three rounds. We were one of only 6 of the 566 municipalities in New Jersey that was 3rd round certified by COAH. Allendale has built, and has been sincerely committed, to providing affordable housing but the COAH planners and the Fair Share Housing team were unrelenting in their demands for us to use 220/230 as an overlay zone. In the end, because of years of careful planning and control, we are able to proceed with developing this site in the best interest of the residents of Allendale.

This is a necessary step for Allendale to be compliant with our housing obligation and not risk losing our certification which gives us protection from builders' remedy lawsuits. The builders work closely with the fair share housing organization and are very aware of the non-compliant towns. If this development is not completed with these 70 units of which there are 6 Affordable housing units... we could be in the shoes of some of these other towns... and see significant high density housing forced upon us.

In 2008/2009 I chaired the Facilities Committee. The Council planned to build an extension onto Borough Hall. We had hoped to blow out the back of the building as the various departments were running out of space. Once we ran the numbers and determined the amount of space we would gain, it became clear an extension on the building was not

feasible. For years we have been exploring how to reconfigure or find new space for many of our municipal functions.

Developing 220 W Crescent Avenue as the municipal building will provide appropriate municipal office space allowing for enhanced service to our residents but more important, sorely need community space. I've heard a few members of the community state that we don't need a new Borough Hall. I sincerely, and without reservation disagree. Allendale does need more space for its offices, but Allendale also needs more community space and a comfortable environment for our seniors to gather.

220/230 W Crescent Ave is a once in a lifetime opportunity. Allendale found itself at a crossroads with the ability to shape its destiny, or have others shape it for us. We took the right path, now let's develop it in a manner beneficial to all our residents, thus preserving Allendale for generations to come.

WHERE WE ARE NOW... 2020

- The deal **is complex** with a Municipal building, residential units including our COAH requirements and a industrial component. It has taken a significant amount of time to get through the due diligence, remediation and an enormous amount of legal documents which we are still working through.
- After our initial deal with Hampshire where there were 58 units, there were multiple changes. The courts for affordable housing came back to us and increased our obligation (VL & 3BR) COVID-19 struck and there were **changed economic circumstances** . We had to regroup and reconfigure the density and we settled on 70 units. Considering the Dynamics of project...this is still best for municipality. To have the deal collapse, we would risk control in that the property become vulnerable and not protected from builders remedy lawsuit. *Trigger a builder to look at Allendale*
- When we drilled down on the **details of the Municipal building** we took into consideration the diverse interest that we had feedback on and the consideration of the current economics- we decided to keep Council chambers at 500 WC and instead increase the community space
 - i. The cost of a council chambers and court is very expensive, there are required upgrades that are extremely expensive especially for the court. *(separate room for prosecutor, judge, bullet proof)*
 - ii. There are only 5 meetings a month between Council and LUB and court. We went through a **cost benefit analysis** and considered what we could get within our parameters...
 - iii. The original plan called for a much smaller community room- now we have a considerably larger one that can accommodate our youth up to our seniors. The youth group was not accounted for in the initial plan.

Now our community space is on first floor to accommodate seniors **which was one of the compelling arguments of the vision committee**

- iv. We still plan on moving our building department and administrative offices over to the new Borough hall as the current space is very cramped and inefficient. There will be 2 meeting rooms in the new building that the community and volunteer groups will also be able to use.

What Can Change/What Cannot

Below is information on items for which final decisions have been made as this proposed development has been before the LUB and Borough Council at multiple public advertised meetings over the past two years; Things that were considered for before the application became before the LUB.

- The building height was approved by the governing body and the LUB in the acceptance of the March 2019 Redevelopment Plan. Some concerns have come up about the 48 feet setting precedent in Allendale. This is not the case as this particular location has been deemed redevelopment zone which requires specific criteria land formal proceedings. TO be clear, this does not set a precedent or change the current zoning in Allendale.
- The number of units was approved in the Amended May 12, 2020 redevelopment plan-. To overview the approval there are a total of 70 units including our affordable housing and volunteer first responder units in a 4-story building that must fit under the 48ft height from the March 2019 Plan.
- The use of the back building, 230 WC, as Self storage or warehouse space was approved in the Amended May 12, 2020 redevelopment plan
- The calculations regarding the required number of parking spaces were approved in Amended May 12, 2020 redevelopment plan. The LUB will review parking as part of their role in the Application Review. Questions like parking and traffic and anything on the site plan that are in the purview of the LUB to review we will not be able to respond to because it is important that we respect the jurisdiction of the Land Use Board