

BOROUGH OF FAR HILLS
Special Planning Board Meeting/Joint Meeting with Borough Council
MINUTES
October 9, 2018

CALL TO ORDER

Mayor Vallone called the meeting to order at 7:04 p.m. at the Far Hills Municipal Building and read the open public meetings statement in accordance with the law.

Mayor Vallone stated that this was a joint meeting with the Far Hills Planning Board whose members were in attendance solely to hear the Affordable Housing presentation.

ROLL CALL – PLANNING BOARD

Present: Lewis, Ross (arrived 7:15 pm), Tweedie, Vallone, Welsh, Rochat
Also Present: Attorney Lindsay Cambron
Absent, as Excused: Devine, Lawlor, Layton, McManus
Absent:

Mayor Vallone made the following statement prior to the presentation.

Council members, members of the Planning Board, ladies and gentlemen, neighbors and friends, welcome.

Tonight's meeting will be devoted to addressing the Borough's affordable housing responsibility, which was imposed by the New Jersey Supreme Court on every municipality in New Jersey and originated by the Mount Laurel Doctrine in 1975 by the Council on Affordable Housing (COAH). This legislation has been riddled with inconsistencies, changing rules and regulations and it has stifled many governors and administrations in Trenton. It has frustrated many, if not all local governments but none the less the Supreme Court took over control and last year mandated various actions which became the irrefutable law of the land for all municipalities in New Jersey.

To that end, I and this Council along with our professionals, Attorney Joseph Sordillo, Planner David Banisch, Clerk Dorothy Hicks and many others have worked tirelessly to find the best possible option to address the number of affordable units imposed on Far Hills while maintaining the character and quality of life in the Borough and, why we all live in this wonderful community.

We have done this in an atmosphere of transparency, holding public meetings so that you, the residents can share your thoughts and suggestions regarding this important decision. Meeting almost weekly for the last two years, the Council has looked at every possible option to address the number of units imposed on us originally by Fair Share Housing Center. After considerable negotiations, we have been able to greatly reduce the number of units required in order to comply with our affordable housing obligation. Our guiding principles have been to develop a plan that puts little or no financial burden on our residents and does not cluster or overwhelm any one area of the Borough. Indeed, there have been many, many issues to consider during this deliberation.

So let me tell you where we are now. The first plan proposed by Melillo Equities, LLC, owned by Messrs. Mark and Anthony Melillo, was to densely develop the center of town. That plan was, and has been, unanimously rejected. We heard you, the residents, and while there is no question that some in-town improvements are necessary, that particular project, as presented, was rejected.

The presentation by Toll Brothers for the property on Liberty Corner Road and Route 202 was also rejected for several reasons, but primarily because it was an entirely for-sale project which did not provide enough affordable unit credits for the Borough. Remember, the calculations to determine the number of unit credits is a complex one. Many factors go into determining that number with one factor being whether a project is solely a for-sale project; a for-rent project or some combination of both.

Finally, the K&K Development on Douglas Road, with whom, we as a Borough had to entertain, as they came to us. They sought us out, not the other way around, and had done so through the legal intervener process via the Supreme Court. That project was rejected as well and will not happen.

In early June 2018, I was contacted by the developer who had purchased a 43 acre parcel on Route 202, north of Fox Hunt Court and south of Lake Road, a property formally known locally as Errico Acres. The developer was Melillo Equities, LLC. A series of meetings ensued between our professionals, myself, this Council, the Supreme Court and Fair Share Housing Center. Tonight, you will hear a presentation that will address the lion's share of our COAH responsibility while providing many benefits to the Borough of Far Hills.

The Far Hills Affordable Housing Plan is also comprised of two smaller components. In addition to what you hear from Melillo Equities, LLC, additional projects are necessary in order to meet our affordable housing obligation. These smaller projects have always been a part of the puzzle. They will be as follows: the Borough owns the property located at 46 Peapack Road which was purchased several years ago specifically for COAH needs. We have an agreement with the Matheny School to construct a one story, 8 bedroom facility that they will build and maintain at their own expense.

The second component involves two properties owned by Mr. William Hotz, William Hotz Development Group, Inc. a builder and developer who has maintained his office in Far Hills for over 20 years. These properties are located on Peapack Road between DeMun Place and Dumont Road and are presently one story in height. These two buildings will be increased to two stories in height, commensurate with other properties, and will also be cosmetically renovated. These two projects will provide the necessary unit credits which, when combined with the proposed project you will hear about tonight, will make the Borough whole. This will satisfy all of our obligation and court imposed responsibilities. In short, Far Hills will have a clean slate with the Supreme Court. I can also tell you that Fair Share Housing Center has reviewed this plan and are supportive of our efforts.

Following the presentation, the Borough Council and its professionals will ask questions of the presenters and then we will open up the meeting for your questions and comments. Following that, the Council will vote on this plan this evening and if passed we will meet with Judge Miller this week to hopefully finalize the Borough's plan. I want to thank the Planning Board members for attending this evening. There will be many decisions to be made going forward as this is a multi-year project but together and collaboratively, we will continue to keep Far Hills a place we are proud to call home.

Attorney Sordillo advised that the presentation this evening was not a site plan hearing. He explained that members of the Planning Board were in attendance to listen only to the proposed development in preparation for a re-examination of the Borough's Master Plan and review of the Borough's Fair Share Plan. He continued stating that at the conclusion of the presentation, the Borough Council would consider a resolution to authorize a Memorandum of Understanding with Melillo Equities, LLC. The Borough Council would also consider a resolution to authorize a Settlement Agreement with Fair Share Housing Center which details each of the development components of the Borough's Fair Share Plan. Mr. Sordillo provided an overview of the next steps before the court. He advised that if the resolutions were approved, Judge Miller would schedule a Fairness Hearing to provide an opportunity for any objectors to the Borough's Fair Share Plan to be heard. If the resolutions were not approved, he advised that a trial would most likely ensue.

PRESENTATION

MELILLO EQUITIES, LLC

Affordable Housing Development Proposal - Far Hills Proper and Errico Acres

Mr. James Mullen, Attorney for Melillo Equities, LLC and Director of Land Entitlements with Pulte Homes provided an overall description of the Far Hills Proper and Errico Acres properties. The Far Hills Proper site consists of: 39 Dumont Road, 43 Route 202 and 45 Route 202, identified as Block 15 Lots 3, 4 and 5 and is approximately ½ acre in the Village Commercial (VC) zone and owned by Melillo Equities, LLC. The Errico Acres property located at 220 Route 202, Block 5 Lot 4 is approximately 42 acres in the R6 zone with Pulte Homes as the contract purchaser.

Mr. Anthony Melillo, Managing Partner of Melillo Equities, LLC provided a brief overview of Melillo Equities, LLC. He provided details of the Far Hills Proper site specifying the ½ acre property consisted of 39 Dumont Road, 43 Route 202 and 45 Route 202 which were located in the Village Commercial (VC) zone. He also indicated that there were no wetlands, flood plains, riparian corridors, steep slopes or wooded areas at this site. Mr. Melillo continued describing the three specific structures on the site beginning with 39 Dumont Road, a two story masonry building, formerly the firehouse, was currently occupied by one commercial tenant with parking assigned to the front and side of the property. He indicated that the property at 45 Route 202, a two and one-half story blue Victorian building was currently occupied by two commercial tenants with parking assigned in the front and to the rear. Lastly, the corner property at 43 Route 202, a two story red Victorian building was currently occupied by three commercial tenants with parking in the rear.

Mr. Melillo indicated that the two structures located at 43 Route 202 and 45 Route 202 would be demolished and replaced with two stand-alone buildings. The total project would consist of 7,900 square feet of retail space and ten one-bedroom market rate rental units. He described the former firehouse as building one, noting that it would be preserved in its entirety. The first floor would consist of 2,000 square feet, comprised of two 1,000 square foot commercial units and two one-bedroom market rate rental units on the second floor. Mr. Melillo continued to detail the proposed second and third buildings as a mixed-use development consisting of 5,900 square feet of ground floor retail space and eight one-bedroom market rate rental units. In terms of aesthetics of the project, he stated that the architecture was proposed to be consistent with the existing properties in the Borough. Mr. Mullen inquired as to the ownership of the three properties. Mr. Melillo responded that Melillo Equities, LLC currently owns the properties at 43 Route 202 and 45 Route 202 and are the contract purchaser for 39 Dumont Road.

Mr. Sordillo sought clarification as to the proposed parking for this development. Mr. Melillo stated that there would be no underground parking; the parking would be entirely ground surface for this project. He detailed the location of the proposed 58 parking spots as follows: 18 on-site; 18 off-site at 49 Route 202; 13 off-site at the adjacent municipal lot and 9 off-site street parking. It was noted that the storage sheds currently at 49 Route 202, would be demolished. Mr. Mullen inquired as to the driveway access to the parking lot. Mr. Melillo indicated that there was an existing driveway on Dumont Road that would provide access to the proposed parking lot.

Mr. Sordillo inquired about the six existing age restricted affordable housing rental units and their status in this proposal. Mr. Melillo responded that the six age restricted affordable rental units would remain at 25 Dumont Road.

Mr. Banisch inquired if there were any affordable units proposed in the three new buildings. Mr. Melillo responded that there were no affordable units in the new buildings. He stated that there would be ten one-bedroom market rate rental units consisting of two units in building one, the renovated firehouse; seven units in building two and one unit in building three.

Councilman Carty requested clarification as to the number of school aged children generated from this project as the proposal indicated zero. Messrs. Melillo and Mullen responded that statistically, a one bedroom rental unit generates a de minimus number of school aged children.

Mr. Mullen informed the Council that in addition to being the attorney for Melillo Equities, LLC, he was also the Director of Land Entitlements with Pulte Homes and provided a brief overview of the Pulte Homes Company. Mr. Mullen stated that the affordable housing rental component of the project would be built by Pulte Homes but owned and maintained by Melillo Equities, LLC.

Mr. Melillo provided a brief overview of the acquisition of the property at 220 Route 202, known as Errico Acres. He detailed that the project would consist of 29 affordable rental units, comprised of 25 non-age restricted units and 4 age restricted units. The affordable units would be owned and maintained by Melillo Equities, LLC. The proposal also included 105 market rate for-sale townhouses developed on the property. Mr. Sordillo inquired as to the affordable set aside for the project. Mr. Melillo responded that the combined Far Hills Proper and Errico Acres projects provided an overall affordable set aside of 20.1%.

Mr. Ron Kennedy, Professional Engineer, Gladstone Design, Inc. described the Errico Acres property located at 220 Route 202 as a primarily rectangular parcel of land bordered by Route 202, the NJ Transit railroad tracks, Castle Court and Fox Hunt Court. He noted that Lake Road is directly across from the entrance to the property on Route 202. Mr. Kennedy stated that the parcel was comprised of wooded areas and open meadows which have become overgrown. It was primarily used as a single family residential property but noted that there were numerous apartments and/or cottages on site as well.

Mr. Kennedy stated that the only site constraint was the Mine Brook stream, which was located off-site to the south on the other side of the railroad tracks and which would require a wetland buffer and riparian corridor. There was also a 100 foot wide JCP&L easement adjacent to the railroad tracks. He noted that there were 105 market rate townhouses and 29 affordable units. All of the affordable units would be located in one building to the rear of the property. He continued stating that there would be a 100 foot buffer on the east, west and rear of the property, and a 750-800 foot buffer from Route

202 to the location of the first townhouse unit. He added that a boulevard driveway concept was also being considered to shield the viewscape from the general public and Route 202.

Mr. Kennedy stated that there would be two separate parcels; the first being the developable property located to the rear of the property which would encompass approximately 21.02 acres, and the remaining 20.5 acres located in the front of the property would remain as open land and would not be developed. He also noted that approximately one acre would be a required right of way dedication to the New Jersey Department of Transportation (NJDOT).

Mr. Mullen stated that a homeowner's association could be established specific to the townhouse development only; the affordable housing rental units would not be included in the homeowner's association. Mr. Sordillo inquired as to the right of access and maintenance of the common areas for the affordable units. Mr. Mullen responded that the affordable rental units would have access via an easement and would participate in cost sharing for the overall maintenance of the property.

Councilman Hand inquired if the existing driveway entrance from Route 202 would remain unchanged. Mr. Kennedy responded that that would be dependent upon the ultimate plans for the existing structures on the property. He added that discussions with the Borough and the NJDOT would be necessary with regard to the driveway location and its access onto Route 202. Councilman Carty inquired if a traffic light would be required to which Mr. Kennedy responded that a traffic light at this location would be unlikely due to the low volume in the area. Mr. Sordillo stated that the location of the driveway was previously negotiated with the developer and the intent was for the driveway to be offset and not immediately across from Lake Road. Mr. Kennedy reiterated that the NJDOT would ultimately have the final decision regarding the location of the driveway entrance due to their control to the access onto Route 202.

Mayor Vallone inquired as to the open space portion of the property. Mr. Sordillo stated that although the form of open space preservation restrictions had not been finalized with the developer, he requested clarification and received confirmation from Mr. Melillo that the existing structures on the property would no longer be utilized for residential use.

Mr. Sordillo also inquired as to the elevations and protection of the viewshed from Route 202. Mr. Kennedy responded that there was a downward grade from Route 202 to the Mine Brook stream but confirmed that the design intent of the development would be confined to one area of the property and not visible from Route 202.

Mr. Banisch reaffirmed that the permitted use for the open land portion of the property had yet to be negotiated between the developer and the Borough of Far Hills. He added that this would be subject to site plan approval and adoption of the zoning ordinance. Mr. Melillo confirmed that the remaining structure, a historic barn would be restored and utilized as a hay barn or run-in shed and there would be no residential use of any remaining structures on the property.

Mr. Banisch also inquired as to the form of ownership of the open land portion of the property and noted that it was subject to further negotiations between Melillo Equities, LLC and the Borough of Far Hills. Mr. Melillo responded that it would be at the Borough's discretion as to how the land would be preserved.

Mr. Sordillo reconfirmed that the proposed project was not seeking redevelopment but only a rezoning request which would require a re-examination of the Borough's Master Plan and adoption of a new overlay zone for the property as permitted via the provision for inclusionary affordable housing. Mr. Melillo confirmed that this was correct.

Mr. Sordillo stated that while there was considerable open space at the proposed project there was limited onsite recreational amenities. Mr. Melillo confirmed that in lieu of onsite recreational amenities at the proposed project, a contribution of \$800,000.00 would be made to the Borough of Far Hills for revitalization of the J. Malcolm Belcher Fairgrounds to be utilized at the discretion of the Borough.

Mr. Banisch stated that the proposal was a concept plan with further development plans to be reviewed via the site plan phase with the Far Hills Planning Board. He inquired if there was a potential for a recreational area in close proximity to the building for the residents of the affordable units. Mr. Melillo responded that there may be a potential for walking trails but that would be at the discretion of Pulte Homes.

Mr. Banisch stated that there were extensive discussions regarding limiting the capacity of growth inducing infrastructures, specifically sewer and waste water facilities, and noted that the extension of these facilities from the village area would be confined to this property only. Mr. Mullen confirmed that the sewer and waste water services would be confined to the proposed project only.

Mr. Mullen introduced Mr. Corey Wescoe, Vice President of Acquisition for Pulte Homes who provided a brief overview of the company and marketing demographics for the proposed project. He described the residences would be approximately 2,200-2,800 square feet, with three bedrooms and a two car garage, and a majority would be offered with a ground floor master suite. He noted that the units would be marketed to empty-nesters or those looking to downsize yet remain in Far Hills. Mr. Wesco referenced several similar communities in which Pulte Homes had developed properties but emphasized their willingness to work collaboratively to create an exterior aesthetic that would be most appropriate for the Borough of Far Hills.

Councilman Surks inquired as to the proposed price range for the townhouses. Mr. Wesco estimated that the base pricing would be \$800,000.00. Mayor Vallone reaffirmed that the quality of these homes was of the utmost importance to the Borough.

Mr. Banisch requested clarification as to the model types and inquired if all of the units required a ground floor master suite. Mr. Wescoe advised that a number of model types would be offered but based upon trends in the market place would estimate that the master suite on the ground floor would be a popular choice. Mr. Banisch confirmed that there would be a number of model types offered and there would be no mandatory fixed percentage by model type for the development. Mr. Wescoe reiterated that the units would be designed to the demand of the market.

Council President Karner inquired as to a rendition of the building for the affordable housing units. Mr. Wescoe stated that they would work collaboratively with the Borough of Far Hills and Melillo Equities, LLC to develop a design for the affordable units that would be architecturally consistent with that of the market rate units.

PUBLIC COMMENT

Charles Schwester, 410 Lake Road, Far Hills inquired as to the number of school aged children anticipated with the proposed project.

Michael Joyce, 57 Liberty Corner Road, Far Hills expressed concern regarding stormwater management for the proposed project with regard to the Mine Brook stream.

Rick Rinzler, 11 Hurlingham Road, Far Hills expressed appreciation to the Mayor and Council for their due diligence and transparency provided on the affordable housing plan.

Cindy DeCorges, 23 Railroad Avenue, Far Hills also expressed appreciation to the Mayor and Council. Ms. DeCorges requested clarification as to how the properties at 46 Peapack Road and Ludlow Square relate to the Borough's overall affordable housing plan. She also inquired as to the relevancy of the donation for improvements to the fairgrounds in lieu of onsite recreational facilities at the proposed project.

Rob Stone, 38 Hurlingham Club Road, Far Hills identified himself as the President of the Polo Club Homeowner's Association and inquired as to the methodology in the determination of the number of market rate units. He also inquired as to the price point of the units and commented upon the potential impact of the valuation of the townhouses currently at the Polo Club.

Jeffrey Pike, DDS, 9 Dumont Road, Far Hills expressed concerns regarding the impact upon local traffic as a result of the proposed development at Errico Acres. He also inquired as to the street elevation of the development of the Far Hills Proper site as the existing buildings were currently elevated in relation to the frontage along Route 202.

Charles Schwester, 410 Lake Road, Far Hills expressed concerns regarding access to Route 202 from Lake Road due to the potential of 100 additional vehicles at the proposed Errico Acres development.

Mr. Mullen inquired as to the next steps in the process. Messrs. Sordillo and Banisch briefly outlined the process to be taken with Judge Miller and the Supreme Court. Mr. Banisch estimated that the enabling zoning ordinance could be adopted by March, 2019.

There were no further comments from the public.

Attorney Sordillo stated that as the affordable housing presentation and the public comment regarding the affordable housing presentation had concluded, the meeting was now opened for the general public comment for both the Borough Council and the Planning Board.

GENERAL PUBLIC COMMENT BOROUGH COUNCIL AND PLANNING BOARD

There were no comments from the public.

ADJOURNMENT OF PLANNING BOARD MEETING

Motion by Chairman Rochat, seconded by Ms. Ross and unanimously carried to adjourn the Planning Board meeting at 8:35 p.m.

Respectfully Submitted,



Trina Lindsey
Planning Board Secretary

APPROVED: 11/5/18