



**VIA HAND DELIVERY**

March 1, 2017

Gregory J. Bonin, Administrator  
Township of Branchburg  
1077 U.S. Highway 202 North  
Branchburg, NJ 09976

**RE: Submission of Response - Second Request For Affordable Housing Proposals  
Vollers Tract, Industrial Parkway East  
Branchburg, NJ**

Dear Mr. Bonin:

We are pleased to submit for Branchburg's consideration the attached response document in satisfaction of the requirements specified in the Township's recent ***'Second Request For Affordable Housing Development Proposals'*** for the above referenced property.

Should you or others reviewing this document and development plan have questions or comments regarding the information contained therein, please feel free to contact me or the property owner, as specified at the end of response document.

On behalf of the landowner, and as an Intervenor in the Township's Mt Laurel case, we look forward to working with the Township to advance this development proposal to assist Branchburg in fulfilling its third round affordable housing obligation.

Sincerely,

**K. HOVNANIAN NORTH JERSEY ACQUISITIONS, LLC**

A handwritten signature in blue ink, appearing to read 'David B. Fisher', is written over a blue circular stamp.

David B. Fisher, Vice President  
**K. Hovnanian Homes**

DBF/jg

enc: One hard copy original & Flash Drive w/ PDF

cc: Rob Vollers, Farm Acres, LLC – w/ enc.  
Robert Kasuba, Esq. (Bisgaier Hoff) – w/ enc.

**RESPONSE TO SECOND REQUEST  
FOR  
AFFORDABLE HOUSING PROPOSALS  
BRANCHBURG TOWNSHIP, NJ  
March 1, 2017**

**PROPERTY:** Lot 2, Block 17 (aka Vollers), Industrial Parkway East, Branchburg, NJ

This document is provided to assist the Township in satisfying its third round affordable housing obligation, in response to the ***Second Request For Affordable Housing Development Proposals*** that was announced on January 31, 2017. The required information is provided below, and is enumerated as listed in the Request, as follows:

1. **Tax Map/Zoning:** A tax map (**copy attached**) of the property is provided. The vast majority of the land is vacant, partially wooded and contains some environmental features (wetlands and stream). A portion of the property contains an outdoor shooting range, which is utilized by the Branchburg Police Department. The Vollers property is currently situated in the 'I-1' (Industrial) Zoning District, while the adjoining Midland School is zoned 'CF' (Community Facilities). **See attached Tax Map/Aerial Photograph**

Immediately adjacent to the Vollers tract is Lot 4 (Block 17), owned by the Midland School. Please note that a very small (0.65 acre) narrow portion<sup>1</sup> of adjacent Midland tract has been identified on the Concept Plan for use as part of this development. This parcel is planned to be conveyed to Farm Acres, LLC to become part of the Vollers Tract, which is the subject of this proposal.

The majority of the Vollers property is taxed according to its farmland assessed designation (Class 3B-Farm Qualified), except for those portions of the property where the shooting range and surplus fill/stockpile is located.

2. **Ownership:** The Vollers tract is owned by: **Farm Acres, LLC** (c/o Robert Vollers), P.O. Box 5297, 3311 U.S. Highway 22, North Branch, NJ 08876. The contract Purchaser from Farm Acres is **K. Hovnanian North Jersey Acquisitions, LLC**, 110 Fieldcrest Ave, Edison, NJ 08837.
3. **Proposed Development:** The proposal to develop the subject property has been recognized by Branchburg Township as a viable option for providing affordable housing in previous Fair Share Housing Plans. This submission reflects the intent of what the Township has considered as a suitable development opportunity to assist the town in meeting its third round affordable housing obligation.

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<sup>1</sup> Discussions between Farm Acres and the Midland School have resulted in an understanding that a small, narrow portion of the Midland property identified on the Concept Plan would be conveyed to Farm Acres to be made part of the Vollers tract. This conveyance is being done as part of an arrangement whereby the developer of this tract would, in turn, develop a separate looped entrance road (off of the new tract's boulevard entrance) to provide for additional stacking of school buses to service the school.

A Conceptual Development Plan (**copy attached**) is provided for the Township's consideration, and includes two different styles of market-rate townhomes, plus 'for-sale' affordable homes situated in a 3-story townhouse condominium buildings. Recreational facilities are also proposed to provide the residents with a clubhouse, outdoor pool and other contemplated amenities, such as a tot-lot play area. In summary, the concept plan contains the following:

- **155 Two-story traditional townhomes**, all 3 bdm, most with two-car garages
- **89 Three-story townhomes**, all 3 bdm, all with two-car garages
- **81 affordable townhouse condominiums** (representing a **25% set-aside**) in 3-story buildings, providing a mix of 2 and 3-bdm units (max 20% 3-bdm), with 2/3 of the homes having a one-car garage
- **Recreation clubhouse** with outdoor pool and other amenities

**TOTAL = 325 Homes**

- Monetary contribution to the Township of **\$500,000** for affordable housing purposes, to be paid over the period of construction of the development, based on a phasing schedule (per the State UHAC regulations) used for the construction of low & moderate income housing units

The planned recreation amenities would be constructed to offer residents a range of indoor and outdoor community facilities, managed by a Homeowners' Association. The association would likewise own and maintain other common area property (open space), stormwater basins and limited common elements for the benefit of the development.

The proposed development would fully comply with all local, county and state (NJDEP) permitting requirements, especially in the areas of freshwater wetlands and flood hazard area (stream encroachment) regulations. The proposal does, however, anticipate some relaxation of the Township's expanded regulatory restrictions that result in enlarged riparian buffers beyond that which the state regulates.

It should be noted that the proposed development plan would more than satisfy the state's RSIS regulations for all layout, street and parking design (and in particular for guest parking). In addition to the 1 and 2-car garages (and driveways) provided with all townhomes, the plan would incorporate additional head-in guest parking along the internal streets throughout the community at a minimum rate of 0.5 spaces per townhome. This means that at least 163 additional parking spaces would be provided throughout the development for use by the residents and visitors.

As referenced previously, the developer anticipates working with the Midland School to design an alternate entrance/access-way to the smaller Midland building on Industrial Parkway where students are dropped off by bus in the AM. The expanded entrance loop would be designed to allow for more free-flowing bus movements off Industrial Parkway, onto the Midland property in a manner that provides additional bus 'stacking'. In exchange for cooperation in providing the alternate entrance design, a small portion of the Midland property would be conveyed to the Vollers tract along the northern boundary of the school property, as reflected on the Concept Plan.

4. **Financial:** As the developer of the subject properties, K. Hovnanian Homes has adequate resources and financial capabilities to successfully improve and develop the property as designed, using its internal and external capital resources. For land acquisition and development purposes, K. Hovnanian has access to internal cash based on capital raised through



our public bonds. The company has a long-term successful track record as one of the country's top home-building companies. It has proven that it has the financial capacity and commitment to pursue a full range of development and redevelopment opportunities. With total revenues in FY-2016 of more than \$2.8 billion, it delivered 6,464 homes in 16 different states. This volume of business placed it 6<sup>th</sup> among all home builders nationwide.

Should the Township require additional information regarding K. Hovnanian's financial capabilities, we can provide a copy of the company's Audited Financial Statement (consolidated balance sheets) as of October 31, 2016; which is an excerpt from Hovnanian's FORM-10K Annual Report (2015) pursuant to Section 13 or 15(d) of the Securities Exchange Act.

5. **Benefits:** This affordable housing development proposal would result in a number of positive outcomes, all of which would benefit the Township at large. First and foremost, the construction of this development would result in the **production of 81 affordable housing units** at no cost to the municipality, helping to satisfy its third round affordable housing obligation. This expanded **25% set-aside** of low & moderate income housing would, in turn, provide reasonably priced new housing in Branchburg for those with limited incomes.

In addition, the developer would provide a monetary **payment of \$500,000** to contribute to the Township's Affordable Housing Trust Fund. This would benefit other affordable housing efforts undertaken by Branchburg Township to assist in satisfying its compliance plan objectives.

Since a good portion of the traffic movements from the proposed development would utilize Readington Road to access the community, we anticipate that some level of improvements will be required by the County at the intersection between Readington Road and Industrial Parkway East. These improvements, while necessitated by the development will also benefit other nearby users/businesses as well as other local traffic that frequent Readington Road.

Other positive attributes include: (1) land use that is compatible with surrounding uses; (2) adequate road access and infrastructure to support the development; (3) easy access to the Route 22 corridor for commuting and shopping; (4) multi-family townhouse living opportunities for local population -- satisfying an unmet demand for modest priced new housing for young adults, couples and move-down buyers; and (5) an infusion of new residents to support the local economy.

Another potential benefit is some form of connection between the uncompleted portion of Industrial Parkway through the subject property. While the type and magnitude of this improvement (roadway link) remains unknown due to regulatory constraints, we are open to at least a limited connection, such as an emergency access or one-way roadway (westbound) at this stream crossing. In the alternative, if a full-width roadway connection is feasible in light of NJDEP Wetlands and FHA fill and disturbance limits, we are willing to consider such a crossing. However, it would be important to restrict eastbound large truck traffic from using the residential development to reach Readington Road. It should also be noted that the December 2011 Township Master Plan Land Use Element identified Meister Avenue as the proposed east/west connection between Readington Road and County Line Road.

While a detailed fiscal impact analysis has not yet been performed, we estimate the total valuation of the development to be in the range of \$131 to \$150 Million, depending on the ultimate size and scope of the community. Although this real estate asset will result in some associated municipal costs (and school expenditures), in our experience, this type of housing



product will produce only a modest amount of school-age children. Therefore, we are confident that there would be a net positive fiscal/financial benefit to the Township, School District and County as result of the tax revenue generated by the development.

6. **Timing:** The timing of the proposed development will, of course, depend on how quickly the Court and Branchburg Township finalizes its Mt Laurel Compliance Plan. However, assuming the Court approves that plan some time in 2017, it would be followed by the adoption of new zoning requirements consistent with the conceptual development plan to allow for the approval of the development as proposed.

From the time of adoption of the zoning ordinance (allowing for review and approval of the development plans), we would estimate roughly 18 to 24 months for securing all entitlements, followed by commencement of site construction. It is anticipated that approximately 6 to 8 months of land development work would be necessary before the start of townhome construction -- which would begin with the start of model homes and affordable townhomes. Depending on market demand and sales pace, it is estimated that we would sell-out the community in 4 to 5 years.

7. **Contribution Required:** There is no monetary contribution required from Branchburg Township in order to support the development of either of the two development plans.
8. **Contribution Provided:** With the development of the property as proposed, a monetary contribution of **\$500,000** would be provided for use by the Township toward its affordable housing compliance efforts.
9. **Housing Type:** Both concept plans anticipate the development of low & moderate income housing (townhouse condominium) units as 'for-sale' homes.

We trust that this offering will be viewed favorably by the Township of Branchburg as part of its third round Fair Share Housing Compliance Plan. Knowing that the Vollers property has already been identified by the Township as a potential affordable housing site, we believe that Branchburg should give serious consideration to this proposal for inclusion in its Compliance Plan at this time.

Should the Township care to discuss any details of this proposal in more detail, we encourage you to contact either our office, or the property owner, Robert Vollers at your convenience.

Prepared By:



David B. Fisher, PP, AICP  
Vice President – Governmental Affairs  
**K. Hovnanian Homes**

3/1/17  
Date

**CONTACTS:**

**David B. Fisher, PP, AICP | K. Hovnanian Homes**  
Vice President – Governmental Affairs  
110 Fieldcrest Avenue - 5th Floor  
Edison, NJ 08837  
Office 732.623.6927 | Cell 908.618.6034  
Email: [dfisher@khov.com](mailto:dfisher@khov.com)

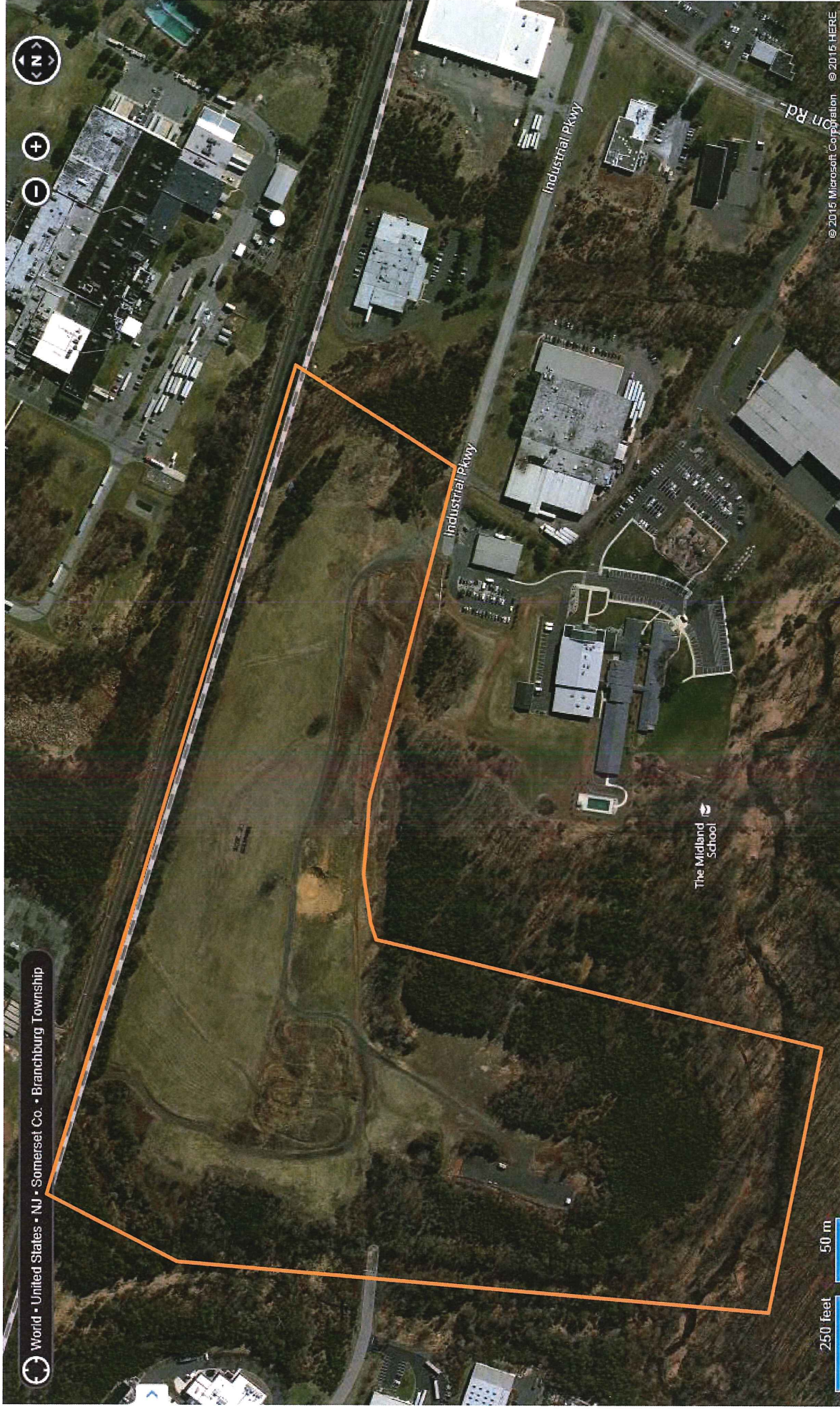
**Robert Vollers (Farm Acres, LLC)**  
P.O. Box 5297  
3311 U.S. Highway 22  
North Branch, NJ 08876  
(908) 725-1026

**ATTACHED EXHIBITS**

- Tax Map of Property
- Aerial Photograph of Property
- Conceptual Development Plan

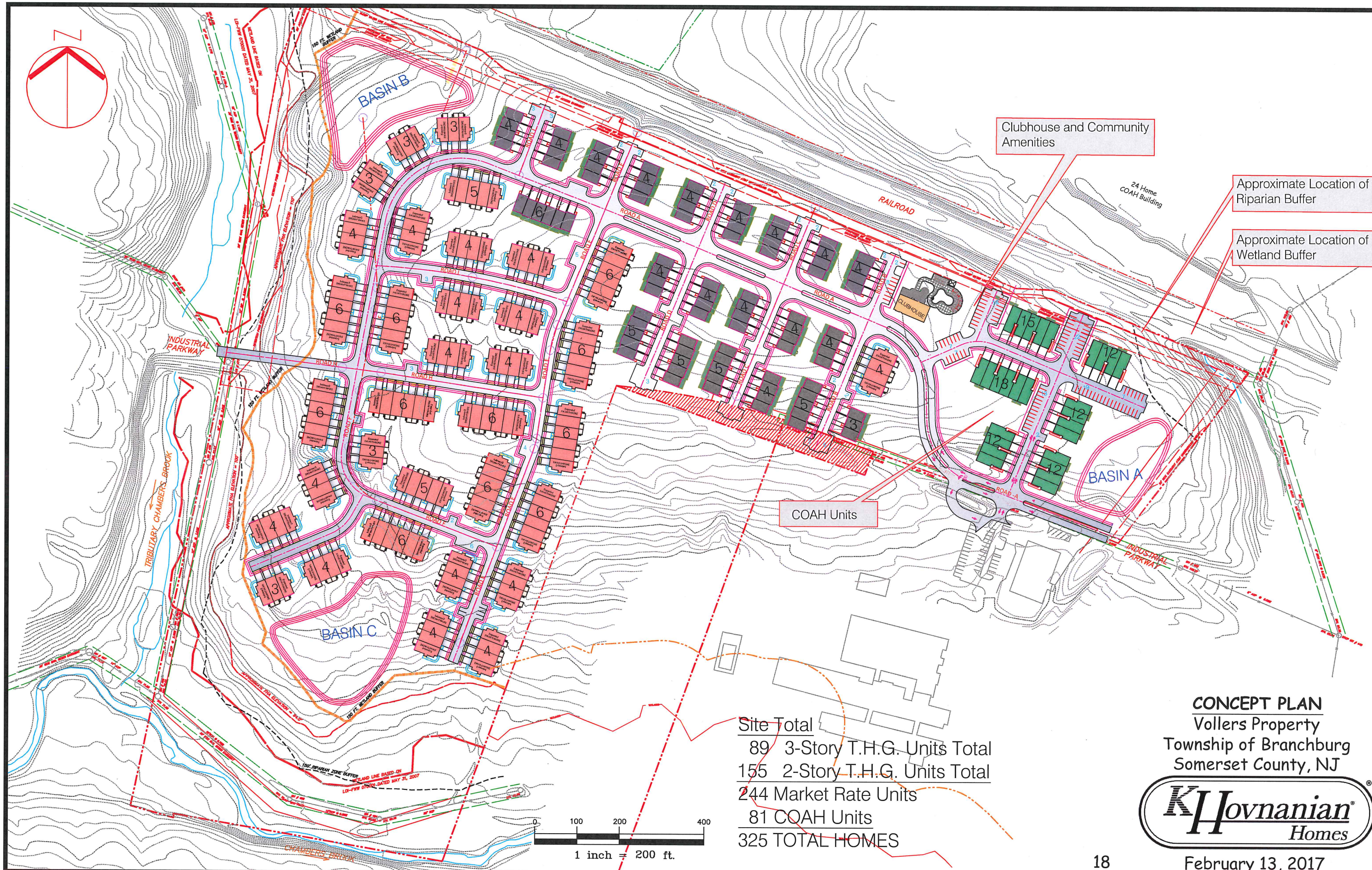






AERIAL PHOTOGRAPH – Vollers Tract (Block 17, Lot 2), Branchburg Township, NJ





Site Total  
 89 3-Story T.H.G. Units Total  
 155 2-Story T.H.G. Units Total  
 244 Market Rate Units  
 81 COAH Units  
 325 TOTAL HOMES

**CONCEPT PLAN**  
 Vollers Property  
 Township of Branchburg  
 Somerset County, NJ

