



TOWNSHIP of HOPEWELL
MERCER COUNTY

201 WASHINGTON CROSSING – PENNINGTON ROAD
TITUSVILLE, NEW JERSEY 08560-1410

PROJECT / APPLICATION

BLOCK:

LOT:

ADDRESS:

PROJECT NAME:

**REPORTS AND SUPPORTING
DOCUMENTS**

**COMMUNITY IMPACT STATEMENT
ADDENDUM PAGE 46**

COMMUNITY IMPACT STATEMENT

**VENUE AT HOPEWELL
PROPOSED AGE-RESTRICTED DEVELOPMENT**

**HOPEWELL TOWNSHIP
MERCER COUNTY, NEW JERSEY**

COMMUNITY IMPACT STATEMENT

VENUE AT HOPEWELL
PROPOSED AGE RESTRICTED RESIDENTIAL DEVELOPMENT

IN

HOPEWELL TOWNSHIP
MERCER COUNTY, NEW JERSEY

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APPENDICES

SUMMARY OF FINDINGS
PROPOSED AGE-RESTRICTED DEVELOPMENT

- The development proposed by U.S. Home, LLC DBA Lennar contemplates the construction of a residential development on a tract of land located along the westerly side of Scotch Road in the southern portion of Hopewell Township. The concept plans for the residential development anticipate the construction and occupancy of an age restricted (55+) community containing a total of 600 age-restricted housing units comprised of 480 “market” housing units and 120 “affordable” housing units.
- The current development plans anticipate that the 480 “market” housing units in the age-restricted development will include 272 three-bedroom single-family detached homes with an estimated sales price of \$712,483, 118 three-bedroom, single-family attached (duplex) units with an estimated average sales price of \$556,990 and 90 two-bedroom condominium units with an average sales price of \$509,990. The 120 “affordable” housing units will be built as one-bedroom, multi-family rental apartments with sales prices calculated to be affordable to adult families with “very low”, “low” and “moderate” incomes in accordance with the current affordable housing regulations. The affordable housing units provide a range of monthly rents with an average monthly rent of \$1,134.
- Based upon the unit distributions in the developer’s plans and the current pricing schedule, the proposed residential development would be expected to represent an aggregate (completed) value of \$316,812,576. At Hopewell Township’s current assessment ratio of 84.74 percent, the completed residential development would have an estimated assessed value of \$268,467,000.
- The completed age-restricted residential development, with 843 adult residents, would have allocated tax-supported municipal costs of \$681,990 had it been occupied and assessed during 2023. Annual municipal tax revenues from the proposed development would have amounted to \$1,549,050 at the current municipal tax rate of \$0.577 per \$100 and would have resulted in a municipal revenue surplus amounting to \$867,060.
- Due to the age-restricted nature of the homes in the adult community, the new homes would not result in any additional public school children for the Hopewell Valley Regional School District. Additional school district tax revenues amounting to \$4,703,540 would, however, be generated for the Hopewell Valley Regional School District. Absent any added school children or school district costs, these revenues would represent a surplus of \$4,703,540 for the Hopewell Valley Regional School District. In addition to the school district revenues, the proposed development would also generate tax revenues of \$1,951,760 for Mercer County that would offset the allocated County service costs of \$514,230, yielding a County revenue surplus of \$1,437,530.
- Overall, the proposed age-restricted residential development would generate annual tax revenues totaling \$8,204,350 that would fully offset the allocated tax-supported costs of \$1,196,220 to yield an annual revenue surplus of \$7,008,130. This revenue surplus is a combination of a revenue surplus of \$867,060 for municipal operations, a revenue surplus of \$4,703,540 for the Hopewell Valley Regional School District and a surplus of \$1,437,530 for Mercer County operations.

INTRODUCTION

The ensuing Community Impact Statement has been undertaken at the request of U.S. Home, LLC DBA Lennar in order to provide an evaluation of the anticipated impact of an age-restricted residential development that is proposed for a tract of land located along the westerly side of Scotch Road in the southern portion of Hopewell Township. The initial section of this evaluation presents an historical profile of the Township's residential and non-residential growth trends and documents the manner in which the Township generates and distributes municipal and school district revenues. The findings of the fiscal profile are reviewed from an historical as well as a present perspective.

The second phase of the research undertaken involves a statistical analysis of the anticipated fiscal and economic effects that would be expected to result from the construction and occupancy of 600 age-restricted homes, comprised of a mix of single family detached homes, single-family attached (duplex), condominium and multi-family rental apartments. The data and evaluations contained on the following pages describe the nature and magnitude of this additional development, considers the available infrastructure of the community and calculates the added need for services resulting from the new development.

The research and analysis undertaken herein is intended to provide information whereby changes in services and facilities necessitated by the proposed development can be accomplished smoothly, with foresight, and without interruption of existing operations. Of particular concern in the following evaluation is detailed information pertaining to:

- a) the economic and demographic composition of Hopewell Township, including historic and current levels of housing, population, employment and school enrollments;
- b) the residential and non-residential ratable bases of Hopewell Township, the changes occurring in each during recent years and the effective tax rate of the Township;
- c) the nature, scope and magnitude of the proposed development; and
- d) the fiscal impact of the development upon municipal, school district and county operations, to include changes in tax revenues and budgetary appropriations, as well as the impact upon the existing tax structure.

ECONOMIC BASE AND FISCAL PROFILE

An examination of the current and historic characteristics of Hopewell Township and the manner by which the Township derives its revenues and manages its appropriations is a precursor to an analysis of the fiscal impacts resulting from the residential development proposed by U.S. Home, LLC DBA Lennar. This initial examination will furnish a useful insight into the nature of local fiscal operations and a benchmark by which changes may be measured and anticipated.

General Characteristics

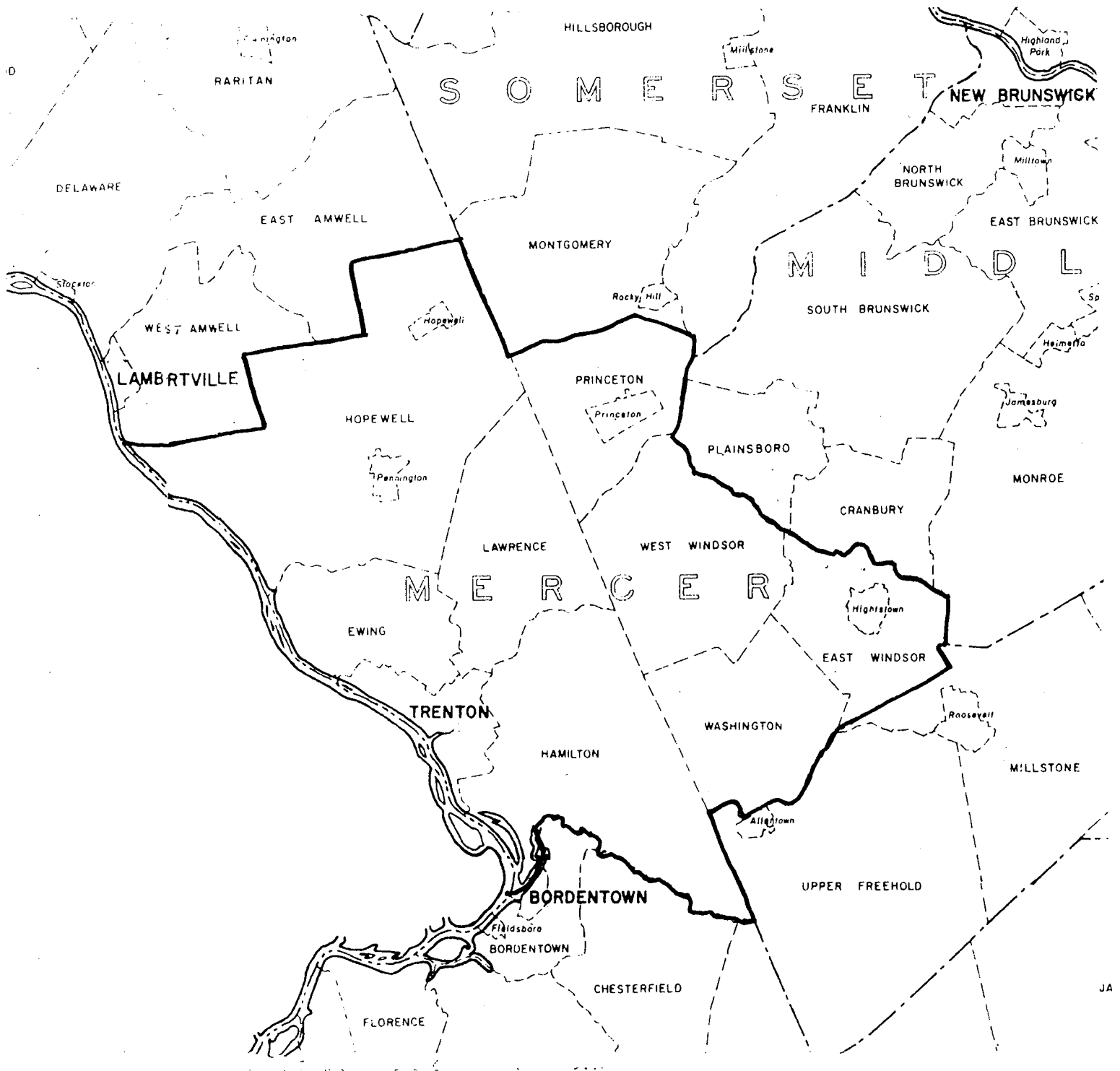
Hopewell Township is a suburban community located in the northwestern portion of Mercer County along the County's boundaries with Hunterdon and Somerset counties. The Township, as illustrated on Figure 1, fully inscribes the Boroughs of Hopewell and Pennington and is bounded by Ewing Township, Lawrence Township and Princeton Township in Mercer County; by East Amwell Township and West Amwell Township in Hunterdon County and by Montgomery Township in Somerset County. Hopewell Township, itself, includes a land area of 58.1 square miles, or approximately 25.7 percent of Mercer County's total land area of 226.0 square miles.

Population - At the time of the 1970 Census, the Hopewell Township contained a total population of 10,030 persons and represented 3.30 percent of Mercer County's total population of 304,116 persons. During the next ten years, the Township's population increased by 8.6 percent to a total of 10,893 persons as of the 1980 Census. Continued population growth was recorded during the 1980's with an increase of 6.4 percent (697 persons) to a total population of 11,590 persons as of the 1990 Census. The Township's total population increased by 4,515 persons (39.0 percent) during the 1990's to yield a total population of 16,105 persons at the time of the 2000 Census.

Between the 2000 and 2010 Census of Population, the population of Hopewell Township increased by 11.6 percent (1,863 persons) to yield a total population of 17,304 persons at the time of the 2010 Census of Population. At the time of the 2010 Census, the population of Hopewell Township (17,304 persons) represented 4.94 percent of Mercer County's total population of 350,248

FIGURE 1

LOCATION MAP



persons at that time. The Township experienced a modest (1.1 percent) population increase between the 2010 and 2020 Census, with a total population of 17,491 persons reported at the time of the 2020 Census. According to the Bureau of the Census, the Township's population base has decreased by 0.5 percent (81 persons) during the 27 months between the 2020 Census and the Census Bureau's mid-year 2022 population estimate for Hopewell Township of 17,410 residents. These population trends are summarized below:

Population Trends
Hopewell Township

	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2022</u>
Population	10,030	10,893	11,590	16,105	17,304	17,491	17,410
Change	-----	863	697	4,515	1,863	187	-81
% Change	-----	8.6	6.4	39.0	11.6	1.1	-0.5

Between 1970 and 2010, Hopewell Township has accounted for an increasing proportion of the County's total population and, according to the 2010 Census of Population, the Township represented 4.94 percent of the total population of Mercer County. This information is tabulated below, and the Township's 2000 Census, 2010 Census, and 2020 Census population base is profiled in Table 1.

Population Trends
Hopewell Township as a Share of Mercer County

	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>2022</u>
Hopewell Twp	10,030	10,893	11,590	16,105	17,304	17,491	17,410
Mercer Co.	304,116	307,863	325,824	350,761	350,248	387,340	390,688
Twp / Co. - %	3.30	3.53	3.56	4.59	4.94	4.51	4.46

The Township's population base reflects a continued maturing of its residents with increases in the median age of the Township's residents from 32.6 years in 1970, to 35.8 years in 1980, to 38.7 years in 1990, to 39.1 years in 2000 and to 44.4 years in 2010. Between 1970 and 2010, the proportion of the Township's total population between 5 and 19 years of age decreased from 37.0 percent (1970) to 28.2 percent (2010) while the population aged 55 years and older increased from 17.8 to 28.6 percent. The age cohort distribution of Hopewell's resident population is further detailed in Table 2.

TABLE 1

HOPEWELL TOWNSHIP POPULATION BASE
2000, 2010 and 2020 CENSUS

	<u>2000</u>	<u>2010</u>	<u>2020</u>
TOTAL POPULATION	16,105	17,304	17,491
Male	8,208	8,509	8,995
Female	7,897	8,795	8,972
 AGE			
Under 5 years	1,076	799	1,187
5 to 17 years	3,196	3,777	2,927
18 to 20 years	420	404	745
21 to 24 years	448	560	794
25 to 44 years	4,808	3,422	3,806
45 to 54 years	2,731	3,500	2,490
55 to 59 years	904	1,371	1,664
60 to 64 years	677	1,122	1,524
65 to 74 years	1,103	1,329	1,595
75 to 84 years	612	801	926
85 years and over	130	319	309
Median age	39.1	44.4	43.1
Under 18 years	4,272	4,576	4,169
Percent of total pop	26.5	26.4	23.2
65 years and over	1,845	2,449	2,830
Percent of total population	11.5	14.2	15.8
 HOUSEHOLDS BY TYPE			
Total households	5,498	6,282	6,367
Family households (families)	4,429	4,928	6,058
Married-couple families	3,938	4,339	4,254
Percent of total households	71.6	69.1	70.2
Other family, male householder	115	175	509
Other family, female householder	376	414	1,295
Nonfamily households	1,069	1,354	966
Percent of total households	19.4	21.6	29.8
Householder living alone	878	1,118	966
Householder 65 years and over	355	497	153
Persons living in households	15,224	17,294	17,142
Persons per household	2.77	2.75	2.69
Persons living in group quarters	881	10	349

Note: Data is a compilation of Decennial Census and American Community Survey data.

TABLE 2
HOPEWELL TOWNSHIP, MERCER COUNTY
AGE CHARACTERISTICS
1970, 1980, 1990, 2000, 2010, 2020

<u>Age Cohorts</u>	<u>1970 Census</u>		<u>1980 Census</u>		<u>1990 Census</u>		<u>2000 Census</u>		<u>2010 Census</u>		<u>2020 Census</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
0 - 4	706	7.0	497	4.6	642	5.5	1,076	6.7	799	4.6	1,187	6.6
5 - 9	1,002	10.0	714	6.6	733	6.3	1,269	7.9	1,260	7.3	1,125	6.3
10 - 14	1,136	11.3	1,004	9.2	781	6.7	1,221	7.6	1,565	9.0	982	5.5
15 - 19	872	8.7	1,076	9.9	737	6.4	1,009	6.3	1,257	7.3	1,367	7.6
20 - 24	475	4.7	726	6.7	665	5.7	565	3.5	559	3.2	992	5.5
25 - 34	1,116	11.1	1,295	11.9	1,455	12.6	1,636	10.2	1,114	6.4	1,311	7.3
35 - 54	2,937	29.3	3,231	29.7	3,893	33.6	5,903	36.6	5,808	33.6	4,985	27.7
55 - 59	535	5.3	746	6.8	661	5.7	907	5.6	1,371	7.9	1,664	9.3
60 - 64	408	4.1	583	5.3	671	5.8	677	4.2	1,122	6.5	1,524	8.5
65 - 74	542	5.4	642	5.9	868	7.5	1,103	6.8	1,329	7.7	1,595	8.9
75+	30	3.0	379	3.5	484	4.2	742	4.6	1,120	6.5	1,236	6.9
Total	10,030	100.0	10,893	100.0	11,590	100.0	16,105	100.0	17,304	100.0	17,491	100.0
Median Age	32.6		35.8		38.7		39.1		44.4		43.1	

Housing Trends - Consistent with the population growth previously examined, Hopewell Township has experienced continued growth in its housing inventory since 1960. During the 1960's, Hopewell Township issued building permits authorizing the construction of 862 new residences within the Township. An additional 590 residential dwellings were authorized during the 1970's. During the 1980's, housing construction in Hopewell Township increased from the rates observed during the 1970's (59 units/year). As indicated in Table 3, during the period from January 1980 through December 1989, Hopewell Township issued building permits authorizing the construction of 630 residential units, or approximately 63 units/year.

Between 1990 and 1999, the Township issued building permits authorizing the construction of 1,794 additional housing units, or an average of 179 new homes annually. During the ensuing decade the Township issued building permits authorizing an additional 782 residential units, for an average annual rate of 78 units per year. Hopewell Township authorized the construction of 200 housing units, or an average of 20 housing units each year during the period from 2010 through 2019. The Township's building permit trends are further detailed on Table 3.

At the time of the 2000 Census of Population, Hopewell Township was reported to contain a total population of 16,105 persons with 15,224 persons occupying 5,498 of the Township's 5,629 total housing units. Between the 2000 and 2010 Census, the total number of housing units in Hopewell Township increased by 16.4 percent, from 5,629 housing units in 2000 to 6,551 housing units in 2010. The number of occupied housing units increased by 14.3 percent, from 5,498 households in 2000 to 6,282 households in 2010. At the time of the 2010 Census, Hopewell Township had a total population of 17,304 persons with 17,294 persons occupying 6,282 of the Township's 6,551 total housing units.

Between the 2010 and 2020 Census, the total number of housing units in Hopewell Township increased from 6,551 housing units to 6,758 housing units, for a gain of 207 housing units (3.2 percent). The number of occupied households in the Township increased by 85 households, from 6,282 occupied households in 2010 to 6,367 households at the 2020 Census. According to the reports of the 2020 Census, the Hopewell Township's population had increased to 17,491 residents with 17,142 persons occupying 6,367 of the Township's 6,758 total housing units. As indicated in Table 4, at the time of the 2020 Census, there were an average of 2.69 persons per household, as opposed to 2.75 persons per household in 2010.

TABLE 3
HOPEWELL TOWNSHIP
RESIDENTIAL CONSTRUCTION
AUTHORIZED BY BUILDING PERMITS

<u>Year</u>	<u>Units</u>	<u>Year</u>	<u>Units</u>	<u>Year</u>	<u>Units</u>	<u>Year</u>	<u>Units</u>	<u>Year</u>	<u>Units</u>	<u>Year</u>	<u>Units</u>
1960	180	1970	69	1980	28	1990	30	2000	84	2010	4
1961	106	1971	89	1981	14	1991	24	2001	43	2011	1
1962	83	1972	76	1982	26	1992	42	2002	85	2012	68
1963	62	1973	97	1983	45	1993	442	2003	293	2013	38
1964	63	1974	45	1984	43	1994	273	2004	120	2014	31
1965	67	1975	28	1985	70	1995	178	2005	129	2015	24
1966	76	1976	38	1986	88	1996	133	2006	16	2016	14
1967	78	1977	60	1987	108	1997	272	2007	6	2017	5
1968	83	1978	46	1988	172	1998	281	2008	6	2018	9
1969	<u>64</u>	1979	<u>42</u>	1989	<u>36</u>	1999	<u>119</u>	<u>2009</u>	<u>6</u>	2019	6
Sub- Total		Sub- Total		Sub- Total		Sub- Total		Sub- Total		Sub Total	
1960-69	862	1970-79	590	1980-89	630	1990-99	1,794	2000-09	782	2010-19	200

Source: New Jersey Department of Labor, Division of Planning and Research, Office of Demographic and Economic Analysis, Residential Building Permits, Annual Summaries 1960-2019.

TABLE 4
HOPEWELL TOWNSHIP HOUSING PROFILE
2000, 2010 AND 2020 CENSUS

	<u>2000</u>	<u>2010</u>	<u>2020</u>
TOTAL HOUSING UNITS	5,629	6,551	6,758
Occupied housing units	5,498	6,282	6,367
Owner occupied	5,109	5,780	5,508
Percent owner occupied	92.9	92.0	88.3
Renter occupied	389	502	730
Vacant housing units	131	269	381
Rental vacancy rate (percent)	3.2	5.3	5.6
Persons per owner-occupied unit	2.81	2.80	2.89
Persons per renter-occupied unit	2.21	2.23	2.07
 UNITS IN STRUCTURE			
1-unit, detached	4,830	5,096	5,583
1-unit, attached	556	861	679
2 to 4 units	127	172	296
5 to 9 units	55	20	35
10 or more units	53	94	131
Mobile home, trailer, other	8	0	0
 VALUE			
Specified owner-occupied units	4,625	5,415	5,508
Less than \$50,000	60	27	37
\$50,000 to \$99,000	73	44	52
\$100,000 to \$149,000	227	13	45
\$150,000 to \$199,000	898	47	167
\$200,000 to \$299,000	1,774	356	662
\$300,000 or more	1,593	4,928	4,545
Median (dollars)	252,600	477,700	451,600
 CONTRACT RENT			
Specified renter-occupied units paying cash rent	343	298	654
Less than \$250	0	0	0
\$250 to \$499	9	0	0
\$500 to \$999	175	91	112
\$1,000 or more	130	207	543
Median (dollars)	925	1,608	1,810

Note: Data is a compilation of Decennial Census and American Community Survey data.

School System - Hopewell Township, along with Hopewell Borough and Pennington Borough, are members of the Hopewell Valley Regional School District which provides educational services for students in grades K through 12 in these three municipalities. The number of students from Hopewell Township “on roll” in the regional school district decreased significantly from 1977 through 1988 despite the previously documented housing growth in Hopewell Township during the same period. Between 1977 and 1988, when the Township authorized the construction of 570 new homes, public school enrollment of Hopewell Township students declined from 2,438 students (1977-78) to 1,612 students (1988-89), a decrease of 826 students or, 33.9 percent. Following 1988, enrollment of Hopewell Township students in the regional school district increased steadily, from 1,612 students in 1988-89 to 2,094 students in the 1995-96 school year; 2,852 students in the 2000-01 school year; and 3,214 students in the 2006-07 school year. Since the 2006-07 school year, enrollment of Hopewell Township students, and of the school district in its entirety, has decreased, with 2,762 Hopewell Township students reported for the 2017-18 school year.

Between 2006 and 2023, the total enrollments in the regional school district have declined by 686 students, from 4,065 students in 2006-07 to 3,379 students in 2023-24. Enrollment trends for Hopewell Township’s public school students and for the Hopewell Valley Regional School District are detailed in Table 5.

Commercial Development - According to reports of the New Jersey Department of Labor, during 1975 there were 2,184 persons covered by New Jersey Unemployment Compensation (covered jobs) employed within Hopewell Township. By 1985, commercial activities in Hopewell Township, as measured by employment covered by unemployment compensation, had increased by 33.9 percent to a total of 2,924 covered jobs. During this ten-year interval (1975-1985), employment in Hopewell Township increased by an average of 74 jobs each year. A decline in employment was recorded during the next ten year interval (1985-1995), with 2,153 jobs reported in 1995, indicating a net decrease of 771 jobs.

Since 1995 the number of jobs within Hopewell Township is reported to have increased significantly, with increases to 4,535 jobs in 2003, to 5,381 jobs in 2016 and 5,441 jobs in 2019. By 2020, employment in Hopewell Township was reported to amount to 5,608 jobs with a decline to 5,367 jobs in 2022. This employment information is further detailed in Table 6.

TABLE 5
HOPEWELL VALLEY REGIONAL SCHOOL DISTRICT

Year	Total Students <u>Enrolled</u>	Hopewell Twp. Students <u>Enrolled</u>	Net School Cost/Student
1975-76	3,514	--	\$ 1,440
1976-77	3,392	--	1,718
1977-78	3,254	2,438	1,892
1978-79	3,231	2,386	2,079
1979-80	3,026	2,258	2,310
1980-81	2,810	2,077	2,739
1981-82	2,726	2,035	3,030
1982-83	2,585	1,923	3,558
1983-84	2,428	1,795	3,952
1984-85	2,390	1,752	4,220
1985-86	2,300	1,709	4,489
1986-87	2,216	1,691	4,901
1987-88	2,300	1,661	5,584
1988-89	2,216	1,612	6,371
1989-90	2,279	1,625	7,113
1990-91	2,344	1,667	7,873
1991-92	2,457	1,708	7,796
1992-93	2,481	1,713	8,251
1993-94	2,604	1,827	8,693
1994-95	2,817	1,988	7,780
1995-96	2,948	2,094	7,997
1996-97	3,108	2,234	8,062
1997-98	3,300	2,354	8,675
1998-99	3,450	2,528	9,056
1999-00	3,588	2,724	9,636
2000-01	3,692	2,852	10,231
2001-02	3,821	2,941	10,861
2002-03	3,822	2,966	11,974
2003-04	3,890	2,998	12,845
2004-05	3,945	3,071	13,555
2005-06	4,037	3,175	14,279
2006-07	4,065	3,214	14,972
2007-08	4,017	3,175	15,867
2008-09	3,993	3,200	16,157
2009-10	3,905	3,195	16,267
2010-11	3,846	3,070	16,377
2011-12	3,846	3,038	16,377
2012-13	3,713	2,939	18,027
2013-14	3,676	2,910	18,620
2014-15	3,608	2,846	18,487
2015-16	3,620	2,852	19,568
2016-17	3,578	2,822	20,733
2017-18	3,535	2,762	20,855
2018-19	3,499	-----	22,212
2019-20	3,431	-----	24,122
2020-21	3,399	-----	25,137
2021-22	3,413	-----	25,289
2022-23	3,443	-----	26,699
2023-24	3,379	-----	28,254

Source: Rutgers University,, New Jersey Legislative District Data Book, 1975-202017; Hopewell Regional School District, 2020-23. The net cost per pupil is the general fund budget per pupil, as implemented under CEIFA and is equal to the sum of general fund tax levy, budgeted general fund balance, miscellaneous revenue, and most forms of State formula aid. Expenditures for 2021-22, 2022-23, and 2023-24 reflect total operating expenditures.

TABLE 6
HOPEWELL TOWNSHIP, MERCER COUNTY
PRIVATE SECTOR EMPLOYMENT
(Covered by New Jersey Unemployment Compensation)

<u>Year</u>	<u>Hopewell Township</u>	<u>Mercer County</u>	<u>Township/ County (%)</u>
1975	2,184	100,808	2.2
1980	2,754	110,606	2.5
1981	3,003	112,870	2.7
1982	2,618	110,126	2.4
1983	2,869	114,432	2.5
1984	2,830	119,568	2.4
1985	2,924	122,183	2.4
1986	2,774	128,716	2.2
1987	2,591	131,445	2.0
1988	2,816	133,876	2.1
1989	3,042	133,311	2.3
1990	3,014	133,135	2.3
1991	2,737	130,242	2.1
1992	2,927	130,276	2.2
1993	2,730	132,261	2.1
1994	2,529	134,568	1.9
1995	2,153	134,352	1.6
1996	1,749	132,254	1.3
1997	1,626	136,832	1.2
1998	1,577	135,707	1.2
1999	1,450	142,888	1.0
2003	4,535	153,451	3.0
2004	*	151,358	*
2005	*	154,169	*
2006	*	165,981	*
2007	*	163,818	*
2008	*	155,549	*
2009	*	148,753	*
2010	*	152,452	*
2011	*	155,050	*
2012	*	155,910	*
2013	*	158,147	*
2014	*	163,186	*
2015	*	166,882	*
2016	5,381	176,967	3.0
2017	5,427	179,863	3.0
2018	5,393	182,323	3.0
2019	5,441	187,605	2.9
2020	5,608	174,307	3.2
2021	5,419	181,115	3.0
2022	5,367	189,291	2.8

Source: New Jersey Department of Labor, Analysis, New Jersey Covered Employment Trends, 1975-2022. Employment is as of September 30th. Employment for 2004-2015 was not reported due to confidentiality/publication standards.

RATABLE BASE AND TAX RATE

The economic and demographic characteristics of Hopewell Township are reflected in the Township's ratable base, and changes in the Township's household base and commercial development since 2000 may be examined in terms of the per parcel and total valuations (assessments) of the taxable properties in the Township.

Ratable Base

Hopewell Township has undertaken periodic property revaluations in an effort to maintain assessments that approximate current market values. The ratio of assessed value to market value is expressed in the assessment ratio which amounted to 100.43 percent in 2000, and was reported to be 84.74 percent in 2023. These assessment trends are further detailed in Table 7.

During 2000, the total equalized property valuation in Hopewell Township amounted to \$1,752.7 million. This equalized valuation increased substantially by 2023, when it reached \$4,700.2 million. The total equalized assessments increased by 168.2 percent between 2000 and 2023.

During the period from 2000 to 2023, when the Township's equalized valuation increased by 168.2 percent, the cost of municipal operations reflected in the local use budget increased from \$13,491,012 to \$26,289,150--an increase of \$12,798,138, or 94.9 percent. Between 2000 and 2023, the growth of municipal costs (94.9 percent) was well below the increase in the equalized taxable base (168.2 percent).

Between 2000 and 2023, Class 2 residential properties increased as a share of the Township's total ratables from 75.84 percent to 76.70 percent, a relative increase of 1.1 percent. Non-residential properties (commercial/industrial) amounted to 13.94 percent of valuation in 2000 and 21.24 percent in 2023. During 2000, the average equalized residential (Class 2) property assessment amounted to \$247,740 per parcel and this per parcel average had increased to \$558,997 during 2023, indicating a relative increase of 125.6 percent.

In 2000, the average residential (Class 2) tax bill in Hopewell Township was \$6,101 and between 2000 and 2023, this average annual tax increased at an average annual rate of 3.83 percent

TABLE 7
HOPEWELL TOWNSHIP, MERCER COUNTY
RATABLE BASE COMPOSITION
LOCAL USE REVENUES AND TAXES

<u>Year</u>	<u>Assessed</u>	Valuation <u>Equalized</u>	Average Percent <u>Comm/Ind</u>	State <u>Eq. Ratio</u>	Local Use <u>Budget</u>	Residential <u>Tax</u>
2000	\$1,760,308,600	\$1,752,771,682	13.94	100.43	\$13,491,012	\$6,101
2023	\$3,983,007,840	\$4,700,268,869	21.24	84.74	\$26,289,150	\$14,476

Source: New Jersey Department of Community Affairs, Division of Local Government Services, Annual Report, 2000;
Mercer County Board of Taxation, 2023.

and resulted in a 2023 average residential (Class 2) tax of \$14,476. This assessment and tax information is further detailed in Table 8.

Effective Tax Rates

The local or general tax rates levied in Hopewell Township reflect the ratio of assessed to true (market) value of the assessments in the Township. In 2000, the local (general) tax rate in Hopewell Township was \$2.452 per \$100 of assessed value. By 2023, this general tax rate had increased to \$3.056 per \$100 of assessed value. On an “equalized valuation” basis, the tax rate relative to current values increased from \$2.463/\$100 in 2000 to \$2.590/\$100 in 2023. During 2023, the general tax rate in Hopewell Township is \$3.056 per \$100 of valuation, with an equalized tax rate of \$2.590.

Hopewell Township <u>Local and Equalized Tax Rates</u>			
<u>Year</u>	<u>Local Rate</u>	<u>State Equalization Ratio</u>	<u>Equalized Rate</u>
2000	2.452	100.43	2.463
2023	3.056	84.74	2.590

Overview

The preceding review of the economic, demographic, fiscal and financial characteristics of Hopewell Township has disclosed the Township to be a sizeable community in the context of Mercer County. As noted previously, Hopewell Township contains approximately 25.7 percent of the County’s land area, and accounted for 4.51 percent of the County’s 2020 population and 3.22 percent of the County’s 2020 employment base.

Between 2000 and 2023, the equalized valuation (assessments) in Hopewell Township increased from \$1,752.7 million to \$4,700.2 million. In 2000, the average residential property in Hopewell Township was assessed at \$248,805 and paid total taxes of \$6,101 per year. By 2023, the average residential assessment had increased by 90.4 percent to \$473,694 while the taxes paid by the average residential property had increased to \$14,476 per year. From 2000 to 2023, the average residential tax paid in Hopewell Township increased at an average annual rate of 3.83 percent.

TABLE 8

**HOPEWELL TOWNSHIP, MERCER COUNTY
AVERAGE RESIDENTIAL ASSESSMENTS AND TAXES**

<u>Year</u>	<u>Average Residential Assessment</u>	<u>Average Equalized Residential Assessment</u>	<u>Total Tax</u>	<u>Average Residential Property Tax *</u>		
				<u>Local Use</u>	<u>Regional School</u>	<u>County</u>
2000	\$248,805	\$247,740	\$6,101	\$580	\$3,998	\$1,523
2023	\$473,694	\$558,997	\$14,476	\$2,733	\$8,299	\$3,444

Source: New Jersey Department of Community Affairs, Division of Local Government Services, Annual Report,2000;
Mercer County Board of Taxation, 2023.

* 2000 taxes exclude fire district taxes.

PROJECT DESCRIPTION AND FISCAL IMPACTS

On the preceding pages, the economic base and fiscal infrastructure of Hopewell Township have been examined and quantified. With the information and insight gained in the foregoing examination, it is now possible to estimate the costs, revenues and overall fiscal effects that would be expected to accompany the proposed age-restricted residential development in Hopewell Township.

Project Description

The residential development that is the subject of the ensuing fiscal assessment involves a proposal for the construction and occupancy of an age restricted (55+) community consisting of a total of 600 age-restricted housing units comprised of 480 “market” housing units and 120 “affordable” housing units. The current development plan anticipates that the 480 “market” housing units in the age-restricted development will include 272 three-bedroom single-family detached homes with sales price ranging from \$660,450 to \$752,450 and averaging \$712,783. The 118 single-family attached (duplex) units are all two-bedroom units with an average sales price of \$556,990. The 90 condominium units are comprised of 45 two-bedroom units with an estimated sales price of \$499,990 and 45 two-bedroom units with an estimated sales price of \$519,990, yielding an average anticipated sales price of \$509,990. Combined, the 480 “market” housing units are estimated to have an average sales price of \$636,460.

The 120 “affordable” housing units will be one-bedroom multi-family rental units with sales prices calculated to be affordable to adult families with “very low”, “low” and “moderate” incomes in accordance with the current affordable housing regulations. The affordable housing units provide a range of sale prices with an average monthly rent of \$1,134.

Based upon the unit distributions in the developer’s plans and the current pricing schedule, the proposed residential development would be expected to represent an aggregate (completed) value of \$316,812,576. At the Township’s assessment ratio of 84.74 percent, the completed age-restricted development would represent an assessment of \$268,467,000. This information is further detailed in the following tabulation:

Venue at Hopewell
Proposed Age Restricted Residential Development
Lennar Homes, Hopewell Township

<u>Age-Restricted</u>	<u>No Units</u>	<u>Average</u> <u>Mo Rent</u>	<u>Sale Price/</u> <u>Est Value</u>	<u>Aggregate</u> <u>Value</u>
<u>Market</u>				
SFD-3BR	272	----	\$712,783	\$193,876,976
Duplex-2BR	118	----	\$556,990	\$ 65,724,820
Condo-2BR	<u>90</u>	<u>----</u>	<u>\$509,990</u>	<u>\$ 45,899,100</u>
Subtotal	480	----	\$636,460	\$305,500,896
 <u>Affordable</u>	 <u>No Units</u>	 <u>Average</u> <u>Mo Rent</u>	 <u>Capitalized</u> <u>Value</u>	 <u>Aggregate</u> <u>Value</u>
Apt-1BR	<u>120</u>	<u>\$1,134</u>	\$ <u>94,264</u>	\$ <u>11,311,680</u>
Subtotal	120	\$1,134	\$ 94,264	\$ 11,311,680
 Total	 600		 \$528,021	 \$316,812,576
 <i>Estimated Assessment (84.74 percent)</i>			 \$447,445	 \$268,467,000

Population Determinants

There are a number of techniques and methods available in demographic analysis which may be utilized to estimate the anticipated population levels that would be generated by a proposed development. No single technique or methodology is universally applicable. Rather, all methods available for the pro forma calculation of anticipated population are subject to certain limitations.

Among the various techniques available for developing estimates of population, the "comparable" approach, or "case study" method, appears to offer the benefits of actual experiences, timely data, geographic proximity and known similarities in market sectors and product design. In the "case study" method, population determinants are generated on the basis of the actual occupancy experiences of comparable housing units in similar, recently constructed housing complexes. The reliability of the "case study" model is a function of the comparability of the "case study" housing units to the units proposed for construction.

Municipal Multipliers - Information is also available from the U.S. Department of Commerce, Bureau of the Census, which provides population and housing characteristics that can be examined to estimate municipal population and school children multiplier ratios on a per household basis. In this regard, at the time of the 2020 Census of Population (April 1, 2020), Hopewell Township contained a total population of 17,491 persons, of which 17,142 persons occupied 6,367 of the Township's 6,758 total housing units. At this time (2019-2020 school year), there were 2,676 children from Hopewell enrolled in public schools. These statistics indicate that the average household in Hopewell Township contained 2.69 persons, including 0.420 public school children.

The proposed development differs from the Township's housing base to the extent that all (100.0 percent) of the proposed new homes are "new" and "age-restricted". Additionally, the proposed development also includes 120 "affordable" housing units with unique pricing and occupancy requirements. In view of the differences in the type of housing units that are proposed vis-a-vis Hopewell Township's existing housing base, the use of municipal demographic cohorts as a "comparable" would not be appropriate.

Updated Demographic Multipliers

Given the design and age-restricted nature of the nature of the proposed new housing units, demographic information for recently occupied detached and attached housing units in New Jersey could provide a more realistic basis for estimating the population and public school children likely to be generated by the proposed detached and attached housing units in Hopewell Township. In this regard, a survey of the demographics of residents of housing units in New Jersey is presented in a (updated) November 2018 study of newly occupied housing units entitled, Who Lives in New Jersey Housing, which was prepared by the Center for Urban Policy Research (CUPR), Edward J. Bloustein School of Planning & Public Policy at Rutgers, The State University.

The CUPR study provides demographic multipliers for single-family detached homes, single-family attached homes, and multi-family (5 to 49 units), which includes condominiums and apartments. Demographic multipliers are provided for the State of New Jersey with adjustments for pricing (all values, below median or above median). Unlike the prior (2006) survey, information

is not provided for three regions of the State (north, central, and south) and the updated data does not disaggregate owner- and renter-occupied units for all type of housing , nor does it provide the demographic multipliers for specialized housing products such as “age-restricted” or “transit-oriented” developments. The updated CUPR survey does provide separate demographic multipliers for low- and moderate-income households living in deed restricted “affordable” rental housing units in New Jersey.

The prior (2006) CUPR survey did provide demographic multipliers for age-restricted housing units, however, these multipliers were based upon a sample for the “Northeast” region of the United States derived from the American Housing Survey and are not specific to New Jersey. Additionally, the age-restricted data contained in the 2006 CUPR survey, and presented in Appendix 1, was based upon housing units constructed between 1990 and 2003. The 2006 CUPR survey reports average household sizes for age-restricted housing in the Northeast region of the United States as follows: 1.57 persons per unit for single-family homes, 1.39 persons per unit for single-family attached homes (townhomes) and 1.20 persons per unit for multifamily (condominium and apartment) units.

Age-Restricted Housing - Occupancy statistics for age-restricted housing in New Jersey are also available from the Bureau of the Census for certain larger adult communities in New Jersey that have been identified as Census Designated Places (CDP’s). The Census provides population and household data for five Census Designated Places (CDP’s)¹ within Manchester Township in Ocean County that are age-restricted communities. At the time of the 2000 Census, the five adult communities in Manchester Township reported average household sizes ranging from 1.44 persons to 1.60 persons and averaging 1.49 persons per household. By 2010, the five adult communities averaged from 1.41 to 1.57 persons per household, with an overall average of 1.46 persons per household. The demographic characteristics observed in the Manchester Township adult communities are not unique to this municipality, but are similar to the demographic characteristics of residents in other senior housing communities.

¹ Cedar Glen Lakes; Cedar Glen West; Crestwood Village; Leisure Knoll and Pine Ridge at Crestwood.

Berkeley Township in Ocean County is another community with a substantial concentration of adult community residents. The Bureau of the Census provides population and household data for three Census Designated Places (CDP's)² within Berkeley Township that have been developed as adult (age-restricted) communities. At the time of the 2000 Census the three adult communities in Berkeley Township reported average household sizes ranging from 1.62 persons to 1.70 persons and averaging 1.63 persons per household. By 2010 these average household sizes ranged from 1.54 persons to 1.63 persons and averaging 1.56 persons per household.

Similar information is reported for two adult (age-restricted) communities that are located in Dover Township in Ocean County. The two adult community CDP's in Dover Township contained 1.58 persons per occupied household in 2000 and 1.60 persons per household in 2010.

Additional demographic data is also reported for adult CDP's located within Monroe Township, and includes three age-restricted communities that are separately profiled as "CDP's" by the Bureau of the Census. Within Monroe Township, at the time of the 2010 Census the Clearbrook adult community contained an average of 1.48 persons per household, while the Concordia and Rossmoor adult communities contained 1.52 and 1.36 persons per household, respectively. A review of Census data for adult community CDP's also discloses a single adult community in Southampton Township in Burlington County (Leisuretowne) that contained 1.56 residents per occupied household in 2000 and 1.63 residents per occupied household in 2010.

The population and housing data for the aforementioned adult community CDP's in Manchester, Berkeley, Dover, Monroe and Southampton Townships, which indicates an overall average of 1.52 persons per household at the time of the 2000 and 2010 Census, is provided in Appendix 2 and Appendix 3, respectively.

Added Population

The CUPR data indicates that age-restricted, single-family detached homes would be occupied by an average of 1.57 persons per housing unit while single-family attached (townhouse) units would be occupied by an average of 1.39 persons per unit. The multifamily (condominium and apartment) units are indicated to be occupied by 1.20 persons per unit. The New Jersey "comparables" would suggest an occupancy of 1.52 persons per housing unit. Notwithstanding the lower multipliers

² Holiday City; Holiday City South; and Leisure Village East..

indicated by the New Jersey data, but in view of the “new” nature of the proposed age-restricted homes and the expectation that the initial occupancy of these types of homes may be somewhat higher than their continued occupancy, the higher CUPR multiplier of 1.57 persons per single family detached housing units have been utilized, with 1.39 and 1.20 persons per household used to estimate the population per housing unit in single-family attached and multi family housing, respectively.

Proposed Age-Restricted Residential Development in Hopewell Township
CUPR Age-Restricted Demographic Multipliers

<u>Housing</u> <u>Category</u>	No. of <u>Units</u>	<u>Population Per Unit</u>		<u>Estimated Population</u>	
		Total <u>Pop.</u>	Public <u>School</u>	Total <u>Pop.</u>	Public <u>School</u>
SFD-3BR	272	1.570	0.000	427	0
Duplex-2BR	118	1.390	0.000	164	0
Condo-2BR	<u>90</u>	<u>1.200</u>	<u>0.000</u>	<u>108</u>	<u>0</u>
Subtotal	480	1.456	0.000	699	0
 <u>Affordable</u>					
Apt-1BR	120	1.200	0.000	144	0
<u>Total</u>	600	1.405	0.000	843	0

As indicated in the preceding calculations, the applicable (2006) CUPR age-restricted multipliers, when applied to the 480 “market” housing units would yield 699 residents, with no public school children while the age-restricted demographic multipliers applied to the 120 “affordable” housing units would yield 144 residents and no public school children.

Combined the 480 “market” and 120 “affordable” housing units would be estimated to be occupied by 843 residents with no (0) public school children³.

³ If the proposed housing units were occupied without an age restriction, a resident population of 1,457 persons with 167 public school children would be anticipated.

IMPACT ANALYSIS

Fiscal Impact

The fiscal impact resulting from the construction and occupancy of the proposed residential development containing 600 housing units with 843 adult residents and no (0) public school aged children, may now be examined in terms of the various services provided by the Township to its residents and businesses. The determination of the fiscal impact of the proposed development involves the use of an econometric model which is a composite of two techniques generally referred to as the "proportional valuation method" and the "per capita multiplier method". The "proportional valuation method" is utilized first to assign a portion of total municipal expenditures to the non-residential (as opposed to the residential) valuation in the Township. Municipal expenditure levels proportionately allocated to residential valuation are then expressed in terms of per capita expenditures for the existing population base. School appropriations are expressed on a per pupil basis. Once these per capita and per pupil expense ratios are determined, the "per capita multiplier method" anticipates added costs from the proposed development by applying increased population and student enrollment to the current expense ratios.

Assumptions, Conditions and Qualifications

The preparation of a cost/revenue analysis, which measures the overall and specific impacts resulting from the development and occupancy of the proposed development, necessarily requires that certain empirical assumptions be made:

- 1) All dollars are 2023 dollars--the fiscal impact shown reflects the forecasted impact as if the development were completed in 2023;
- 2) Other growth or changes (demographic/economic) occurring in Hopewell Township during the development phases of the project may well have their own impact on fiscal matters, but are not included within the scope of this study in order to empirically assess the direct impact of the planned development;
- 3) The "proportional valuation method" assumes that, over the long run, current average operating costs furnish a reasonable estimate of future

operating costs occasioned by growth, and that current levels of service, relative to current population, are reasonably accurate indicators of future service levels continued at the same relative scale, and;

- 4) The current distribution of expenditures among the various sectors of municipal service will remain constant in the short term and will serve as the primary indicator of the way in which additional expenditures will be subsequently allocated.

Utilizing the aforescribed methodology and assumptions, the ultimate impact of the completion and occupancy of the proposed age-restricted residential development can be determined through a cost/revenue analysis of the major sources of the services and taxing bodies affected by the new development. The primary sources of the services to be affected are: a) the municipality; b) the regional school district, and ; c) the County.

MUNICIPAL SERVICE COSTS

The fiscal effects anticipated to result from the proposed age-restricted residential development in Hopewell Township and the addition of 843 adult residents shall be analyzed in this section in terms of the cost of the various municipal services that the Township provides to the residential and non-residential properties located within the Township.

Municipal Costs

Insofar as the costs of the services now being provided by the community serve as the statistical foundation for the costs to be generated by the proposed development, an analysis of existing service/cost relationships has been undertaken. A summary of Hopewell Township's current (2023) revenues and expenditures, as presented in Table 9, provides a useful profile for the determination of the fiscal impact attributable to the proposed development.

Before the data and relationships indicated in Table 9 may be utilized, certain adjustments must be made to separate its residential and non-residential components. As may be seen in Table 9, non-residential properties in the Hopewell Township, which include Class 4a Commercial and Class 4b Industrial properties, represent 2.73 percent of all properties and 21.24 percent of Hopewell Township's total assessed valuation. Given these distributions, 11.98 percent of the total current municipal expenditures would be assigned, in terms of cost/benefit (or cost generation), to the non-residential properties in Hopewell Township. Of the Township's current tax-supported appropriations of \$17,339,859, approximately 11.98 percent, or \$2,077,315, would be assigned to the Township's 199 non-residential (commercial/industrial) properties.

The Township's residential properties, which are represented by 5,917 Class 2 Residential, 338 Class 3a Farm and 7 Class 4c Apartment properties, represent 85.89 percent of the Township's total properties and 76.70 percent of the Township's total assessed valuation, and would be assigned 81.30 percent of the Township's total tax-supported costs. In this regard, \$14,097,305 of the Township's total, tax-supported local use appropriations of \$17,339,859 would be attributed to residential properties located within Hopewell Township.

TABLE 9

MUNICIPAL DATA - 2023
HOPEWELL TOWNSHIP, MERCER COUNTY

A. Current Assessments:

<u>Category</u>	<u>Assessment</u>	<u>Percent</u>	<u>Parcels</u>
1. Vacant Land	\$ 77,068,300	1.93	324
2. Residential	\$2,802,849,900	70.37	5,917
3a. Farm-Regular	\$ 247,389,940	6.21	338
3b. Farm _Qualified	\$ 5,038,520	0.13	506
4a Commercial	\$ 508,013,700	12.75	172
4b Industrial	\$ 338,028,500	8.49	27
4c Apartments	\$ 4,618,980	0.12	7
<u>Summary</u>			
Residential (Class 2, 3a, 4c)	\$3,054,858,820	76.70	6,262
Commercial/Industrial	\$ 846,042,200	21.24	199
Other (Class 1 & 3b	\$ 82,106,820	<u>2.06</u>	<u>830</u>
Total	\$3,983,007,840	100.00	7,291

B. Current Tax Structure:

<u>Rate Per \$100</u>	<u>Percent</u>	<u>Rate</u>
Municipal Purpose*	18.88	\$0.577
Regional School District	57.33	\$1.752
County Taxes	<u>23.79</u>	<u>\$0.727</u>
Total	100.00	\$3.056

C. Local Use Appropriations:

	<u>Percent</u>	<u>Amount</u>
Municipal Purposes within CAPS	62.41	\$16,408,314
Total Operations Excluded from CAPS	6.15	\$ 1,616,201
Capital Improvements	2.55	\$ 670,000
Debt Service	24.29	\$ 6,384,283
Reserve for Uncollected Taxes	<u>4.60</u>	<u>\$ 1,210,372</u>
Total General Appropriations	100.00	\$26,289,150

D. General Revenues - Local Use:

	<u>Percent</u>	<u>Amount</u>
Revenue from Property Taxes	65.96	\$17,339,859
Miscellaneous Revenues	23.41	\$ 6,154,291
Surplus Revenues	7.59	\$ 1,995,000
Receipts from Delinquent Taxes	<u>3.04</u>	<u>\$ 800,000</u>
Total General Revenues	100.00	\$26,289,150

Note: Assessment Ratio is 84.74 percent.

* Includes Fire District Tax of \$0.112 per \$100.

Non-Residential Costs - The 199 existing non-residential (commercial and industrial) parcels in Hopewell Township have a total estimated (2023) employment base of 5,411 jobs and were previously calculated to generate \$2,077,315 in allocated, tax-supported, local use costs, or \$384 per employee. The proposed development is entirely residential in nature and will not directly generate any on-site employment or employee-based municipal service costs.

Residential Costs - When the resident-based, tax-supported municipal appropriations of \$14,097,305 are allocated among the Township's estimated year-end 2023 residential population of 17,423 residents, an average per capita, tax-supported cost appropriation of \$809 is derived. Concentrated, higher-density residential developments with internal management structures, homeowners and condominium associations, where many services (recreation, streets and road maintenance, snow removal, garbage collection, etc) are provided by the homeowners or condominium association, will typically have "marginal" costs that are approximately 60 percent of the "average" per capita costs, or approximately \$423 per capita. Notwithstanding the foregoing and applying the higher "average" per capita cost allocation of \$809 to the 843 adult residents estimated to reside within the proposed age-restricted residential development, yields an allocated local use appropriation of \$681,990 (843 x \$809= \$681,990).

Cost Allocations - The actual experience and distribution of the municipality's expenditures among its various budgetary components provides a basis for the allocation of costs estimated for the proposed new development. The allocated costs would reflect an annual allotment of estimated appropriations predicated upon Hopewell Township's existing levels of service and appropriations. The estimated tax-supported costs of \$681,990 amounts to 3.9 percent of the Township's total tax-supported municipal appropriations, and would be allocated to furnish the same level and quality of municipal services that are provided to the Township's existing residential and non-residential properties. The forecasted allocation does not take into account factors associated with the lower costs attributable to the compact and self-contained nature of the proposed residential development or the economies of scale and efficiencies inherent in the addition of 843 adult residents to an estimated existing population base of 17,423 persons.

Municipal Revenues

The existing and added costs of municipal services are paid by the various sources of revenues received by the community. Hopewell Township's revenue sources may be grouped into four major categories as shown on Table 8. As was the case in estimating tax-supported added costs, the added tax revenues generated by the planned development may be calculated on the basis of the Township's actual experience in generating municipal revenues.

Local Use Tax Revenues - Local use tax revenues may be determined from the current portion of the general tax rate allocated to local municipal uses. In Hopewell Township's general tax rate of \$3.056 per \$100 of assessed valuation, \$0.577 per \$100 is appropriated for local municipal uses. The local use (municipal) tax rate may be utilized to determine the added local use tax revenues to be derived from the completion and occupancy of the proposed development.

<u>Added Valuation</u> \$100	X	Local Use Tax Rate	=	<u>Added Local Use Tax Revenues</u>
<u>\$268,467,000</u> \$100	X	\$0.577	=	\$1,549,050

As indicated in the foregoing calculation, it is estimated that the valuation of the proposed residential development will yield annual local use property tax revenues of \$1,549,050 at the current local use tax rate. The local use tax revenues which Hopewell Township would have received had the proposed development been completed and occupied during 2023 are estimated to amount to \$1,549,050 and represent a 8.93 percent increase in the Township's total municipal tax revenues of \$17,339,859. The anticipated tax revenues resulting from the proposed development exceed the allocated tax-supported costs of \$681,990 and result in a surplus of \$867,060:

Tax-Supported Local Use Costs and Revenues	
<u>Proposed Residential Development</u>	
Annual Tax Revenues	\$1,549,050
Allocated Tax-Supported Costs	<u>\$ 681,990</u>
Revenue Surplus (Deficit)	\$ 867,060

SCHOOL SYSTEM IMPACT

The number of public school students expected to be generated by a new residential development typically furnishes the statistical basis for this element of the anticipated fiscal impact of a proposed development. Hopewell Township is a member of the Hopewell Valley Regional School District which provides educational services for students from the three member communities in grades K through 12. The proposed development is an age-restricted community with a specific prohibition against residency by any persons under 19 years of age. Therefore, no school children or school costs are expected as a result of the proposed adult community. Additional tax revenues, however, will be realized by the Hopewell Valley Regional School District .

Regional School District Costs

During the 2023-24 school year, the Hopewell Valley Regional School District has a total operating budget of \$95,470,291, of which \$83,515,153 (87.48 percent), is funded by local property taxes. Relative to the school district's anticipated resident enrollment, the current (2023-24) school district budget equates to \$28,254 per student, of which \$24,716 per student, is funded by local property taxes. The proposed adult community, as previously discussed will not generate any public school students, or costs, for the Hopewell Valley Regional School District .

Regional School District Revenues - Although school district revenues are received from several sources, the revenues derived as a result of school district taxes remain the primary source of all school revenues. Within the regional school district budget, revenues received from school district taxes accounted for 87.48 percent of the total school district revenues, while the remaining sources of school revenues can be generally grouped into three categories--balance, governmental aid and other.

Added School District Tax Revenues - The proposed residential development is expected to represent \$268,467,000 of assessed valuation to the ratable base of the regional school district. The application of Hopewell Township's current school district tax rate of \$1.752 per \$100 of

valuation results in \$4,703,540 in added regional school district tax revenues from the regional school district tax ($\$268,467,000 / \$100 \times \$1.752 = \$4,703,540$).

Regional School District Summary - The regional school district tax revenues anticipated to result from the completion and occupancy of the residential development proposed in Hopewell amount to \$4,703,540 and are considered to be a net figure as there is no added school cost assigned to the proposed development.

Added Costs and Revenues
Hopewell Valley Regional School District

Added Tax Revenues	\$ 4,703,540
Added Tax-Supported Costs	<u>0</u> ⁴
Surplus (Deficit)	\$ 4,703,540

⁴ If the proposed housing units were occupied without an age restriction, 167 public school children with an allocated tax supported cost of \$4,127,570 would be anticipated.

COUNTY SERVICE COSTS

A broad range of services are furnished by the County government, its agencies, offices and departments. These services, which are provided and available to all County residents without respect to municipality of residence, include the services of County Courts; Sheriff's office; various health, safety and welfare programs; maintenance of County roads; County education services; County parks; recreational facilities; etc. The nature of the services provided by the County are such that its services, facilities and operations are generally of countywide use and benefit, and the costs thereof are not allotted and cannot be segregated on a municipality-by-municipality basis. It is, therefore, difficult, to specifically separate and determine the actual measure of benefit, and the costs attendant thereto, received by Hopewell Township residents from Mercer County operations.

The absence of a direct cost/benefit relationship in the services supplied by the County does not preclude its analysis, but rather, focuses the correlations upon the actual manner in which County services are furnished and financed. Although County services are provided to the general public and, therefore, generate costs as a function of population (per capita), these services are not financed by the population, but through the assessment of a County Tax upon property valuations. A calculation of the estimated County costs and estimated County revenues resulting from the proposed development in Hopewell Township may also be derived from this bifurcated relationship between allocated costs and direct revenues.

County Costs

County services are provided primarily, and in some instances exclusively, for the benefit of County residents with only a limited amount of services rendered to non-residential properties and non-resident employees. Because the vast majority of Mercer County's services and associated costs are furnished to and for the benefit of County residents, only a nominal and indirect relationship exists relative to non-residential properties and the employees thereof. Of the total County appropriations, only those activities involved with general government, public safety, public works and judiciary could reasonably be perceived as providing a service/benefit to non-residential properties and their employees. These types of County services, which are provided for the joint

benefit of residents and non-residents, account for approximately 34 percent of the total County expenditures while the remaining 66 percent of Mercer County's expenditures are furnished exclusively for the County's residential population.

Residential Costs - During 2023, \$236.9 million of Mercer County's total tax-supported expenditures of \$278.7 million would be allocated to the County's resident population. With an estimated mid-year 2023 resident population of 388,480 persons, the tax-supported residential expenditures amount to \$610 for each of the County's residents at this time. The proposed residential development is estimated to have a resident population of 843 persons, which, at the current allocated cost of \$610 per capita, would be assigned \$514,230 in Mercer County costs.

County Revenues

The costs of the services and facilities provided by the County are financed by a variety of revenue sources. One important revenue source that accounts for 86.6 percent of the total County revenues, and which is directly derived from the County's constituent municipalities, is generated through the imposition of the County tax rate upon the real property valuations in each municipality within the County. The proposed new housing units, in representing \$268,467,000 of valuation for both the municipal and County tax rolls, would directly generate additional County tax revenues of \$1,951,760 at the current County tax rate of \$0.727 per \$100 of valuation. The proposed residential development would, therefore, be expected to generate County tax revenues that fully offset the allocated County costs:

County Services Impact Proposed Residential Development

Annual County Tax Revenues	\$1,951,760
Allocated Tax-Supported Costs	<u>\$ 514,230</u>
Surplus (Deficit)	\$1,437,530

COMMUNITY IMPACT OVERVIEW

In the preceding sections, the nature and magnitude of the proposed residential development in Hopewell Township relative to the existing community have been defined and quantified, and the prospective impact thereof upon the various services furnished by the municipality and school system have been determined. The additional need for a variety of services, and the costs thereof, as a result of the proposed development were subsequently refined to illustrate the ultimate impact through cost/revenue analysis.

The results of these analyses, as set forth in Table 10, indicate that the proposed residential development would, in the present fiscal structure, generate added municipal, school district and County tax revenues totaling \$8,204,350 while the tax-supported costs allocated to the proposed residential development amount to \$1,196,220, and result in an **annual revenue surplus of \$7,008,130**. This revenue surplus is a combination of a revenue surplus of \$867,060 for municipal operations, a revenue surplus of \$4,703,540 for the Hopewell Valley Regional School District and a surplus of \$1,437,530 for Mercer County operations.

Impact Summary

The estimated fiscal effects of the proposed development, which yield tax revenues that exceed the allocated tax-supported costs for local use, the regional schools and for County operations, results from differences in the level of cost and revenue increases. An examination of the relationships which exist between population, valuation, and fiscal operations relative to the Township on the one hand, and the nature of the proposed development on the other, will disclose the underlying reason for the existence of the tax revenue surplus vis-a-vis tax-supported costs.

When a given budget is in balance (local, school, etc.), the measures of per capita valuation and per pupil valuation express the amount of property tax base supportive of each service user (resident / student) in the local municipality. These measures can be used as a general indicator of whether a new development will normally be expected to generate surplus revenues (or deficits).

TABLE 10

**Summary of Municipal and School District
Tax Revenues and Allocated Tax-Supported Costs
Proposed Age-Restricted Residential Development
in
Hopewell Township**

	<u>Municipal</u>	<u>School District</u>	<u>County</u>	<u>Total</u>
Annual Revenues	\$1,549,050	\$4,703,540	\$1,951,760	\$8,204,350
Allocated Costs	\$ <u>681,060</u>	\$ <u> 0</u>	\$ <u>514,230</u>	\$ <u>1,196,220</u>
Surplus (Deficit)	\$ 867,060	\$4,703,540	\$1,437,530	\$7,008,130

Generally speaking, if the per capita valuation of a new development is greater than that which exists throughout the municipality, then a surplus situation would be anticipated by such development. This indicator holds true in fiscal situations where property tax revenues contribute the major portion of total revenues. As the importance of property tax revenues diminishes, the reliability of this indicator also declines. Conversely, when a new development is found to contain per capita and per pupil valuations below those existing in the municipality prior to the introduction of such new development, then a deficit situation will usually result.

In Hopewell Township, where property taxes represent 71.4 percent of the non-surplus revenues for municipal operations and are the source of funds for 87.5 percent of the regional school district budget, per capita and per pupil valuations provide comparisons which would anticipate the forecasted results. During 2023, the Township's total residential assessed valuation of \$3,054,858,820 amounts to \$175,335 per capita. The proposed residential development with a valuation (assessed value) of \$268,467,000 yields a per capita valuation of \$318,466. The tax base derived from the new age-restricted development is being added at levels that are 1.82 times the Township's existing per capita residential valuation.

Ratable Base and Per Capita Comparisons

	<u>Hopewell Township</u>	<u>Proposed Development</u>
Residential Assessed Valuation	\$3,054,858,820	\$268,467,000
Total Population	17,423	843
Public School Children	2,636	0
Per Capita Valuation	\$ 175,335	\$ 318,466
Per Pupil Valuation	\$ 1,158,899	\$ - - - -

The proposed residential development, as indicated above, generates a higher level of per capita ratables than the existing residential development in Hopewell Township. The indicated surplus for municipal operations and for school district operations can be attributed to these per capita and per pupil ratables relative to the existing ratios in the Township, and which are the foundation of the current tax rates.

The methodology utilized to calculate new municipal and school costs attributable to the completion and occupancy of the planned development is designed to provide cost estimates based upon existing levels of expenditures relative to population and public school enrollments. After adjustments are made for municipal expenditures allocated to non-residential services, total expenditures are expressed in terms of the average cost benefit derived on a per capita basis from municipal operations. The same is true for school allocations. The expression of current operating expenses in this manner stems from the assumption that current operations and service levels are adequate, appropriate, and reflective of municipal priorities. If new population is to be provided with the same level of service, then the cost of providing these services will increase in direct proportion to the increase in population.

The foregoing analysis has demonstrated that, if the proposed development had been in existence during 2023, the total tax revenues generated by the proposed development would fully offset the allocated tax supported cost to yield an overall, annual revenue surplus of \$7.0 million while providing 120 “affordable” housing units to assist the Township in meeting its affordable housing obligations..

The existing costs allocations for municipal operations, as summarized in Section C of Table 9, provide one possible distribution of the estimated overall costs; but it is the overall cost estimate, and not the specific distribution of this cost, that is the most reliable product of this analysis. The actual and final determination of specific services, equipment and manpower needs most appropriately rests with the various municipal and school authorities responsible for the provision of these services. Similarly, the allocation and/or reallocation of newly realized revenue sources should necessarily be reserved for those charged with the responsibility of managing these fiscal resources.

INDEX TO APPENDICES

APPENDIX 1	CUPR Age-Restricted Demographic Multipliers
APPENDIX 2	New Jersey Age-Restricted CDP's - 2000 Census
APPENDIX 3	New Jersey Age Restricted CDP's - 2010 Census

APPENDIX 1

DEMOGRAPHIC MULTIPLIERS - AGE RESTRICTED HOUSING

Total Persons (Household Size Multipliers) and Persons by Age in Age-Restricted Housing in the Northeast United States

STRUCTURE TYPE/ BEDROOMS/ VALUE/TENURE	TOTAL PERSONS	AGE							
		0-18	19-34	35-44	45-54	55-64	65-74	75-84	85+
PERSONS									
Single-Family Detached All Values, Bedrooms, and Tenure	1.57	0.00	0.01	0.08	0.00	0.67	0.44	0.37	0.00
Single-Family Attached All Values, Bedrooms, and Tenure	1.39	0.00	0.00	0.00	0.00	0.09	0.61	0.48	0.21
Multifamily All Values, Bedrooms, And Tenure	1.20	0.00	0.00	0.00	0.00	0.04	0.42	0.49	0.25
All Housing Categories¹ All Values, Bedrooms, and Tenure	1.38	0.00	0.00	0.02	0.00	0.28	0.53	0.40	0.14
PERCENTAGES									
Single-Family Detached All Values, Bedrooms, and Tenure	100%	0.00	0.01	0.05	0.00	0.43	0.28	0.23	0.00
Single-Family Attached All Values, Bedrooms, and Tenure	100%	0.00	0.00	0.00	0.00	0.06	0.44	0.35	0.15
Multifamily All Values, Bedrooms, and Tenure	100%	0.00	0.00	0.00	0.00	0.03	0.35	0.41	0.21
All Housing Categories All Values, Bedrooms, and Tenure	100%	0.00	0.00	0.01	0.00	0.21	0.39	0.29	0.10

APPENDIX 2
NEW JERSEY ADULT COMMUNITY HOUSING DEMOGRAPHICS
2000 CENSUS

Adult Community Census Defined Places (CDP's)	Population	Total Housing	Occupied Households	Percent Occupied	Persons Per	
					Total Housing	Occupied Households
<u>Berkeley Township, Ocean County</u>						
Holiday City-Berkeley CDP	13,884	9,015	8,575	95.12	1.54	1.62
Holiday City South CDP	4,047	2,470	2,385	96.56	1.64	1.70
Leisure Village East CDP	4,597	3,035	2,826	93.11	1.51	1.63
<u>Dover Township, Ocean County</u>						
Leisure Village CDP	4,443	3,122	2,805	89.85	1.42	1.58
Silver Ridge CDP	1,211	827	770	93.10	1.46	1.57
<u>Manchester Township, Ocean County</u>						
Cedar Glen Lakes CDP	1,617	1,242	1,126	90.66	1.30	1.56
Cedar Glen West CDP	1,376	1,015	914	90.05	1.36	1.44
Crestwood Village CDP	8,392	6,448	5,694	88.31	1.30	1.47
Leisure Knoll CDP	2,467	1,634	1,540	94.25	1.51	1.60
Pine Ridge at Crestwood CDP	2,025	1,514	1,367	90.29	1.34	1.48
<u>Monroe Township, Middlesex County</u>						
Clearbrook Park CDP	3,053	2,067	1,947	94.19	1.48	1.57
Concordia CDP	3,658	2,341	2,180	93.12	1.56	1.68
Rossmoor CDP	3,129	2,345	2,131	90.87	1.33	1.47
<u>Southampton Township, Burlington County</u>						
Leisuretowne CDP	2,535	1,709	1,628	95.26	1.48	1.56
SURVEY/AVERAGE	56,434	38,784	35,888	92.53	1.46	1.57

Source: U.S. Department of Commerce, Bureau of the Census, 2000 Census of Population and Housing, Profile of General Demographic Characteristics, Summary File 1 (SF 1)

APPENDIX 3
NEW JERSEY ADULT COMMUNITY HOUSING DEMOGRAPHICS
2010 CENSUS

Adult Community Census Defined Places (CDP's)	Population	Total Housing	Occupied Households	Percent Occupied	Persons Per	
					Total Housing	Occupied Households
<u>Berkeley Township, Ocean County</u>						
Holiday City-Berkeley CDP	12,654	9,023	8,152	90.35	1.40	1.55
Holiday City South CDP	3,689	2,460	2,257	91.75	1.50	1.63
Leisure Village East CDP	4,217	3,057	2,743	89.73	1.38	1.54
<u>Dover Township, Ocean County</u>						
Leisure Village CDP	4,345	3,080	2,664	86.49	1.41	1.63
Silver Ridge CDP	1,133	827	749	90.57	1.37	1.51
<u>Manchester Township, Ocean County</u>						
Cedar Glen Lakes CDP	1,421	1,234	1,008	81.69	1.15	1.41
Cedar Glen West CDP	1,267	985	812	82.44	1.29	1.56
Crestwood Village CDP	7,904	6,702	5,615	83.78	1.18	1.41
Leisure Knoll CDP	2,350	1,627	1,499	92.13	1.44	1.57
Pine Ridge at Crestwood CDP	2,369	1,810	1,550	85.64	1.31	1.53
<u>Monroe Township, Middlesex County</u>						
Clearbrook Park CDP	2,667	2,006	1,803	89.88	1.33	1.48
Concordia CDP	3,092	2,261	2,032	89.87	1.37	1.52
Rossmoor CDP	2,666	2,257	1,966	87.11	1.31	1.53
<u>Southampton Township, Burlington County</u>						
Leisuretowne CDP	3,582	2,351	2,204	93.75	1.52	1.63
SURVEY/AVERAGE	53,564	39,680	35,054	88.34	1.34	1.52

Source: U.S. Department of Commerce, Bureau of the Census, 2010 Census of Population and Housing, Profile of General Demographic Characteristics, Summary File 1 (SF 1)

**ADDENDUM TO THE
APRIL 15, 2024 COMMUNITY IMPACT STATEMENT
VENUE AT HOPEWELL
PROPOSED AGE-RESTRICTED DEVELOPMENT**

The age-restricted residential development proposed for a tract of land located along the westerly side of Scotch Road in the southern portion of Hopewell Township that was evaluated in the April 15, 2024 Community Impact Statement contained a total of 600 age-restricted housing units, including 120 age-restricted, affordable, one-bedroom rental housing units. The total number and types of housing units has not been changed, however, the bedroom mix of the 120 age-restricted, affordable housing units has been modified to include 72 one-bedroom units and 48 two-bedroom units as opposed to 120 one-bedroom units. Other than this modification to the bedroom mix of age-restricted, affordable housing units, there are no other changes to the housing units evaluated in the April 15, 2024 Community Impact Statement.

Project Value and Assessment - The replacement of 48 one-bedroom age-restricted affordable rental units with 48 two-bedroom age-restricted affordable rental units would result in increased rental rates, valuation and assessments due to the inclusion of the two-bedroom units. As detailed on Page 18 of the Community Impact Statement, the 120 one-bedroom age-restricted affordable housing units were estimate to have an average per unit value of \$96,624 and an aggregate value of \$11,311,680:

<u>Prior Plan</u>		<u>Average</u>	<u>Capitalized</u>	<u>Aggregate</u>
<u>Affordable</u>	<u>No Units</u>	<u>Mo Rent</u>	<u>Value</u>	<u>Value</u>
Apt-1BR	<u>120</u>	<u>\$1,134</u>	\$ <u>94,264</u>	\$ <u>11,311,680</u>
Subtotal	120	\$1,134	\$ 94,264	\$ 11,311,680

With the modification of the bedroom mix to included 48 two-bedroom units, the average per unit value would increase to \$102,078 and yield an aggregate (capitalized) value of \$12,249,312:

<u>Revised Plan</u>		<u>Average</u>	<u>Capitalized</u>	<u>Aggregate</u>
<u>Affordable</u>	<u>No Units</u>	<u>Mo Rent</u>	<u>Value</u>	<u>Value</u>
Apt-1BR	72	\$1,134	\$ 94,264	\$ 6,787,008
Apt-2BR	48	<u>\$1,369</u>	<u>\$113,798</u>	<u>\$ 5,462,304</u>
Subtotal	120	\$1,228	\$102,078	\$ 12,249,312

As indicated in the preceding comparisons, the modification to include 48 two-bedroom affordable rental units would increase the Project Value by \$937,632, and yield an estimated assessment (84.74 percent) increase of \$794,550. The \$794,500 increase in assessed value due to the modified units mix would result in a \$24,280 increase in property tax revenues at the Township's current tax rates:

Bedroom Mix Modification Impact on Tax Revenues

<u>Jurisdiction</u>	<u>Municipal</u>	<u>School District</u>	<u>County</u>	<u>Total</u>
Rate/\$100	\$0.577	\$1.752	\$0.727	\$3.056
\$794,500	\$4,584	\$13,920	\$5,776	\$24,280

Population Impact - The estimate of the number of residents expected to occupy the age-restricted housing units, including age-restricted affordable housing units, was based upon a survey by the Center for Urban Policy Research (CUPR). The CUPR data indicates that age-restricted, single-family detached homes would be occupied by an average of 1.57 persons per housing unit while single-family attached (townhouse) units would be occupied by an average of 1.39 persons per unit. Multifamily (condominium and apartment) units are indicated to be occupied by 1.20 persons per unit. The CUPR age-restricted survey is based upon unit type, rather than bedrooms, and includes a mix of bedrooms in the unit type multipliers. The CUPR age-restricted multiplier of 1.20 persons per unit includes "All Values, Bedrooms and Tenure". Accordingly, changes in the bedroom mix, tenure and value of the "Multifamily" housing units would not affect the estimated population of 144 adult residents with no (0) school children:

Estimated Population Age-Restricted Affordable Housing Prior and Modified Plan

<u>Housing Category</u> <u>Affordable</u>	<u>No. of Units</u>	<u>Population Per Unit</u>		<u>Estimated Population</u>	
		<u>Total Pop.</u>	<u>Public School</u>	<u>Total Pop.</u>	<u>Public School</u>
Apt-1&2BR	120	1.200	0.000	144	0

Fiscal Implications

The allocated costs and the added revenues attributable to the modification of the age-restricted affordable housing unit mix have been evaluated utilizing the the same fiscal procedures and methods utilized for the proposed age-restricted development that are contained in the April 15, 2024 Community Impact Statement. The modified bedroom mix for the development of 600 new housing units results in a project with an assessed value of \$317,750,208 and occupied by 843 adult residents and no (0) public school children. The development with the modified bedroom mix would generate property tax revenues totaling \$8,228,630 that fully offset the allocated service costs of \$1,196,220, and yield an overall, annual revenue surplus of \$7,032,410. This overall revenue surplus (\$7,032,410) exceeds the surplus of the prior plan (\$7,008,130) by \$24,280.

The modification of the age-restricted, affordable housing bedroom mix, by exchanging 48 one-bedroom units for 48 two-bedroom units, yields a \$937,632 increase in the Project Value and a \$794,300 increase in the estimated assessment. The net result is an increase in annual tax revenues amounts to \$24,280 with no increase in population or added service costs. A summary of the impact of the modified bedroom mix upon the entire age-restricted development plan is presented in Appendix 1.

APPENDIX 1

FISCAL COMPARISONS PRIOR AND MODIFIED BEDROOM MIX

	Prior Plan 04/15/24 <u>CIS</u>	Modified Bedroom <u>Mix 12/08/25</u>
Market Housing Units	480	480
Affordable Housing Units	120	120
Total Residential Units	600	600
Project Value	\$316,812,576	\$317,750,208
Estimated Assessment	\$268,467,000	\$269,261,500
Total Population	843	843
Public School Children	0	0
<u>Annual Revenues</u>		
Municipal	\$ 1,549,050	\$ 1,553,640
School District	\$ 4,703,540	\$ 4,717,460
County	\$ <u>1,951,760</u>	\$ <u>1,957,530</u>
Total	\$ 8,204,350	\$ 8,228,630
<u>Allocated Costs</u>		
Municipal	\$ 681,990	\$ 681,990
School District	\$ 0	\$ 0
County	\$ <u>514,230</u>	\$ <u>514,230</u>
Total	\$ 1,196,220	\$ 1,196,220
<u>Surplus (Deficit) Revenues</u>		
Municipal	\$ 867,060	\$ 871,650
School District	\$ 4,703,540	\$ 4,717,460
County	\$ <u>1,437,530</u>	\$ <u>1,443,300</u>
Total	\$ 7,008,130	\$ 7,032,410