



From: NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]

Sent: Thursday, March 12, 2009 3:21 PM

To: Lashway, Lisa

Subject: From NJLM - Two Mayors Letters

LEAGUE ALERT

Municipal Clerk: Please forward to Mayor and Governing Body.

March 12, 2009

**Re: I Age Restricted Housing Conversion Bill—A-3772
 & S-2577**

Re: II 4% Tax Levy Cap

Re: I. Age Restricted Housing Conversion Bill—A-3772 & S-2577

Dear Mayor:

Companion bills, which allow for the change of a proposed age-restricted development to market units without age restrictions, are poised for votes in both Houses of the State Legislature. We previously wrote to you on these bills (please see our Dear Mayor letters of February 23 and March 5) and outlined the reasons for the League's opposition.

The legislation states that up to 20% of the market rate units can be set aside as part of a municipality's fair share plan and the converted development itself does not trigger an obligation. The legislation further states that this option is available to developers for two years after the effective date of the bill.

There have been significant amendments to the bills. The original Section 11 of the bill, which allowed for a developer to appeal a local board's denial to the State's "Smart Growth Ombudsman," was removed entirely at the urging of the League. Please see our Dear Mayor letter of March 5 for a synopsis of the significant amendments.

While the amendments may temper opposition to the bill, it fundamentally runs contrary to the MLUL and thirty years of case law supporting it, and undermines the discretion of local land use boards and governing bodies. Any developer seeking a conversion can make that request now, under the existing provisions of the MLUL. It would be preferable for the Legislature to instead provide incentives to local governments under the existing provisions of the MLUL instead of diminishing the discretion of local boards and local governments, whose charge is to defend the interests of the public, even if it is "only" for a two year period.

We advise contacting your Legislators with your concerns on these bills. For more information on this

bill contact Mike Cerra at mcerra@njslom.com or 609-695-3481 x120.

Very truly yours,

William G. Dressel, Jr.
Executive Director

REMINDER!

Re: II. 4% Tax Levy Cap

Dear Mayor:

I am hearing from a number of areas that the 4% Tax Levy Cap is creating great problems for Local Government. The decline in development has resulted in significant decline in the Roll back taxes, as well as, Added and Omitted Assessment which, in the past, have been used to develop surplus. Those surplus funds were then appropriated in the operating budget to stabilize property tax levy.

This loss of revenue means you begin the year in a deficit position. I am also hearing from a number of you that your tax base is constricting as the housing and commercial markets decline. Adding to that pain is are the defense and/or loss of tax appeals. A constricted tax base means your levy just to stay even must increase.

Some of you have expressed concern about the cost of health benefits experience rated and have been increasing faster than the 4%. Finally, many of you have imbedded contract obligations which will cause you to increase your operating costs.

These issues are not small matters. They are forcing you to reduce your staffing levels, postpone maintenance, eliminate programs and defer payments programs. In spite of these efforts I am receiving word that many of you are experiencing problems that will not let you live with the Tax Levy Cap. The only answer appears to be an application to the Local Finance Board seeking a Waiver.

The Governor has publicly proclaimed his desire that Local Finance Board not grant any Waivers. This blanket statement does not take into consideration your individual concerns, nor the dynamics of running a Local Government. In light of this I would like to ask you to respond to the enclosed survey.

The response to these questions will help me place things in perspective and provide valuable information to the Legislature.

Please fax your responses back to 609-695-0151, c/o Ms. Shirley Cade. Thank you for responding quickly.

Very truly yours,

William Dressel

Executive Director

(Survey Attached)

2009 NEW JERSEY MUNICIPAL FISCAL CONDITIONS SURVEY

Name: _____

Title: _____

Municipality: _____

1. Will your town be reducing staff in 2009?

YES ___ NO ___

2. Has your town experience revenue losses other than from State Aid in 2009?

YES ___ NO ___

(If 'yes,' please specify.)

3. Will your town be seeking a Tax Levy Waiver in 2009?

YES ___ NO ___

4. Do you have less Fund Balance for use as Surplus in 2009?

YES ___ NO ___

**PLEASE FAX YOUR RESPONSES BACK TO 609-695-0151, C/O MS. SHIRLEY CADE.
THANK YOU FOR RESPONDING QUICKLY.**

**William G. Dressel, Jr., EXECUTIVE DIRECTOR | Michael J. Darcy, CAE, ASSISTANT EXECUTIVE
DIRECTOR**
222 West State Street, Trenton, NJ 08608 PHONE: (609) 695-3481 FAX: (609) 695-0151 EMAIL: www.njslom.com

NJLM
222 West State Street
Trenton, NJ 08608