

**SUBURBAN
TECHNICAL ADVISORY COMMITTEE**

**REPORT ON THE
DRAFT PRELIMINARY STATE DEVELOPMENT AND REDEVELOPMENT PLAN**

SUBMITTED TO THE OFFICE OF STATE PLANNING

MAY 1988

Committee Members

Thomas A. Thomas
Townplan Inc.

Robert J. Wolfe
Forrestal Center

David N. Kinsey
Kinsey & Hand

J. Robert Hillier
The Hillier Group

Peter S. Reinhart, Esq.
K. Hovnanian
Enterprises, Inc.

Peter Buchsbaum
Sterns, Herbert,
Weinroth, Petrino
Attorneys at Law

Ingrid Reed
Assistant Dean
The Woodrow Wilson
School

Samuel M. Hamill, Jr.
MSM Regional Council

Facilitator

Hilda Blanco

The Suburban Policy Technical Advisory Committee met three times on April 5, April 12, and May 5, 1988. The following report presents a summary of the committee discussions.

The Committee strongly supports the ~~creation~~ of Corridor Centers developed in the Draft Preliminary State Plan. Concern with its successful implementation led the Committee to focus on strengthening this major initiative in the Plan. The report outlines the major concerns of the Committee and presents recommendations for revisions of the Draft Preliminary State Plan. The report is organized into five parts which correspond to the major concerns identified by the Committee. These are:

- * The need for greater articulation of Corridor Centers in particular and growth tiers in general;
- * The need to provide for meaningful incentives to gain local acceptance of Corridor Centers and growth areas;
- * The need to establish an implementation strategy to carry out the Plan's expectations for growth areas and Corridor Centers.
- * The need to develop a broader set of criteria to demarcate the growth from the limited growth areas;
- * The need to develop a housing strategy.

A. THE NEED FOR GREATER ARTICULATION OF ~~UL&iijUk CUUtK~~
AND THE GROWTH TIERES.

Corridor Centers

The committee finds that the discussion of Corridor Centers in the Draft Preliminary State Plan does not sufficiently or persuasively convey the concept of Corridor Centers. Since the concentration of development into Corridor Centers is a key strategy of the Plan, the Committee urges the staff and the Commission to articulate this concept further. With respect to this issue, the Committee recommends the following:

- 1) **the inclusion of illustrative examples of centers and of different types of centers in the pertinent chapter of the draft.**
Graphic representation of these centers is essential to convey the concept.
- 2) **the inclusion of quantitative density and design standards.**

One Committee is concerned as to whether 40 d.u./acre, the density cited in the April 1987 draft and absent in the January 1988 draft, is still being assumed for Corridor Centers. Many members of the Committee feel that 40 d.u. per acre is too high a density for suburban centers. Although staff pointed out that corridor Centers are being conceptualized now at a more suburban scale, more along the lines of MEM's regional centers, with more modest densities, the Committee believes that any density assumptions must be made *explicit*. She Committee believes that conveying a clear image of these centers, with the desirable mix of uses, scale, intensities, and design guidelines is also important.

- 3) an explicit statement of the approximate number of centers the Plan envisions by type of center, and of the number of people that could be expected to be housed and employed there.

The Committee feels that the Commission and the staff need to establish the total population and employment that can be expected to be absorbed by these centers. Also, the approximate number of Corridor Centers, by type of center, that are envisioned needs to be established to allay any public fear that the Plan favors too many centers. For the sake of their implementation and function, the number of these centers needs to be manageable. Although the staff explained that during cross-acceptance municipalities will indicate their interest in being designated as potential Corridor Centers, and that during the Corridor planning process actual centers will be designated, the Committee feels that this is an unrealistic position. In order to make a judgment on the feasibility of this Corridor Center strategy, an indication, even if it is tentative, of the number of centers and their population and employment capacity is necessary. Realistically, the Commission should be prepared to have very few municipalities accept Corridor Centers. It must be ready to designate the centers needed in the appropriate locations to achieve the goals of the Plan.

- 4) an explicit statement of the development process envisioned for the centers.

Issues concerning the agency or entity in charge of developing corridor plans for a center, and of coordinating local, county, and state plans and activities need to be addressed in the Plan. The Committee is also concerned with the potential of Corridor Centers to curtail entrepreneurship among the development community. Since Corridor Centers are large-scale projects, it is likely that single major developers will develop them. This could lead to a lack of diversity in design, as well as to a reduction in the number of eligible developers. One Plan for these Centers should ensure that different developers are enabled to participate in the development of Corridor Centers.

5) a stronger and more locally persuasive rationale for these centers.

The Committee feels that there are three major reasons in support of these Centers that need to be more fully discussed in the draft Plan. These are:

- a) changing demographic and social trends, which have led to a demand for better designed environments and services;
- b) the break-down of traffic management in the suburbs?
- c) the need to preserve open space.

Included in the concept of centers should be an explicit discussion of their contribution to the mitigation of sprawl. The Committee also believes that a stronger case should be made for the role of Centers in preserving land. Municipalities are more likely to accept a Corridor Center if centers are linked to a preservation strategy elsewhere in the community and surrounding communities.

Growth Areas

The Committee notes the discrepancy between the presence of standards in the limited growth tiers and the lack of these in the growth tiers, especially in the case of Tier 4. The Committee urges the staff and the Commission to provide a better idea of the desirable densities, scale, mixture of uses and intensity of development for each of the growth tiers.

This is essential for achieving the Plan's growth - enhancing goals for Tier 4 areas. Unless Tier 4 achieves enough growth to balance restrictions in Tiers 5 to 7, the Plan could end up retarding State growth overall, a result which the Committee rejects.

B. THE NEED TO PROVIDE MEANINGFUL INCENTIVES FOR CORRIDOR CENTERS AND OTHER GROWTH AREAS

The Corridor Centers strategy, a major and distinctive strategy of the draft Plan, is a novel strategy at the state-wide scale proposed by the Plan. To assure its success, the Committee believes that meaningful incentives must be provided to both municipalities and developers to undertake such centers. Potential disincentives must also be addressed and resolved. The following are the major incentives and disincentives that the Committee has identified. We urge the staff and the Commission to address the following issues and

- 1) Future obligations to provide low and moderate income housing and loss of school aid may act as potential disincentives for greater development concentrations in the Corridor Centers and other growth areas.

There is some evidence that indicates that neither high density residential nor commercial development "pays" in terms of costs/benefits because of the increased future obligations to provide low and moderate income housing linked to these kinds of development. The loss of school aid due to increases in rates is also a potential disincentive that must be addressed to make Corridor Centers attractive from a fiscal standpoint. Both of these potential disincentives need to be explored and fully "reversed" to assure the success of the Corridor Centers strategy.

- 2) The targeting of state agency funding is critical. However, it may not be a sufficient incentive for municipalities to accept a Corridor Center in their jurisdiction.

Targeting DOT funding to municipalities that accept a Corridor Center may not be enough of a carrot for municipalities. People are becoming increasingly aware that transportation improvements often just generate more traffic. In fact, it was noted that some counties and municipalities would not consider centers before the issue of upgrading current road deficiencies is addressed and improvements in place. Municipal reluctance to accept Corridor Centers may not even respond to targeting a bundle of state agencies' funding programs. Other incentives must be found for municipalities.

- 3) An aggressive and workable Transfer of Development Rights (TER) program is important to the success of the Corridor Centers strategy.

The Committee strongly believes that a corridor centers strategy may need to be tied to an aggressive TER program. The Committee questions the Commission's stance regarding programs that require new legislation, especially in the case of TER's. The Committee is sympathetic to the Commission's position that the Plan should be implementable through existing legislation. However, new legislation that would facilitate Plan implementation should be identified and advocated in the Plan. The Committee recognizes that statewide legislation does not exist to implement the kind of TDK system needed to promote Corridor Centers. This kind of legislation, however, would assist the implementation of the Plan, and should be explicitly advocated in the Plan. Without a 3TR system, exclusive reliance on downzoning in the limited growth areas will be politically difficult to achieve and will lack a direct link to concentrating development in centers. This is an area where we feel the Commission has an opportunity to exert strong leadership.

- 4) Streamlining the permitting process is the most crucial incentive for the development community.

Streamlining the permitting process in areas that the Plan designates as growth areas, especially in the Corridor Centers, is a carrot to which we believe developers would respond positively. This could be accomplished if the environmental constraints in such areas are identified early on, and the permits are expedited.

The Committee proposes that the Plan establish an explicit policy with respect to the presumption of development versus conservation. To illustrate this concept, think of the tier system as a continuum, with the Corridor Centers close to the pole of development. The scale or fulcrum is set at the line demarcating the growth from the limited growth areas. The pole on the growth area is set on development, and the pole on the limited growth area is set on conservation. With this image in mind, the policy could be conceived as the scale tipping in the limited growth area on the side of conservation, and in the growth area on the side of development.

Once an area has been designated for growth, particularly as a Corridor Center, the developer ought to be guaranteed that the permitting for sewers, water, access, etc., will be clear sailing. In order for such a policy to work, advance and precise public planning, such as envisioned through Corridor Plans, would have to take place. This planning would rule out centers in areas with crippling environmental constraints. The areas selected for centers through such a planning process would thus be free from major environmental constraints. Remaining environmental constraints in designated centers would not be ignored under this policy. However, the legal presumption would be that remaining environmental constraints could be mitigated or that a waiver could be granted.

The same concept should be applicable to growth areas. Developers will be persuaded to look towards Tier 4 rather than Tiers 5 - 7, if they know that the necessary permits would be forthcoming.

This policy would alleviate the uncertainty that the development community feels about the Plan. It would also state in a clear and simple way the Plan assumptions about development and conservation. The permit incentive could almost by itself make the Plan work*

**C. THE NB3} TO ESTOHUEB AN MFTEMQnKT1CN SIBK&EX
TO PCuKE SEWER IN taojym AREAS
AND ixKIDnR frmm;**

The Committee believes that the Draft Preliminary State Plan needs to be strengthened in the area of Plan implementation. The Committee suggests

that the Plan needs to be more explicit about the development process envisaged for Corridor Centers and growth areas. A sense of the steps necessary to provide the incentives and remove the disincentives to the development of Corridor Centers and growth areas is particularly needed. The success of the Corridor Centers strategy, the Committee feels, will require action on a number of fronts:

- 1) an executive order from the Governor directing State agencies to expedite permits in growth areas and Corridor Centers.

This executive order should explicitly contain expediting strategies for the centers and other growth areas. The executive order should identify areas to be addressed by administrative rules in each state agency to implement the Plan, as well as needed reorganization.

- 2) reorganization and coordination of permits and programs within state agencies to expedite the Plan. The Committee believes that state agencies, especially DEP and DOT, should establish high level positions within the Office of their Commissioners charged with the coordination of permitting and programming to implement the Plan, and in particular the planning of Corridor Centers.
- 3) a serious examination of alternative ways to administer permits and programs, and recommendations for statutory changes to establish centralized and expedited permitting.

As an example of an alternative administrative -framework worth exploring, both the pending Transplan legislation and the draft Plan place an important emphasis on the role of counties in planning. It may be that the permits and programs now administered through state agencies could be coordinated at a county level, through a County Development Review Center.

**D. THE NEED TO ESTABLISH A SET OF CRITERIA TO
DETERMINE THE SUITABLE GROWTH AREAS**

The Committee believes that the draft Plan's reliance on sewer service areas to demarcate growth from limited growth areas is not adequate. The presence or absence of sewers is an unduly limiting criterion, since the location of sewers to date has had very little land use planning associated with it. One Committee feels that the Plan will be strengthened if other criteria, such as highway capacity, water supply, environmental criteria, the scale of contiguous land uses, and adequate lands to meet the land needs of the Plan are

In addition, the Commission and staff should address the fact that many Court and COAH certified affordable housing sites are located in the limited growth tiers as proposed in the draft. The Committee proposes that these sites should be allocated to Tier 4.

E. THE NEED TO DEVELOP A HOUSING STRATEGY

The Committee has a deep and high priority concern with the effects that designating an area as a Corridor Center site and limiting growth to the designated tiers will have on land values, and ultimately on housing costs. The draft Plan must establish a mechanism to monitor the potential inflationary effects of the Plan on housing costs and devise strategies to mitigate this potential effect.

Among such strategies, the Commission should explore land banking as a means to keep the costs of land low for development, and rezoning excess industrial areas for mixed or residential uses, which would increase the supply of land available for residential development.

In addition, the continuing increase in housing prices is making owning a home less of a possibility for a greater segment of the population. Although the draft plan addresses the issue of affordable housing for low and moderate income people, it has no specific goal or policy for middle income housing. Yet, this segment of the population is also experiencing problems finding suitable affordable housing. The Committee believes that the draft Plan should include strategies and policies addressing housing issues for middle-income people.