

HOUSING
State Planning Advisory Committee

November 1990

**State
Development**
AND
**Redevelopment
Plan**

Preface

The Housing State Planning Advisory Committee was organized by the Office of State Planning (OSP) pursuant to a resolution by the State Planning Commission to contribute to the formulation of an effective State Development and Redevelopment Plan through a multi-disciplinary, structured dialogue on housing issues in the Plan. As another vehicle for public participation in the State planning process, the Housing SPAC met five times during the first phase to discuss and report findings and recommendations to the Office of State Planning. Comprised of individuals with varying backgrounds and wide expertise, the Housing SPAC represented a balance of interests to review; the Preliminary Plan; major issues arising from the comparison phase of cross-acceptance; and any other matters referred by the State Planning Commission and OSP.

The Housing SPAC convened on February 14, March 23, May 11, July 12 and September 11, 1990 in Morristown, New Brunswick, Lawrence Township, Pomona and Newark to organize, engage in discussions on housing issues in the Preliminary Plan, and identify the boundaries of debate and areas of consensus. Recommendations were identified during each of these meetings and were noted in summaries produced after each meeting. This report summarizes the first phase of these meetings and compiles the recommendations made by the 18 members of the Committee. Additional reports will be forthcoming, following the second and third phases of the SPAC process.

The following are the members of the Committee who have generously contributed their time and efforts in order to produce this first report of the Housing State Planning Advisory Committee:

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Members of the public that have contributed to the dialogue should also be acknowledged, especially Joanne Harkins, New Jersey Builders Association; Denise Lane and Vemard Leak, Civic League of Greater New Brunswick; Susan McGuiness, New Jersey Association of Realtors; Wayne Soojian, Hovnanian Enterprises; and Christy Van Horn, New Jersey Future.

Report of the Housing State Planning Advisory Committee

Overview

The Housing State Planning Advisory Committee discussed five areas of interest as related to the State Development and Redevelopment Plan: affordable housing, urban revitalization, land availability/housing accommodation, community character/design, and implementation. Its findings and recommendations are contained within this report.

Overall, the Committee found that the Preliminary Plan was clear about its vision for environmental quality, but vague or silent in many areas regarding the importance of affordable housing, especially low- and moderate-income housing. The Final Plan needs to increase housing opportunities in addition to striking a better balance between constitutionally mandated shelter needs and environmental considerations by encouraging the production of various types of housing that are affordable, well-designed, and in close proximity to employment and services.

The Committee also agreed the Plan could achieve the goal of urban revitalization through incentives for housing and infrastructure. Integrated housing, transportation and other infrastructure policies should be utilized to not only renew urban areas, but also ensure beneficial development in suburban and rural areas.

Concerned about the Plan's ability to meet the housing need through the year 2010, the Committee discussed land availability and housing accommodation, and agreed that housing should be encouraged throughout the areas of the State Plan (i.e., in all tiers and Communities of Place). The Plan should also ensure that there is enough vacant developable and redevelopable land, and provide density guidelines and size thresholds to meet this need.

The Committee also recommended that the Plan contain guidelines for a balanced jobs-to-housing ratio in each region of the State. Design guidelines should ensure that new growth is compatible with community character and of a sufficient mix to serve the needs of the area. This report concludes with recommendations for implementation that require actions by individuals and institutions other than the State Planning Commission.

1. AFFORDABLE HOUSING

Findings

Recognizing the substantial need statewide for housing that is affordable, the Committee agreed that the Preliminary Plan did not adequately address either the broad spectrum of housing affordability or the areas in which housing should be encouraged. The Committee stressed the State Plan needs to broaden the meaning of "affordable housing" beyond the criteria established by the Council on Affordable Housing (COAH) regarding low- and moderate-income housing, and include a "measure of affordability" that ensures—in a more comprehensive fashion—that a person is able to live in close proximity to his/her employment. The Committee was careful to add, however, that the Plan should pay particular attention to the needs of low- and moder-

ate-income households, and to take into account the critical need for rental housing. Furthermore, the Committee held that municipalities that encourage commercial development create a need for affordable housing that should be met; and that this need does not disappear despite varying market conditions. The Committee believed that in urban, suburban and rural areas, balanced development could improve both the character of the community and the local tax base by stimulating economic growth.

Recommendations

The Plan should:

- * Ensure the availability of low- and moderate-income, and market-priced housing in all of the tiers in the State Plan, and in all of the "Communities of Place" identified in the Plan;
- * Coordinate housing and transportation policies to better meet the needs of low- and moderate-income households;
- * Maximize opportunities for affordable housing in growth areas (e.g., Tier 4, Corridor Centers, etc.);
- * Establish mechanisms to monitor and evaluate the provision of affordable housing;

Plan Language Changes

Insert: Critical Issues for Tiers 1-3: Affordable Housing

Affordable Housing has become an issue of increasing concern as the cost of housing increases at rates exceeding increases in median income. This imbalance between housing costs and household income should be addressed by municipalities in developing their comprehensive plans. Municipalities should cooperate with the Council on Affordable Housing in addressing their low- and moderate-income housing obligations by balancing the need for affordable housing, with the goal of preserving the character of existing neighborhoods. Infill development should be encouraged. Where communities lack sufficient land and/or facilities to accommodate the need for affordable housing, municipalities should identify areas of town suitable for redevelopment where affordable housing may be created.

Insert: Critical Issue for Tier 4: Affordable Housing

Since these suburbanizing areas still contain large tracts of vacant undeveloped land, they have the potential of accommodating a great deal of the state's low- and moderate-income need. Municipalities should cooperate with the Council on Affordable Housing in addressing their low- and moderate-income housing obligations. Municipalities that choose to address this obligation through inclusionary development should encourage a rational development pattern consistent with existing and/or planned infrastructure. Where possible, such inclusionary developments should be integrated within the fabric of the community and its services.

Insert: Policy for Tiers 5-7: Affordable Housing

Municipalities should cooperate with the Council on Affordable Housing in meeting their housing allocation with an emphasis on rehabilitating substandard low- and moderate-income units. Municipalities with obligations requiring new construction should encourage innovative approaches, where appropriate, such as small-scale infill development, inclusionary developments in Communities of Place and/or regional contribution agreements.

2. URBAN REVITALIZATION

Findings

The Committee reviewed two of the major housing issues that arose from the comparison phase of cross-acceptance: 1) Urban areas must be able to attract a diversified residential population; and 2) Costs should be determined for the provision and maintenance of the infrastructure necessary to support the population density of the urban areas. The Committee also raised the question of compatibility between the Plan's urban revitalization/redevelopment policies and the housing needs of the poor who reside in urban areas. In addition, Committee members reviewed the New Jersey Future report, "The Cities' Stake in the State Planning Process" regarding an urban strategy, and discussed impediments to the development of housing in the State's urban areas.

The Committee recognized that the Plan needs to further address the rehabilitation of existing, substandard housing, and the redevelopment of existing, uninhabitable housing. The Plan should also include affirmative strategies to avoid displacement. The Committee agreed that urban areas need a balance of low- and moderate-income, as well as market priced housing in order to re-establish a balanced community and, in turn, an improved tax base. The Plan should recognize the role of the private and non-profit sector in this regard.

Several members of the Committee stated that major impediments to the building of affordable housing in urban areas are the high cost of land, inadequate subsidies, high property taxes, potentially lengthy and expensive environmental clean-up and suburban preferences. The competition for Regional Contribution Agreements (RCAs) was also found to have an adverse impact on the production of affordable housing in urban areas, with multiple receiving municipalities outpacing the limited supply of sending areas. Committee members were left wondering what would happen if the cities did not receive adequate funding to bring about revitalization. Some concluded that without sufficient funding for the cities, outlying areas will need to accommodate much of the State's additional growth.

Recommendations

See section #5. Implementation.

3. LAND AVAILABILITY/HOUSING ACCOMMODATION

Findings

Will the growth fit? Simply put, this was the question raised by the Committee. Two presentations on recent OSP computer modeling research and much Committee discussion centered on the issues of land availability and housing accommodation. Recognizing that the Plan needs to ensure that there is enough vacant developable and redevelopable land to meet projected housing need, the Committee agreed that the Plan should analyze land inventories and address housing unit and jobs-to-housing ratio range guidelines needed in the tiers and Communities of Place. Measuring this balance of housing to jobs should be undertaken, at the least, through a test case, with a statewide analysis during the mandated 3-year update. Thresholds regarding the size of the community and necessary services should also be considered, and could form a definitive base not just for affordable shelter, but also for the necessary capital improvements to direct and support development. It was felt that planning and implementing these guidelines should be done by the respective municipality. Committee members concluded that the amount of developable land will have to be increased if the projections do not fit.

Recommendations

The Plan should:

- * Analyze lands designated for growth to determine the amounts of land available and the densities necessary to ensure the affordability of housing;
- * Establish a vacant land inventory with a multiplier (four times need is suggested) to control land costs;
- * Provide guidelines for ranges of densities (gross and net developable) for each Tier and Community of Place;
- * Provide guidelines for size thresholds for Communities of Place;
- * Include guidelines for higher densities for corridor centers, with a narrower range than presently listed in Volume III of the Preliminary Plan;
- * Increase the ratio of housing-to-jobs for corridor centers from 1:5 to a minimum of 1:1;
- * Include mutually agreed-upon procedures to periodically (and only when necessary) increase the supply of developable and redevelopable land.

4. COMMUNITY CHARACTER/DESIGN

Findings

Supporting the premise that the Plan must provide for a balance of residential products by style and price, the Committee discussed the problems and opportunities related to community character and design. Recognizing that the Regional Design System SPAC was considering similar issues, this Committee provided conclusions viewed as vital to a successful housing strategy in the Plan. The Committee considered poll results indicating the strong demand for single family detached housing; they also acknowledged the frequent opposition to new development or redevelopment (especially "Mt. Laurel" housing) that is viewed as altering the existing community character.

The Committee agreed that the Plan should encourage development and redevelopment in Communities of Place that will support sufficient income-generating opportunities and low-cost transportation services in close proximity to assist individuals in reaching their work and shopping locations. By achieving a jobs-to-housing balance, traffic congestion could be mitigated. The Committee felt that the Plan should consider community facilities, e.g., day care, elderly, transportation and other services to accommodate the needs of residents and workers. In order to build these new Communities of Place, the types of sewer service that are acceptable to service these places need to be identified. The Committee concluded that developing model ordinances and design standards which show that lower-cost housing can be attractive and emphasize a mix of housing types may take away the negative connotations of low-and moderate-income housing.

Recommendations The

Plan should:

- * Expand the housing policies to consider the demand for single-family detached housing;
- * Provide guidelines and model design ordinances for Communities of Place that will accommodate a mix of housing types (e.g., small lot zoning and zero-lot line units);
- * Cite "The Model Subdivision and Site Plan Ordinance" as a guide to reducing housing costs in Tiers 4-7 as well as in Tiers 1-3.

5. IMPLEMENTATION

Findings

Much of the discussion regarding recommendations for revision of the Preliminary Plan involved implementation concerns outside of the scope of the Plan. Among the topics covered were ways to build affordable housing through financial incentives, methods to ensure that Regional Contribution Agreements are not undervalued due to competition, redevelopment law revisions, and permit/funding prioritization for housing objectives. The Plan will provide the Governor, Legislature, courts, State agencies, county and local governments, public interest groups, as well as the private sector with a clear direction of State policy. The State Planning Commission, however, is not expected to implement the goals it seeks. Implementation will be achieved through the coordinated actions of those mentioned above. The Committee utilized this first phase of the SPAC process to recommend actions considered important to the successful implementation of the Plan. This section of the Housing SPAC report differs from the previous sections by addressing implementation concerns considered beyond the scope of the Plan.

Recommendations:

- * State government, if it wants growth in the cities, must comprehensively do what is necessary to support appropriate infill and redevelopment, including relocation assistance; ECRA (Environmental Clean-up Responsibility Act) and permit reforms; infrastructure improvements; and land assembly and subsidization.
- * Redevelopment efforts must be comprehensive, requiring a priority commitment from the State; redevelopment laws need to include stronger incentives to encourage inclusionary redevelopment.
- * A recurring State funding source must be established to ensure successful urban revitalization.
- * Recommendations contained in the New Jersey Future Report, "The Cities' Stake in the State Planning Process" should be considered.
- * Tax abatement programs should require low- and moderate-income housing in the respective developments.
- * Incentives must be provided for the designation of growth areas which significantly offset the negatively perceived low- and moderate-income housing component of these areas.
- * Tax incentives and other recurring funding sources should be provided to ensure the production of rental housing.
- * There must be acceptable and available funding programs for infrastructure.

- * The competition for Regional Contribution Agreements must be alleviated; alternatives include the establishment of a bottom dollar limit on per-unit contributions or the creation of a State bank for RCAs from which money would be centrally distributed.
- * In areas agreed (through the State planning process) to be areas for growth, development must be permitted to proceed in a timely manner with certainty in land use and the approval process; impact statements, studies, etc., that delay the development process should not be required.
- * The State should increase the availability and pool of money for mortgages; a possible program could involve the investment of State pension monies.

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