

The Interim
State Development and
Redevelopment Plan



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The Interim State
Development
and
Redevelopment Plan
Q&A

Q *What Is The State Plan
Designed to Do?*

A The State Planning Act of 1985 called for a plan to address a myriad of "quality of life" issues— such as traffic gridlock, the rapid disappearance of farmland, and rising housing costs. All of these are closely tied to the State's growth and development. The legislation emphasized that the State could no longer afford to subsidize haphazard development by building roads, sewer systems and other infrastructure to such places.

The State Development and Redevelopment Plan sets development goals for the year 2010. It aims to protect the health of citizens by safeguarding and improving the quality of our environment. Its proposals are designed

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to lead to better management of tax dollars. In effect, the State Plan is a long-range investment strategy for State agencies, counties and municipalities to follow as they develop their own plans and regulations.

The goals of the Plan, which reflect those of the 1985 Act, include: revitalizing urban areas; conserving natural resources; promoting beneficial economic growth; protecting the environment; providing public services at a reasonable cost; preserving and enhancing historic, cultural, open space and recreational lands and structures; ensuring sound and integrated planning; and, providing housing at a reasonable cost.

Q *How Does the Plan Suggest Achieving These Goals?*

A The Plan calls for coordinated action and investment by both the public and private sectors. It recommends guiding as much future growth as possible into population and business centers, where development and redevelopment can be located to use infrastructure efficiently. Building in these centers also promotes the protection of natural resources in other areas.

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9 *The Plan Refers to "Communities of Place." What Are Communities of Place?*

A These settlements already exist throughout the State. They range from a neighborhood in a city, to the downtown mix of commercial and residential districts in suburban and rural towns and villages. While these places may have evolved naturally in the past, in today's marketplace Communities of Place do not just happen. They result from careful planning, strategic investments, and highly cooperative relationships between the various levels of government and the private sector. In Communities of Place, schools, jobs, shops, housing and a host of other daily activities and needs are within walking distance or can be easily reached by public transportation.

The Plan promotes Communities of Place as the ideal type of development. Regardless of their size, they function as social and economic units. They have diverse housing, employment, cultural and recreational opportunities, and public infrastructure systems can be efficiently provided. The Plan presents a "Centers" concept (discussed below) as the means of achieving these Communities of Place in the future.

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Q How is the Interim Plan Organized?

A The Interim Plan is organized around two operating principles to guide public decisions on policy and resource management. These work together to help government plan and invest to achieve the goals of the State Planning Act.

The first guiding principle is known as the ***Statewide Policy Structure***. It provides policies that may be used by all levels of government to plan investments in infrastructure; economic development; urban revitalization; housing; transportation; protection of historic, scenic, cultural and natural resources; waste management; agriculture; and in dealing with the areas of critical state concern (i.e., the Hnelands, CAFRA and HMDC regions). The second guiding principle is the ***Resource Planning and Management Structure***. This has two interdependent elements. The first is a strategy to attract development into five different types of "Centers/ The second describes five distinct "Planning Areas," in which the various centers are, or can be, located.

The five **PLANNING AREAS** describe different geographic characteristics and intensities of development within large land areas throughout the State. Development can occur within each of these planning areas, but the Plan stresses the importance of locating it

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within the centers in order to take advantage of, or protect, the characteristics of the surrounding region. Each chapter includes a discussion of the policy objectives and center development strategies for that planning area. The plan identifies these planning regions through a series of designation criteria, which are applied to lands equal to or greater than one square mile.

Metropolitan Planning Area (PA 1)—This planning area includes those regions that are fully developed, have well-established development patterns, and in almost all cases, an aging infrastructure system. Redevelopment and regionalization will be the main focus of public activity and investment within these areas in the future.

Existing centers within the Metropolitan Planning Area include the largest *urban centers*; smaller, *regional centers*; and *towns*.

Suburban Planning Area (PA 2)—This planning area is generally adjacent to the Metropolitan Planning Area. Development here is not quite as dense, however, and vacant, developable land is still available. The existing development patterns are mostly dependent upon the single passenger automobile. Yet, if planned properly, development centers that support public transportation, protect open space and provide affordable housing (among other things) can be created or enhanced here.

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The types of centers best-suited to the Suburban Planning Area include *towns, regional centers* and *villages*.

Fringe Planning Area (PA 3)—

This planning area still has vast areas of open land, the roadways have been built to serve rural populations, and residential communities are generally served by well water and septic systems. Commercial development has been expansive over the last two decades, but is rarely related to residential communities; both forms dot the landscape and public services are both difficult and expensive to provide. Moreover, the urban infrastructure systems found in the Metropolitan and Suburban areas are unavailable in the Fringe Planning Area. Future development activities that here—if planned well—can create an effective buffer between the more densely developed urban and suburban areas and the still-rural agricultural and environmentally sensitive areas.

Towns, regional centers, villages and hamlets are the development types that either already exist or are recommended new types of development for this planning area.

Rural Planning Area (PA 4)—

Farmland with the greatest potential to sustain agricultural viability is identified in this planning area, lands have the healthiest soils and are the most productive in the State. Agricultural land mass that stills

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here requires adequate water supplies and protection from incompatible land development. Planning in the Rural areas must carefully consider the protection of the agricultural resource.

At the same time, the Plan recognizes that farmers must often supplement their income and need non-farming job opportunities in nearby communities. Existing towns, and new or existing regional centers, villages and hamlets can provide such jobs. Therefore, transfer of development rights (TDR, described below) and other land preservation tools should be widely utilized to attract development into *towns, regional centers, villages, and hamlets* in the Rural Planning Area.

*** * Environmentally Sensitive Planning Area (PA 5)**—This planning area contains large land regions with valuable ecosystems and wildlife habitats. **They are** relatively undeveloped and rural in nature, and include critically important resources, such as aquifers (groundwater lakes) and recharge areas (geological water filters to the aquifers); wetlands, forested lands and other natural landscapes. Development in this planning area is primarily resource-based, such as mining or logging operations. Future development should not place additional or unnecessary burdens on these natural resources and infrastructure systems.

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Development forms that are most appropriate in the Environmentally Sensitive Planning Area are new or existing *villages* and *hamlets*.

CENTERS are the second component of the Plan's "Resource Management and Planning Structure." These are places for development within each planning area. The lively, dynamic settlements the Plan calls Communities of Place have evolved from centers that have matured over time. Centers have adequate sewers, water supply and roadway systems, and have the capacity for additional expansion in order to accommodate future growth.

The Plan's centers strategy differs greatly from the common development patterns of the last 45 years. Yet, centers are wholly consistent with those settlements that characterized much of the landscape over the centuries preceding World War II. Well-designed centers can absorb the same amount of residential and commercial development as post-war sprawl, but preserve vast amounts of land and important natural resources. Public services can be provided more efficiently in centers, because agencies can anticipate the sequence of growth and plan investments in the systems to support that growth.

Five types of centers are described in the Plan.

Urban Centers are the largest of these settlements and are the Plan's

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only centers with boundaries that match their municipal borders. The Interim Plan identifies eight urban centers: Atlantic City, Camden, Elizabeth, Jersey City, Newark, New Brunswick, Paterson and Trenton. These centers have immense infrastructure systems and an employment base that supports industrial jobs, corporate headquarters, medical and research services, universities, cultural facilities and government offices.

Private investments had receded for a time in these centers, but they continue to serve as communications and transportation hubs. Extensive public expenditures to protect the health and safety of the resident population are still required. The Interim Plan anticipates the continued return of private capital to these centers, but emphasizes that leadership and incentives from State government can quicken the pace of revitalization. Such incentives range from speedy approval of permit applications to State grants and loans.

The Interim Plan recommends three steps urban officials can take to attract these incentives:

- 1) *adopt a State-approved economic development plan;*
- 2) *update the local master plan;*

3) *execute agreement(s) regarding public/private development partemships.*

These urban centers can also enter into cooperative arrangements with surrounding municipalities and/or counties to develop regional economic revitalization programs. Such an arrangement is defined as an **urban complex**.

Towns are almost fully developed communities with major infrastructure systems that serve a central business district and its surrounding neighborhoods. A town's boundaries do not necessarily coincide with municipal borders, since they are often culturally, socially and economically tied to portions of the communities around them. Their populations range from around 1,000 to 10,000 residents. Towns have diverse housing stocks, with residences available for all income groups. The population density in these communities averages about 1,000 persons per square mile.

Regional Centers share many of the same characteristics of urban centers and towns. They vary in size and scope, depending upon the economics of their surrounding regions (planning areas). In the Metropolitan and Rural Planning Areas, existing regional centers have often grown out from the county seat of government. Regional centers in the Suburban Planning Area

have usually evolved from and serve major employment centers.

The Plan also anticipates creating or renewing regional centers by capitalizing on two concepts familiar to the planning and development communities. The first is known as "infill" development. This practice involves developing those parcels of land that are either vacant or abandoned, but are located within close proximity to intensely developed districts.

Another technique promoted in the Plan is known as "retrofitting." Retrofitting is most effective in areas that have isolated their commercial and business uses from residences. It involves the introduction of residential communities to the commercial /business mix—or vice versa. This mix of uses reduces driving demands, and provides greater opportunities for other infrastructure systems. Moreover, the service economy that fuels the State's economic engine makes this concept a reasonable, healthy alternative to chronic traffic congestion.

Regional centers have major infrastructure systems available at a densely developed core. The core contains a mix of uses so that public transportation services can be provided as these centers grow. The existing or planned population ranges from about 5,000 to 40,000. These communities should be planned for an employment base that falls within the same range. The land area for these

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centers will range between one and ten square miles. Regional centers can be created through cooperative planning arrangements among several municipalities and perhaps among more than one county.

Villages are small, mostly residential communities that offer shopping and services to their residents. As with the other centers, the Plan encourages mixing these uses to provide greater convenience to the community. Villages have community water and wastewater treatment systems and the population does not usually exceed 1,500 residents.

These settlements are found primarily in the Rural and Environmentally Sensitive Planning Areas. Villages can be portions of a larger municipality. The Interim Plan provides criteria to help municipal and county governments plan new villages for these planning areas, if necessary. Villages are promoted as a means of preserving these agricultural and environmentally sensitive lands from destructive development patterns. The Plan recommends using TOR and other preservation tools to achieve this goal. Through TDR, the owners of open land sell development "credits" to a bank. A developer who purchases these credits from the bank receives permission to build in the center at a greater density than that permitted in the local zoning ordinances.

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Hamlets are the smallest places in the hierarchy of communities promoted in the Interim Plan. They are primarily rural, residential communities with limited services, such as a multi-purpose community building, a house of worship, a tavern or luncheonette. The population usually ranges from 25 to 250. The housing stock is diverse and includes all income groups.

Like villages, new hamlets can be planned to accommodate future population as well as to protect the fragile landscape of Rural and Environmentally Sensitive Planning Areas.

Q *What are Community Development Boundaries?*

A All of the centers described in the Interim Plan have community development boundaries. The community development boundaries for urban centers are equivalent to their municipal borders. In the other centers, the area within the boundary forms the central core of each hamlet, village, regional center or town. A "community development area" fans out from the central core to the development boundary. The areas beyond the development boundary are known in the Plan as the "environs." Each of the

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counties have been asked to work with their respective municipalities to identify the community development boundaries.

These boundaries are important because:

- 1. They protect the environs from negative development impacts;*
- 2. They provide information to the private sector about where development will be encouraged through incentives such as Junding assistance or expedited permit approvals;*
- 3. They inform private and public interests about where local and county governments plan to accommodate population and employment growth; and*
- 4. They help public agencies prepare plans for infrastructure improvements to maintain adequate levels of service in order to support that growth.*

In all of the planning areas, the community development boundary identifies the area for major redevelopment activities and projects, such as transit links, business and commerce services, and cultural and recreational facilities. Beyond these similarities, the community development

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boundaries can serve different purposes, depending on the planning area objectives in which the centers are located.

For instance, in all three rural planning areas (i.e., PAs 3, 4, & 5), they define the outer limits for infrastructure growth or expansion. The environs in these regions will receive greatest priority for funding open space corridors (PA 3), agricultural preservation (PA4), or natural resource preservation (PA 5).

In the urban planning area (PA 1), the environs are closely linked to the urban centers, through existing economic and transportation systems. These communities should strengthen these historic relationships through cooperative planning ventures (described above as the "urban complex"). The same opportunities exist in PA 2, where the environs could be closely tied to existing regional centers.

9 *What Happened to the Tier System?*

A The Interim Plan is substantially different from the Preliminary Plan released two years ago. The tier system discussed in the Preliminary Plan was used differently here than in other states, and consequently was widely misunderstood. While other states have used tiers to limit public investment priorities to major cities and the urban core that surrounds

them, the Preliminary Plan used it as a way of categorizing different types of land and development patterns. Nevertheless, public officials, landowners and citizens in the agricultural and environmentally sensitive tiers strongly objected to the tier system. Many believed that public investments of all types would be denied them under this system.

The *Resource Planning and Management Structure* presented in the Interim Plan, which focuses on "planning areas" and "centers," evolved from the old tier system. The planning areas describe different geographic qualities and development conditions, and the centers should attract growth within *each* of the areas. This Resource Planning and Management Structure is a sort of "customized" tier system to meet the unique needs, conditions and circumstances that exist here in New Jersey.

9 How Will Economically Distressed Communities Benefit from the State Plan?

A The Interim Plan identifies eight urban centers that require special attention and assistance from the State. Yet, smaller urban communities exist throughout the State, even in rural and environmentally sensitive regions. In the past, substantial public financing helped focus growth in these older centers. More recently,

disinvestment in favor of remote, sprawling developments has contributed to their decline. These places continue to be valuable assets, however, because of their strategic locations, efficient land-use patterns and often untapped or underutilized labor force. They require special attention in order to recreate them as the lively places they once were.

The Plan utilizes the New Jersey Office of Management and Budget's Municipal Distress Index as a means of identifying fiscally distressed municipalities. A municipality's relative ranking on the distress index (among the top 100), combined with the index category of urban level 1 or 2 (employment and population densities, and/or proximity to fully developed places), contribute to a community's priority standing for redevelopment programs. While distress remains a factor, the Plan recommends improving a community's priority ranking if certain steps are accomplished:

- 1) *adopt a State-approved economic development plan;*
- 2) *update the local master plan;*
- 3) *execute agreements) regarding public/private development partnership.*

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Q How Does the Interim Plan Relate to CAFRA, the Pinelands and the Hack-ensack Meadowlands Development Commissions? Does it Super-cede Existing Plans?

A The State Planning Act explicitly directs the State Planning Commission to "...rely on the adopted plans and regulation of these entities in developing the State Development and Redevelopment Plan." Through the cross-acceptance process, however, an understanding has emerged that promotes compatibility among them. The Interim Plan reflects increased communication and cooperation among these State agencies and the respective counties and municipalities affected by these programs.

Q Will the State Plan Drive Down the Value of Farmland?

A The State Planning Act requires the State Planning Commission to, "[c]oordinate planning activities and establish statewide planning objectives in...agriculture and farmland retention." It also calls for a State Development and Redevelopment Plan that protects, "...the natural resources and qualities of the State including... agriculture development areas..." and to, "identify areas for...agriculture...."

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The legislation clearly affirms the importance of farming to New Jersey and its citizens, and charges the State Planning Commission to develop policies for its protection.

While the State Planning Act and the Commission view agricultural lands as highly valuable resources, many in the farming community fear that the implementation of preservation policies may diminish property values. In this environment, the public policy challenge becomes one of balancing the interests of the landowner against those of the wider rural public, in addition to the broader public interest of the citizenry of New Jersey.

The cyclical nature of the economy is another factor. A booming economy and the willingness of the public sector to make new infrastructure investments put farmland under considerable development pressure in the 1980s. As a result of the current recession and a growing backlog of unmet infrastructure needs, the pressure has eased. Moreover, 1990 census figures project far less growth than we experienced in the last decade, which will have a corresponding impact on the market to develop in agricultural areas. Given these economic realities, a different question arises. Are there ways to create land values in rural areas and still protect agricultural resources?

The Plan promotes establishing new development patterns in rural areas, so that these communities can shape future growth into centers that have, or plan to have, adequate infrastructure. Development in centers of this type will not interfere with farming, but will instead help to support it. The Plan urges legislative approval of tools such as TOR, which will help municipalities create and market development centers in rural areas. Additionally, a section on Statewide Agricultural Policies recommends ways governments can promote economic development in farming communities, by providing off-the-farm employment opportunities in these centers. The Plan also recommends targeting State farmland preservation funding programs to those lands included in the Rural Planning Area (PA 4), giving them the highest priority for protection programs.

Q What Spending Priorities are Recommended in the Interim Plan?

A The State Plan should be used by all levels of government to achieve the goals of the State Planning Act. State government can support these efforts by establishing spending

priorities that are consistent with the Plan's policies. While State spending is often restricted by federal guidelines and other considerations, discretionary funds are usually available. Agencies with such discretion should make their allocations in accordance with the Plan's priority system. There are four components to the system, and each should be taken into consideration as funding decisions are made. The system addresses statewide needs, urban and community infrastructure needs, program needs and has an additional priorities category.

The *statewide category* applies to all planning areas and centers throughout the State. Its first two priorities supercede all others:

- 1) *Protection of the public health and safety,*
- 2) *Maintenance and repair of existing infrastructure.*

After these priorities are met, agencies should consider the following questions, which can be used as a starting point or "benchmark" when choosing among competing projects or programs:

- a) *wUl the project or program directly benefit a highpriority centerorplanning area, even though it is located elsewhere?*

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b) *is the project or program in an urban center that has an up-to-date master plan, State-approved economic development plan, and is participating in a public/private partnership?*

c) *is the project or program located in a distressed municipality (which has not been identified as an Urban Center) in the Metropolitan Planning Area?*

d) *are there other municipalities in other planning areas that are working to achieve State planning goals and will make better use of these funds?*

Urban and community infrastructure needs should be addressed within each planning area. The planning areas are not in competition for these funds. The centers within each planning area, however, do receive different levels of priority, as described below.

Metropolitan Planning Area (PA 1)

- 1) Urban Centers
- 2) Regional Centers and Towns

Suburban Planning Area (PA 2)

- 1) Existing Regional Centers and Towns
- 2) Planned (New) Regional Centers
- 3) Existing and Planned (New) Villages

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Fringe Planning Area (PA 3)

- 1) Existing Regional Centers and Towns
- 2) Villages

Rural and Environmentally Sensitive Planning Areas (PA 1 & 2)

- 1) Existing Regional Centers
- 2) Towns and Existing Villages

Program priorities concern discretionary funds for redevelopment, housing, recreation, economic development, highway accessibility, transit, agricultural preservation, and open space conservation. These program priorities should be allocated in the following order:

Redevelopment, Housing and Recreation Priorities

- 1) urban centers;
- 2) regional centers;
- 3) towns;
- 4) villages;
- 5) hamlets.

Home Development and High-Accessibility Priorities

- 1) urban centers;
- 2) regional centers;
- 3) towns;

Open Space Acquisition Priorities

- 1) Environmentally Sensitive Planning Area (PAS);
- 2) Critical Environmental Sites;
- 3) Fringe Planning Area (PA 5).

Public Transit priorities that link urban centers, regional centers and major transportation terminals should be given priority over other new transit services.

Agriculture Preservation priorities should be targeted to the Rural Planning Area (PA 4).

The **additional priorities** category provides incentives that encourage communities to work to achieve the Plan's goals. Each of the following circumstances improves a municipality's priority within the Plan's ranking system:

- *Its Relative Level of Distress;*
- *Participation in Multi-Jurisdictional (Regional) Planning and Services Delivery;*
- *COAH-Certified Housing Element;*
- *Up-to-Date Master Plan;*
- *The Magnitude of a Project or Program's Public Benefit;*
- *Leveraged Private Capital Investment (public/private partnership)*

Q *How Do the Functions of the State Planning Commission*

Relate to the Functions of the Council on Affordable Housing?

A The New Jersey Supreme Court's Mt. Laurel II decision played a large role in the creation of the State planning process. The decision deals with expanding opportunities for affordable housing throughout the State. As a result of that ruling, the need for an up-to-date statewide plan became apparent, so that municipalities could anticipate their needs for housing low- and moderate-income families. COAH was also created as a result of the Mt. Laurel decision. Its role is to assign such housing allocations to municipalities. COAH will begin using the State Plan after 1993 to ensure that its allocations do not encourage sprawl and are supportive of the policies of the State Development and Redevelopment Plan.

Q *What is the Relationship of the State Plan to County Planning?*

The State Planning Act has enhanced the limited role of county planning in two ways. First, counties have played a major role in shaping the State Plan, serving as the communication link between their municipalities and the State Planning Commission. Second, as regional planning becomes more important, coun-

ties will take on increasing responsibilities.

Q *How Does the State Plan Affect Home Rule?*

A Zoning authority will continue to rest with municipalities. Their powers under the Municipal Land Use Law will not change as a result of the State Plan. Yet municipalities will find they have a greater say in development that occurs beyond their borders as a result of the Plan. Consistency with the State Plan will help local officials protect their communities from any negative impacts growth, such as increased traffic congestion or environmental concerns.

Q *What is the Cross-Acceptance Process?*

A This is a procedure through which all 21 counties and their respective municipalities have the opportunity to shape the State Plan. It is executed in three distinct time frames. The first began in 1989 and called for counties and localities to compare their plans with the Preliminary State Plan and to recommend changes.

In July of 1990 the second phase began, as these jurisdictions began to negotiate changes based on the issues raised in the county comparison re-

ports. The Interim Plan is a result of those negotiations, but it will continue to evolve over the next six months. During this period, counties and municipalities will identify growth centers and community service boundaries. These identifications are required in order to complete an assessment of the Interim Plan's fiscal, economic, environmental, community life and intergovernmental coordination impacts.

The impact assessment is required bylaw, and must be completed before the final phase of cross-acceptance, issue resolution, begins. The last phase of this cycle requires the Commission to hold at least six public hearings on the Interim Plan and the accompanying impact assessment. After the last of these hearings, the Commission will make final changes and adopt the State's first Development and Redevelopment Plan.