

TO: DCA Transition Team
FROM: Dianne Brake, President
DATE: December 18, 2009
RE: New Jersey's Housing Problem, COAH and Statewide Planning

Housing is an economic issue: The state has many interests in housing but first among them is for the labor force: without homes that people can afford, the erosion to our labor force will eventually erode our jobs. Let me document that with an example in Mercer County: according to the 2000 US Census, although there is still a major stream of Bucks County residents traveling up the Route 1 Corridor for their jobs, for the first time a small stream of Mercer County residents were traveling to Bucks County to take jobs – the **jobs were moving to where the labor force already lived** – PA, and where traffic congestion did not take such a toll on productivity.

Planning CAN produce better outcomes: PlanSmart NJ's first published report was our 1970 "Housing and the Quality of the Environment." With more than 40 years experience behind us, we can recommend without reservation that the only way to meet both housing and environmental targets is to reconcile them – along with economic and social justice goals – within a statewide and a regional plan.

We also contend that this plan must become the framework for local government decision-making by setting targets for them to meet in a regional plan. Local governments should be expected to work with other municipalities within their county or region to meet these targets.

Our proposed regional approach is **inextricably linked to jobs, transportation, water resources, critical habitats and patterns of racial and economic integration** – things that most public officials want to improve. These are all part of regional systems that cannot be restored, protected or enhanced without regional solutions approached by coordinated actions at all levels of government.

The regional planning approach recognizes that the number, type, price and location of housing has the potential to improve all these conditions – if it is planned right and planned regionally.

No to "growth share": A regional planning approach is the opposite of the "growth share" approach that COAH tried to implement with their overturned 2004 regulations. Growth share abandons planning, something we cannot accept.

Although it is clear that planning has performed badly in many respects, the **plans created for COAH from 1987-2004 produced about 45,000 units – more than any other state in the same time period.** Why would you abandon a process that has been so successful in favor of growth share, which has been so discredited, and is so limiting in its ability to improve the quality of life in the future?

Although advanced by so-called "smart growth" advocates, "growth share" was an idea imported from Maryland without taking into account the conditions in New Jersey that are so different from Maryland, which has countywide planning and other structural differences. Growth share was an approach that was a step backward in New Jersey, not a step forward.

How is this regional planning approach different from the current target-based COAH rules? Primarily because it is based on a **regional target to meet multiple regional goals**, not a local target rammed down municipalities' throats to meet a vague legal mandate.

The default requirement: PlanSmart NJ recognizes that it will take sometime to produce regional plans to meet housing needs. We see them developed with a stronger, revised State Plan and a restructured State Planning Commission.

But if we make clear that there is a more onerous default requirement and line up incentives to advance the regional process, PlanSmart NJ believes that we can get affordable housing production back on track most effectively by a regional planning approach.

The default position would be in two parts: first, a baseline target would be set for every municipality that **10% of its housing stock** should be affordable to low and moderate income households – based on the premise that if towns use the police power of zoning (like eminent domain), it must do so to promote the general welfare (NJ Constitutional mandate). Second, if the town allows any new housing to be built, then **20% of new developments** should be set aside for those income groups.

These new conditions would allow no town to continue to be enclaves of wealth and would capture new opportunities as new development is built.

The preferred approach: But what the state should incentivize is a regional planning approach. Incentives from COAH would be strengthened by adding incentives from other agencies and programs – part of our overall intent to align state agency programs to encourage and meet a set of baseline statewide goals for jobs, housing, transportation (shifting from auto-dependency to transit and other modes of travel), water resources and patterns of racial and economic integration (reducing the state and local costs of concentrated poverty).

The plans must meet the need: The need for housing in general and affordable housing in particular is great in the Garden State.

Backlog: New Jersey has a backlog of housing need – over the last 20 years, we have added (until recently) thousands of jobs, while areas of residential zoning have been significantly downzoned (less units), bought as open space (zero units) or changed to some other use (zero units).

Meanwhile, the price of much of the housing stock rose so high that even after the current downturn, thousands of units that had been bought for affordable prices, were now priced out of most people's price-range. Many folks cannot afford to buy their own homes today!

In addition, although there are plenty of vacant and affordable housing in distressed communities, they are vacant and affordable for a reason – the market does not want to live in them. Any effective housing program must promote affordable housing in the communities where job growth has soared over the last 20 years – the suburbs! The housing can be added in such a way as to build vibrant mixed use communities that

promote new transit service. It can *if* the land use planning is done jointly with transportation planning.

In Mt. Laurel, a 100% affordable housing development had 1800 Camden households on a waiting list for the last unit.

Future needs: PlanSmart NJ recently completed a report for Mercer Alliance to End Homelessness that created a new methodology to project household incomes connected to job growth in the future. We found that 77% of Mercer County's future jobs would provide household incomes of less than \$72,000. Who is zoning for or building housing for $\frac{3}{4}$ of the workforce?

Special needs: In addition, any comprehensive housing program must recognize the needs of the existing and growing special needs groups – not just seniors, but people with disabilities and other special needs.

PlanSmart NJ has more to offer: These recommendations can be more fully explored and supported in material on our website (www.plansmartnj.org). In addition, our staff will make themselves available at any time for follow up conversations.

Thanks for the opportunity to share our views.