
Public Hearing

before

ASSEMBLY HOUSING COMMITTEE

ASSEMBLY COMMITTEE SUBSTITUTE

for

ASSEMBLY BILL No. 2176

(Removes requirement of "Fair Housing Act" that municipality accommodate housing need generated beyond municipal borders)

LOCATION: Committee Room 12
State House Annex
Trenton, New Jersey

DATE: December 9, 1996
1:30 p.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman John V. Kelly, Chairman
Assemblyman Joseph Azzolina
Assemblyman Guy R. Gregg
Assemblyman Joel Weingarten
Assemblyman Jerry Green
Assemblywoman Nilsa Cruz-Perez

ALSO PRESENT:

Assemblywoman Connie Myers
District 23

Joyce W. Murray
Office of Legislative Services
Aide, Assembly Housing Committee



Hearing Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
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ASSEMBLYMAN JOHN V. KELLY (Chairman): This is not a voting session. This is a hearing session. I want to get enlightened, and I think a lot of you people are going to enlighten us.

Connie, you have the floor. This is A-2176. You have the floor.

ASSEMBLYWOMAN MYERS: Which one, this one? (referring to microphone) (aide makes necessary adjustments)

Good afternoon, Mr. Chairman, and members of the Committee. I want to thank you for giving us this opportunity today to address a problem that has been a significant burden for many municipalities in the State of New Jersey -- and I think, particularly, in my home county of Hunterdon -- and that is: How to reconcile local goals, such as farmland preservation, with statewide goals, such as the provision of affordable housing. That is the main topic I hope we will hear about and address through our discussions today.

Before we begin hearing testimony from many of the constituents who have come out today, I would like to give everyone a little bit of background on the *Mount Laurel* court decisions and the State Development and Redevelopment Plan, both of which are central to what we are talking about today.

As most of you know, the *Mount Laurel I* decision was decided in the mid-'70s by the New Jersey Supreme Court and said that towns could not effectively exclude low-income people by having only large-lot zoning. Towns were directed by the court to eliminate exclusionary zoning.

Seeing that municipalities needed some guidance, the Legislature, in 1976, passed the municipal land use law, which gave municipalities the

framework in which to plan and provide for their own local goals, as well as for statewide goals like affordable housing.

In 1983, the New Jersey Supreme Court decided *Mount Laurel II*, saying that municipalities had not done enough to provide affordable housing for the poor through changes in zoning. It handed down a mandate requiring that every municipality that was growing provide affordable housing.

In order to avoid court cases and having judges instead of the Legislature decide how much affordable housing should be built and by whom and where, the Legislature, in 1985, passed the Fair Housing Act, which created the Council On Affordable Housing to coordinate and oversee the provision of affordable housing in New Jersey. It is that Act that we are here to talk about today.

It is my feeling, and has been for some years, that the Legislature needs to review the impact of this now 11-year-old law. The court in its decision said things like, “If the State determines that there is a negative impact on the economy as a result of affordable housing policies, then it shall take steps to correct those inequities.”

The court also stated that municipalities that were made up primarily of agricultural and environmentally sensitive lands should not have an obligation to provide for a fair share of the region’s affordable housing. The court looked to the 1980 State Development and Redevelopment Plan and envisioned housing being distributed according to that Plan where agricultural and environmentally sensitive areas would be preserved and development would continue in appropriate areas.

However, during the first round of State planning before the 1992 adoption of the new State Plan, municipalities, primarily in agricultural areas, concerned about property rights and property equity issues particularly for farmers refused to accept no-growth designations which might reduce their property values so that farmers -- who depend on the equity in their property for production loans so that they can grow their crops and for the ability to recoup what may be many generations of investment -- refused to accept that they would be designated a no-growth area where development would, effectively, be prohibited.

So the State Planning Commission and the Council On Affordable Housing decided that since all municipalities were accepting growth, they would all have an obligation to provide affordable housing. As a result, in my home county of Hunterdon, farms are now growing houses. At the same time, in the cities of New Jersey, such as Newark -- which was settled by my family in 1666 and where I had my first home as a child -- the cities are being depopulated.

We are not making enough investment in our cities. We are demolishing our cities. At the same time, we are trying to revitalize them by using our resources to build facilities like the Camden Aquarium and the New Jersey Performing Arts Center in Newark, facilities that we hope will bring suburban people back to the cities, will bring businesses back to the cities so that our cities can be revitalized and be the thriving centers that I knew when I was a child.

The welfare of our rural areas, such as the ones I represent in Hunterdon and Warren Counties, is inextricably linked with the welfare of our

urban areas. New Jersey is a wonderfully diverse State. Within an hour, you can go to the mountains, the lakes, go to the shore, a suburban shopping mall, go to the cities, take a ride into the country and see cows grazing on farmland. I hope that my children and my grandchildren will have the choice of lifestyles that people in New Jersey have always had, but I think that will only be possible if the Legislature takes steps now to look at what has happened in light of the *Mount Laurel* decisions, in light of the adoption of the State Plan, and the implementation of those laws.

I have been looking at this as an issue for many, many years. As a matter of fact, when I reviewed my files over the weekend I found a 1984 press release that I had written for Assemblymen Weidel and Zimmer when I was an aide back in 1984. At that time, former Assemblyman William Dowd said the cities would become camps for the aged and infirm who would be unable to move to new housing in the suburbs because they may not own a car or be able to get a job. “We need to provide a way for housing to be built where the infrastructure to support the population already exists,” he said. “We shouldn’t be encouraging development in the suburbs and on our farmlands where it isn’t needed and isn’t wanted.”

I think those remarks, unfortunately, are still appropriate today. So today I am asking the Housing Committee to consider an Assembly Committee Substitute for a bill that I and 23 other Assembly members introduced in June. In June, I proposed that we needed a constitutional amendment to overturn the *Mount Laurel II* decision in order to change the direction of State policy with regard to housing and farmland preservation.

The Chairman of the Committee and a number of other people asked us to look at whether we couldn't address our concerns within the context of the court decision and within the parameters of the State Constitution. Staff to this Committee has worked extremely hard with me to come up with a bill that could do that, and that is what we put before you today for consideration. A bill that, I think, promotes the preservation of farmland and environmentally sensitive areas, supports urban redevelopment and revitalization, returns a measure of local control over land use, aims to save billions of dollars in infrastructure costs by supporting the goals of the State Development and Redevelopment Plan, and enables us to provide housing that is truly affordable.

What we have seen in many of our towns in Hunterdon County is that current policies are escalating the problem of affordable housing, making housing less and less affordable instead of more affordable. As our towns are required to raise property taxes to build housing-- To provide moneys for housing in other areas or to provide the infrastructure to support homes built by builders under housing policies, we are forced to raise property taxes, meaning that our low- and middle-income people indigenous to the county can no longer afford to live in our towns. They can't afford the property taxes.

Our senior citizens are moving away and more and more housing is built, bringing more and more children, requiring more and more schools and higher and higher property taxes, requiring higher and higher income levels. Where does it end?

I hope today we'll be able to discuss, in the context of public policy, not only for housing, not only for land use, but for our vision of what we want the State of New Jersey to be. I believe, beginning today, we can find a win/win solution that will permit us to preserve farmland and revitalize our cities.

This bill would provide, as of the date of its enactment, that municipalities could decide for themselves whether their primary planning goal was preservation or redevelopment. They could then submit a document, a letter to COAH, the Council On Affordable Housing, indicating this and promising that within nine months they would present a detailed plan showing how they intended to preserve the land or how they intended to put their resources into redevelopment and revitalization.

It would change the direction of policy. Instead of the State telling municipalities what they must do, this bill envisions the municipalities telling the State what they want to be. It envisions the people of the State of New Jersey telling their elected representatives the kinds of communities they want to live in.

If a municipality filed a preservation plan under this bill and it was reasonable, acceptable, that municipality could get rid of its obligation to provide a fair share of the region's need for affordable housing, which is permitted under the *Mount Laurel II* decision, because the *Mount Laurel II* decision and the New Jersey Supreme Court respected the State's need to protect agriculture and environmentally sensitive areas.

If a municipality determined that preservation was its primary goal it would become eligible for priority funding, for farmland preservation funds,

for Green Acres funds, or whatever other funds might be available to promote land preservations.

If a municipality filed to become a center under this bill with COAH and their plan for revitalization was accepted, they would become eligible for priority funds for infrastructure, for sewers, and for local roads to support redevelopment.

I think this is a commonsense bill that will permit us to balance our land-use goals through a coordinated effort that could lead to affordable choices for all New Jersey citizens.

I would be happy to take questions, Mr. Chairman. If not, at this time-- I know there are a lot of people here who are anxious to share with us their views on the housing policies.

ASSEMBLYMAN KELLY: There is a copy of the Committee's Substitute on the desk up there. (indicating) Are you aware of that? There is a copy of the Committee Substitute up there. Do all of you have a copy of it?

UNIDENTIFIED SPEAKER: We'll have to make more.

ASSEMBLYMAN KELLY: Well, we'll get more made.

ASSEMBLYMAN AZZOLINA: There is a bunch here.

ASSEMBLYMAN KELLY: All right. Marcia Karrow. (indicating pronunciation)

Am I pronouncing that correctly?

DEPUTY MAYOR MARCIA KARROW: Yes.

ASSEMBLYMAN KELLY: Do you wish to testify? Come right up.

ASSEMBLYMAN AZZOLINA: Mr. Chairman.

ASSEMBLYMAN KELLY: Yes.

ASSEMBLYMAN AZZOLINA: I presume today we are just hearing testimony.

ASSEMBLYMAN KELLY: That is right.

ASSEMBLYMAN AZZOLINA: And we may continue at some other date?

ASSEMBLYMAN KELLY: Oh, sure.

ASSEMBLYMAN AZZOLINA: Okay, just so they know.

ASSEMBLYMAN KELLY: This bill isn't go to move as quickly as people might think it is.

ASSEMBLYMAN AZZOLINA: Yes. Today is just for testimony and some other days the same thing.

DEPUTY MAYOR KARROW: Good afternoon. I am the Deputy Mayor of Raritan Township in Hunterdon County.

Is it on? (referring to microphone) Can everybody hear me? I have never been told I need a microphone, so--

ASSEMBLYMAN AZZOLINA: Use the mike. Just push it down. You're being recorded so you have to--

DEPUTY MAYOR KARROW: Okay. Is that better? (affirmative response)

Good afternoon. My name is Marcia Karrow. I am Deputy Mayor of Raritan Township in Hunterdon County. I have brought with me the Raritan Township Planner, Mr. Robert Kren; and our Clerk, who also sits on our Planning Board, Dorothy Gooditis.

First of all, I would like to say to you, Mr. Chairman, how much I appreciate you hearing the testimony today. I am President of a home owners' association, so I know that you appreciate what unfair tax burdens are like. I have seen that sincerity in you, because you have sent your staff out to Raritan Township with Assemblywoman Myers, who has toured with both Mr. Kren and myself. I would like to extend that same tour to the members of the Housing Committee themselves, to be arranged with your staff, to come out and see what has happened to Raritan Township, what we have lost, and what we are in jeopardy of losing in the future if COAH continues the way it is continuing.

Hunterdon County is a beautiful area. Raritan Township has an incredible quality of life that we can preserve, but not under the current guidelines of COAH. The Raritan Township--

ASSEMBLYMAN AZZOLINA: Excuse me, before you start.

Mr. Chairman, I would like to make a recommendation, if I may. There are a lot of people here who probably want to speak, it looks like. I am just wondering if whoever speaks--

I'm not saying you are.

--that they keep their remarks short and to the point, so we don't have these long, long presentations by different individuals. Then we won't hear enough people.

Just a recommendation, Mr. Chairman.

ASSEMBLYMAN KELLY: Okay. If they get too long, I'll give them the gavel. So don't worry about it. (laughter)

ASSEMBLYMAN AZZOLINA: So get your point in early.
(laughter)

ASSEMBLYMAN KELLY: I don't need the gavel. I have a heavy fist. (laughter)

Go ahead.

DEPUTY MAYOR KARROW: Just so you understand what has happened in Raritan Township, in the 1970s when *Mount Laurel I* actually occurred, Raritan Township-- The provision of *Mount Laurel I* was that each municipality should create a wide array of housing options for a wide array of income levels. Raritan Township took that to its heart in the 1970s and created high-density dwellings: condominiums -- 2012 condominiums -- town houses, and single-family homes on small lots.

Well, when *Mount Laurel II* came along, they didn't count any of that, not one condo, not one town house was counted towards *Mount Laurel II*.

ASSEMBLYMAN KELLY: Were they affordable?

DEPUTY MAYOR KARROW: They were in the \$50,000 range when a single-family home in Raritan Township was going for \$200,000.

ASSEMBLYMAN KELLY: Okay. Go ahead.

DEPUTY MAYOR KARROW: Our first round of *Mount Laurel II* which came in 1987 -- and it was 1987 to 1994 in build out -- required that we build 358 low- and moderate-income units. The second round that hit in 1994 required that number to go up to 426. So you can understand that we had already created so much high-density dwelling that our schools were already starting to be impacted, and since none of them counted, there was already an array of options.

What ended up happening was Raritan Township created disabled housing, senior citizens' housing, a variety of rental units, and out of all of those units, we had 23 sales units. It took five years to sell the 23 sales units. The low-income people could not qualify anyway for a bank loan. They did not have the down payment. The moderate-income people found that since we had already had all of these condos and town houses that were not restricted in resale, that they waited and bought unrestricted market condominiums and town houses.

So here we are with a major impact and then last year-- What I consider one of the worst blows to the cities and where this money really should be going for housing-- Our Hunterdon Housing Corporation got a \$350,000 grant from the Department of Community Affairs to open up a homeless shelter in my township, which has not remained filled. They have had so much trouble filling it that they find it uneconomical to leave it open. So the DCA is out of \$350,000, and even though it counts towards our COAH responsibility -- which I am thrilled over -- wouldn't it have been better served to send that money to the city? Couldn't Newark have used it for rehabilitation of low-income housing? Clearly, this has not been successful in filling the requirements that COAH wants.

The problem is the formula, that is where it starts. Only 20 percent of what a builder is obligated to build is COAH. So if a builder is going to build 100 units, 20 percent of those, or 20 units, can be COAH units. If he is going to build it by law, mandated by COAH, we must allow him to build in a density of a minimum of 6 units per acre.

Currently, we have 2 unbuilt, but they are substantively certified housing developments in Raritan Township. I'll give you an example. One of them is Kentview Estates. It is on 30 acres, and in order to have the COAH obligation of 36 units built on 30 acres, we have to allow 180 units on 30 acres. It is on a two-lane road in Raritan Township. There is no infrastructure to support this. There is no sewer. There is no water, but that is what we have to do.

I want to stress that Raritan Township has always been substantively certified. We have always taken our responsibility. We are not trying to get rid of it. But I do want to tell you about the unfair economic impact and the burden our taxpayers have had. I am going to turn those numbers over to my Planner, Bob Kren.

ASSEMBLYMAN GREEN: Mr. Chairman.

ASSEMBLYMAN KELLY: Okay, you want to ask a question? Go ahead.

ASSEMBLYMAN GREEN: During the course of your comments--

ASSEMBLYMAN KELLY: This is Assemblyman Green.

ASSEMBLYMAN GREEN: During the course of your comments, you mentioned the fact that you feel this should go back to the cities. Are you aware that the cities have the same impact in terms of spending more money for schools, spending more money for all types of services.

DEPUTY MAYOR KARROW: I'm not-- Assemblyman Green--

ASSEMBLYMAN GREEN: What I am trying to say is-- For example, you make the statement-- I don't want to be misled in terms of you felt this should stay in the cities.

DEPUTY MAYOR KARROW: No. The money-- The money that we got--

ASSEMBLYMAN GREEN: The money. I'm not correct.

DEPUTY MAYOR KARROW: --for homeless shelters has not been used. It is a waste to the taxpayer to give Raritan Township, with an average income level of \$62,000 -- I'm sorry, the Township is \$65,000, Hunterdon County is \$62,000-- We're above our own county level. To give us money for a homeless shelter, that money could have been better served in Newark in rehabilitation of housing there, that is what I said.

ASSEMBLYMAN GREEN: Yes, but what has happened is that-- For example, the district that I represent is urban and suburban. We have found, when we receive this money, that these same people, once we receive this money and we put them into housing, all the other services that you are saying cost your township more money, we have those same burdens. The population of the State of New Jersey is growing. Just to keep it in the cities and not allow it to grow around the State in general--

Because as you look at the State of New Jersey, especially with people now migrating from New York into New Jersey, we're really looked upon as part of New York now. Basically, if you recognize the fact that New York, even into Hunterdon County, taking into consideration Bergen County, Middlesex County, Union County, which I am part of, you will see this trend happening all over. The same growth and the same problems that you are experiencing in the suburban areas, we also have those same problems in urban areas.

DEPUTY MAYOR KARROW: I understand that and I appreciate it, but my point is, is that it is not working. We didn't have the homeless population to fill the homeless shelter. We don't have the low- and moderate-income people who buy 23 market units or sales units.

ASSEMBLYMAN GREEN: Well, because of the fact that what happens in that, unfortunately-- I'll give you a prime example. In Plainfield, the homeless population, the majority of the time, winds up in Elizabeth and Plainfield because of the fact that other municipalities, for a lot of different reasons, don't have those problems. Sometimes we have the police department from another municipality bring it right to Plainfield. Those are the kinds of problems that you run into in terms of-- For some reason or another these people who don't feel comfortable in the suburban areas, when they have these types of problems, normally wind up in the cities. I have figures to back that up.

Basically, in Union County, in general, there are two municipalities, the City of Elizabeth and the City of Plainfield. I would say 90 percent of the homeless population winds up in those municipalities because of the urban areas. For some reason or another, that is where they migrate to when they have these types of problems. You don't see these problems in the suburban areas. I don't see it, in fact, in some of the suburban areas that I represent, but in the city you see it because, for some reason or another, they feel more comfortable and they feel that the services there are more easy to get.

So, again, if you look at the homeless situation, you won't see too much of that in Morris County, even part of Middlesex County, which I represent, but you do see it in the city. We're not just talking about any

particular race. We're talking about all races. They wind up in the city because of the fact of the problems that you run into. So we just shouldn't take for granted why you don't have it there. There are a lot of reasons why you don't have it.

DEPUTY MAYOR KARROW: Well, I'm really here today to testify on the unfair burden that it has put on Raritan Township residents, which is what I would like Mr. Kren to address, and why it has happened.

ASSEMBLYMAN GREEN: Well, we're talking about statewide, and unfortunately, when we talk about your problems, we'll be talking about the State of New Jersey as a general, suburban versus urban, when we run into these particular problems.

Thank you, Mr. Chairman.

ASSEMBLYMAN KELLY: Go ahead, Mr. Kren.

ROBERT KREN: Thank you.

I just want to say that I have been with the Township for approximately 14 years. I have categorized Raritan Township to Shirley Bishop, to the Council On Affordable Housing, as the good guys.

We have always attempted to meet our obligation under *Mount Laurel I*. We built various housing types that house about 5000 people. We have submitted two fair-share plans to the Council On Affordable Housing. The first time to provide 358 low- and moderate-income units. The second time to provide 426 low- and moderate-income units. Of that number, we have, in effect, about 280 units on the ground up and operating.

There has been a consequence, though, and what Marcia has asked me to indicate to you is some of what the consequence has been on Raritan

Township. Before *Mount Laurel I*, Raritan Township had a population of about 8000 people, a school enrollment of about 2000. That has gone up through *Mount Laurel I*, through *Mount Laurel II* so that we arrive at a current population of the Township of 19,500, with school enrollments of over 4000, reaching 4200. Was that all due to providing low- and moderate-income housing and *Mount Laurel* housing? Certainly not. A substantial portion of it was but certainly not all.

Of that cost to the Township, we have incurred costs of \$36 million to house those extra 2000 students that I just talked about. Going from a school population of 2000 to over 4200 -- approximately 4200, we have incurred K to 8 elementary school costs of \$36 million. We built two new elementary schools, and we have put additions on to three elementary schools. We are now in the process of expanding the high school at a cost of another \$18,900,000.

Plus, again, being the good guy, being the one who administered the low- and moderate-income housing program, I am in favor of providing low- and moderate-income housing. In my opinion, looking at this now for 13 or 14 years, it has to be done with some reasonableness. The problem that Raritan Township has run into is that we started out as a rural municipality. Providing this housing has transferred us into a suburban municipality with the costs, primarily for the schools, but including sewer, water, traffic, the typical problems that a suburban municipality has run into.

There needs to be some reasonableness to providing this housing. I am not against it, but we got hit with 426 housing units, fair-share plan, in a relatively rural municipality.

DEPUTY MAYOR KARROW: Bob and I calculated on Friday that those 426 units have a direct-- We can trace 5000 people, because of the high-density rules -- 5000 people out of the 10,000 population growth are because of the 426 units.

We went from \$1.46 in taxes in 1987, when *Mount Laurel II* started, to \$2.42. It is up almost a full dollar because of *Mount Laurel*. The total school cost increase has been \$55 million when you add the *K* through 8 with the high school. We have had a \$55 million bonding since 1987. It is really an incredible number.

The problem, and what is so frightening about this, is that it is all a self-fulfilling prophecy. Part of the formula takes in income level. In order to pay the \$2.42 per \$100 tax assessment in Raritan Township and send children to a school system where high school is \$12,500 and grammar school is almost \$9000, you have to make a lot of money. When you make a lot of money it impacts your COAH numbers. So that is one self-fulfilling prophecy.

The other one that really has Bob and I very, very frightened, and it will certainly sound any death knell into ever getting a real low- and moderate-income population into Raritan Township, is that we have been told that the next round that is going to hit around the year 2001 is going to take in account, ironically, population growth. So here they have made us grow and now they're going to make us grow more, and let me add, very strongly, we don't want to.

Raritan Township citizens, overwhelmingly, on November 5 passed a two-cent tax to purchase open space and farmland, overwhelmingly. It got almost 70 percent of the vote. The public spoke loud and clear that they

want the growth to slow down. You cannot drive on our roads, which is why I would like you to come out and see it. We do not have an infrastructure to support the amount of people and cars that are now there. We don't have the school system that can support it. We don't have a sewer system that can afford it. They need to make an expansion because they are .25 million gallons a year over right now, accidentally, because of all of the growth.

So we are really being bombarded with this and what has happened since this passed on November 5 is that all of our farmers, including the ones that weren't in the farmland preservation district, have been calling asking us to buy them up. They don't want to see it developed. They want to continue farming. They wanted to keep it in their families, including properties that are right next to our newest schools, which are probably some of the most valuable properties in the State of New Jersey for residential development.

So that is the Raritan Township story. One of the things that is so wonderful about Assemblywoman Myers' and Assemblyman Guy Gregg's bill is that it gives us the option of preserving our land to take a decrease in numbers -- to still have to provide, but to take a decrease -- if we go into a preservation plan, because we are more than willing to do that, more than willing. When you have tripled your growth in 10 years, you suffocate, and that is what has happened.

ASSEMBLYMAN KELLY: Under her bill, what would you have to take if you went into farm preservation? What would be the minimum you would have to take?

DEPUTY MAYOR KARROW: I don't know that number at this point.

ASSEMBLYMAN KELLY: You don't? Okay.

MR. KREN: I don't either.

ASSEMBLYMAN KELLY: All right.

Thank you.

DEPUTY MAYOR KARROW: Thank you very much.

MR. KREN: Thank you.

ASSEMBLYMAN KELLY: Let's see, who is number two on this list? Stephanie Stevens, Mayor of Readington Township. Teresa Martin, is she here?

MAYOR STEPHANIE B. STEVENS: No.

ASSEMBLYMAN KELLY: Carl Turner?

MAYOR STEVENS: Carl Turner is here.

ASSEMBLYMAN KELLY: Come on up.

MAYOR STEVENS: I am Stephanie Stevens, Mayor of Readington Township, as has just been said. This is Carl Turner, on my right, who is a member of our Planning Board, has been a member of our Board of Adjustment and just about everything else that we do in Readington Township.

Readington is a township consisting of 48 square miles. It is the largest township in Hunterdon County. It is 10 miles from one end to the other. We have a very limited infrastructure; that is, there are sewers in two village areas of the Township, the Whitehouse/Whitehouse Station area and the Three Bridges area -- 8 miles apart. These villages consist of ancient high-density, single-family dwellings of 100 to 150 years of age, and they are

tied into two different sewer authorities. City water, likewise, is also available only in these sewerred areas; however, everyone in the sewerred areas does not have piped water.

Due to soil types, the rest of the Township is zoned for three-acre lots. At the advice of Rutgers University, who did extensive studies in the late 1970s and 1980, we zoned for three-acre lots. These lots are served by wells and septic tanks.

Much of our Township is rural. In fact, we have 14,000 acres in farmland assessment and a very strong commitment to farmland preservation, which, I might add, we have had for some 15 years. To date, we have protected 1850 acres of farmland, with two more farms that will be signed on by the end of this year and two to three farms that will be signed on in 1997. Farmland preservation serves the long-term welfare of the whole State, providing clean air, water recharge, and affordable, inexpensive farm products for the people of the State of New Jersey.

Along with limited sewer capacity, almost no piped water, we have no bus, taxi, or commercial transportation save a train in Whitehouse Station which runs three trips in the morning and three back at night. It goes to Newark with a connection to New York. If you come back later than 8:00, you're out of luck. There is no place you can go, because there is no other transportation.

We are a township that has seriously taken our moral obligation to provide housing for all economic classes of people. Unlike some communities, we have no snob zoning. We have sought to plan for all types of housing. We have small condos and apartments for newlyweds and empty

nesters, village housing, small lots in sewerred areas, clustered zoning with open space, regular three-acres lots, and rural farms with vast acreage.

During the first and second rounds of COAH, our community obligation was 450 low and moderate units. We currently, as of this morning, have 5336 households in our township. To even think that we can comfortably meet the obligation of 450 units is somewhat ludicrous.

Our Hunterdon County and Readington Township low- and moderate-income people are used to living here and survive in a no-public-transportation area. They have jobs on farms, in local stores, municipalities, and the local school systems. Most of the time, they have lived in the country for generations, and they are very, very used to country ways.

The other scenario is our regional obligation, which includes Somerset and Middlesex Counties. How, may I ask, are suburban/urban types of people to get to Readington, and when here, where are they going to work, and how are they going to get to a place of employment on a regular basis? Along with that, how are urban persons who are used to amenities, such as food markets within walking distances, going to be able to cope with large open spaces with amenities located between five and ten miles away? From a psychological and sociological point of view, are we being fair to anyone?

One must ask: Is the COAH regional regulation of any real value in rural communities? Will it not instead create yet another class of the underserved and unemployed; thereby expanding the welfare rolls that we, statewide, are committed to shrink? Would we not be more able to cope with our own county indigent population, people who are already working and living in our townships? Senior citizens, that increasing population, need our

attention and care. We are able and willing to take up the gauntlet and to provide for our own county people.

In fact, Readington has a long history of variety housing, everything from apartments to echo housing, and we are willing and able to provide it for the people in the county. Common sense indicates that the affordable housing provision of our region is without merit and inconsistent with the State Development and Redevelopment Plan.

I urge you to reconsider the rules governing the regional COAH obligation as they are clearly in conflict with the State Development and Redevelopment Plan. By tempering the regulations to make affordable housing obligatory for the town or county, you are dealing fairly with all governments and taxpayers and the State, as well as meeting the intent of the State Development Plan, the home rule, and the farmland preservation plans that we have. After all, isn't that what COAH should be about?

Thank you very much.

ASSEMBLYMAN KELLY: Do you have any testimony to add?

C A R L T U R N E R: No, thank you. I go along with Mayor Stevens.

ASSEMBLYMAN KELLY: You wanted to question?

ASSEMBLYMAN GREEN: Yes.

Mayor, what is the population in your township?

MAYOR STEVENS: The population of Readington Township now is just about 16,000 people.

ASSEMBLYMAN GREEN: It's 16,000. The average tax on \$100,000 home?

MAYOR STEVENS: I'm sorry?

ASSEMBLYMAN GREEN: The average tax.

MAYOR STEVENS: Oh, our tax on \$100,000-- Actually, most things are priced a little bit higher than that. You're talking about the tax rates, \$1.99.

ASSEMBLYMAN GREEN: Well, I used \$100,000 as a medium.

MAYOR STEVENS: Okay.

ASSEMBLYMAN GREEN: I'm pretty sure you have some homes that run under \$100,000.

Is my speaker on here? (referring to microphone)

MAYOR STEVENS: I can't hear you very well. I think it is not on.

ASSEMBLYMAN GREEN: I'm sorry. Can you hear me now?

MAYOR STEVENS: There you are. That is better.

ASSEMBLYMAN GREEN: What do you spend per pupil in your township, educationwise?

MAYOR STEVENS: We're in a regional school district for the high school, so we spend about \$12,000 annually for a high school student. Then, for the local grammar school student, we're spending \$8000-plus.

ASSEMBLYMAN GREEN: What would you consider the average income per family in your township?

MAYOR STEVENS: Well, I think what Marcia said is probably so. It's probably in the \$60s.

ASSEMBLYMAN GREEN: It's \$60,000.

MAYOR STEVENS: Yes, \$60,000-some-plus, I would say.

ASSEMBLYMAN GREEN: What about the vacancies in terms of homes on the average per year? I know in Plainfield, right now, we have 400 homes vacant.

MAYOR STEVENS: That are vacant?

ASSEMBLYMAN GREEN: Yes. How many homes do you have in your municipality that are vacant?

MAYOR STEVENS: I would say probably 4 or 5.

ASSEMBLYMAN GREEN: So there is a--

MAYOR STEVENS: The people are in their homes, yes.

ASSEMBLYMAN GREEN: So there is a need for people who want -- if they wanted to move to your municipality, homes are available to them. There would be a need for it, would you say yes or no?

MAYOR STEVENS: If people want to move to our municipality--

ASSEMBLYMAN GREEN: That is correct, yes.

MAYOR STEVENS: --there would be homes available for them? Yes, there are homes. There are rental homes. As I stated in my statement, we have rentals. We have small apartments. We have echo housing for senior citizens. We have all varieties of housing. We have taken that very seriously in our planning and have had a good zoning code for some 30 years that attacks that and addresses it.

ASSEMBLYMAN GREEN: What percentage would you consider in your town, in terms of homeless population? Do you feel you have a homeless population in town?

MAYOR STEVENS: We do have some homeless, yes.

ASSEMBLYMAN GREEN: You have ways of making sure that this doesn't exist.

MAYOR STEVENS: As a matter of fact, in Hunterdon County we have what we call a-- Oh, it's skipping me now, but we have-- We in the churches provide for the homeless population. We do take people, and we keep them in our churches. In fact, they are in my church this week. We do move them-- We keep them, we feed them, and take care of them.

I also happen to be Treasurer of an organization called Starfish that was started by all of the churches in my township. What we do is provide moneys to pay bills for people who fall through the cracks, who are not welfare recipients and can't qualify in that end, but certainly have great needs. Some of them are senior citizens, some of them are people who have lost jobs. We do have an infrastructure as far as picking up charitably.

ASSEMBLYMAN GREEN: John, I just have a couple more questions, because I know we want to move on.

What percentage do you consider residential versus commercial in your municipality?

MAYOR STEVENS: I would say probably residential is about 96 percent or 97 percent and commercial is the remaining. We have very little commercial. We have Merckes' world headquarters.

ASSEMBLYMAN GREEN: So your tax structure really depends on the residential?

MAYOR STEVENS: Residential, yes, indeed it does.

ASSEMBLYMAN GREEN: So that means the people who live in town have to commute?

MAYOR STEVENS: They pay the bill and they commute out.

ASSEMBLYMAN GREEN: The reason I brought that question up is you mentioned during the course of your presentation that you felt it would be a burden on people to have to travel to jobs if they lived in your municipality. If we recognize over the years, the majority of people who lived in Ocean County, Hunterdon County, Middlesex County, the majority of these people originated from the cities, including-- Now, we have people who basically work up north, but travel every day to Ocean County because of the fact that they are able to get homes at a decent price.

So I would be concerned about the fact that in that statement-- Sometimes when a person has an opportunity to have a better life -- and the majority of us, including myself, who were born in the city but who worked very hard and had the opportunity to move to a suburban area to raise my family-- I think that everyone deserves that chance.

I don't think the fact that they might want to travel some place, if it took them an hour-- But knowing that their family was in the right atmosphere, the right surroundings, good education, crime free, I think, from my point of view, that should be the American dream. I was given that opportunity, and I'm pretty sure a lot of people in this room, your parents were given that opportunity. I know in my city, in some of the senior citizen complexes we have now, the majority of the people who built the City of Plainfield are now there as seniors, but their children now have the better life in suburban areas. Again, when we look at that issue, I would like for us to look at it in that way.

Thank you for giving me some answers.

MAYOR STEVENS: I would like to add to that, too. The difficulty for the low- and moderate-income person -- and I think I tried to bring it across -- in traveling some place is beyond belief. If you don't have a car in Hunterdon County, or several cars in your family, you don't go any place, because there is no public transportation. Therein, I think, lies a great problem.

In the City of Plainfield, fortunately, you can get a bus any place, or you used to be able to, I haven't been there for a while. You used to be able to get buses, trains, and all kinds of transportation. We don't have that. It doesn't exist. Unless a person can drive 10 miles to the ShopRite, he is not going to get there.

ASSEMBLYMAN AZZOLINA: Where is Foodtown? No Foodtowns up there? (laughter)

ASSEMBLYMAN KELLY: Foodtown.

MAYOR STEVENS: Sorry. No Foodtown. (laughter)

ASSEMBLYMAN AZZOLINA: I've got to go up there. (laughter)

ASSEMBLYMAN GREEN: Unfortunately, when you take a city like Plainfield-- Fifty years ago, it was, I considered it, the queen city of Central Jersey.

MAYOR STEVENS: Yes, that is what they used to call it. Right.

ASSEMBLYMAN GREEN: But, again, the same thing that has happened in your municipality happened in the City of Plainfield. Eighty percent of the town is housing. Now we have a blue-collar community, and these people have to do the same thing they would have to do in your

municipality. They have to get in their cars. They have to go outside the City of Plainfield in order to get employment.

So, again, this is something that we should look at seriously when we redevelop any part of the State of New Jersey. Unfortunately, now, where years ago they used to travel to New York and to Newark to go to work, now in the suburban areas we are having office buildings. We have all of the jobs that would be available to anyone if they wanted to, I consider, better their education.

So the opportunities are there for anyone. They don't have to travel outside of any municipality if they want to go to school and enjoy the American dream, and that is doing something with their lives. So I take into consideration that they don't have to travel outside of any municipality if they are willing to go to school and get an education. But in this day and age, work is right there in their backyard.

Thank you, Mr. Chairman.

ASSEMBLYMAN KELLY: Okay.

You are finished?

MAYOR STEVENS: Finished.

ASSEMBLYMAN KELLY: Thank you.

Assemblyman Leonard Lance. You can testify from there, if you want, but maybe they would rather see you.

A S S E M B L Y M A N L E O N A R D L A N C E: Thank you, Chairman Kelly, for your courtesy in letting me appear at the Committee.

I am not a member of the distinguished Housing Committee. As you know, my responsibilities lie primarily in the Appropriations Committee.

ASSEMBLYMAN KELLY: That is a tough one. You can keep it, too. (laughter)

ASSEMBLYMAN AZZOLINA: Yes, I don't want that Committee. I wouldn't serve on that one. (laughter)

ASSEMBLYMAN LANCE: I believe you have served on the Appropriations Committee, Assemblyman.

ASSEMBLYMAN KELLY: I had six years of it. That filled me up. I had enough.

ASSEMBLYMAN LANCE: I want to commend Assemblywoman Myers and Assemblyman Gregg for their efforts in drafting legislation in this regard.

I have not yet had time to review the Assembly Committee Substitute, and as I understand it, Mr. Chairman, today you are eliciting testimony but will not vote a bill out of the Committee--

ASSEMBLYMAN KELLY: That is correct.

ASSEMBLYMAN LANCE: --but at a subsequent time based upon the testimony heard today and the concerns of citizens throughout New Jersey, I hope that legislation can be considered.

Several years ago, a Rural Policy Task Force on COAH was established by Senator Schluter and by me, but I would give primary credit to Senator Schluter. Many of the concerns expressed in the legislation, as initially drafted by Assemblywoman Myers and Assemblyman Gregg, coincide with the concerns that have been expressed by the Rural Task Force on COAH. That Rural Task Force has included representatives not only from Hunterdon

County, but Warren County, as well, and this would have an impact throughout many parts of New Jersey, not only northwestern New Jersey.

We are meeting today in what was, at one time, the chambers of the Supreme Court of New Jersey. The Appropriations Committee room, which is immediately to my left, was, for almost 40 years, the Supreme Court chamber, and this is where the Justices met in conference.

ASSEMBLYMAN AZZOLINA: In here?

ASSEMBLYMAN LANCE: In this room. So this was really built as the conference chamber for the Supreme Court of New Jersey.

The decision in *Mount Laurel*, in my judgement, was an attempt by the Supreme Court to come to grips with the housing needs in New Jersey. Based upon that, legislation was passed in 1985, legislation by what was then a Democratic Legislature, signed into law by a Republican Governor.

I do believe that based upon the history of the last, more than 10 years, that we need to revisit that. This was, I think, the thinking of the Rural Task Force established by Senator Schluter and also the legislation of Assemblywoman Myers.

For example, I personally have suggested, Mr. Chairman, a 10-year cycle for COAH numbers to coincide with each decennial census. It seems to me that a 6-year cycle is really not long enough, and once you get going, new figures are promulgated.

I think it is most important, based upon the recommendations that have come from the Task Force -- and I think this coincides with Assemblywoman Myers' fine piece of legislation -- that the State Planning Commission should review the distribution of affordable housing units by

planning area and by municipality, which results from COAH's application of a formula.

The Supreme Court referred extensively to the State Guide Plan in its 1983 *Mount Laurel II* decision and found that rural areas should provide affordable housing for the indigenous poor but did not need to zone for high-density, inclusionary development to accommodate any prospective need. The judiciary "will not contribute to irrational development, discordant with the State's own vision of its future, by encouraging it in areas that the State has concluded should not be developed." That comes from *Mount Laurel II* on Page 77.

The formula used by COAH in Cycle I adhered to this principal. Yet, in Cycle II, the COAH formula distributed prospective need to all municipalities. The formula utilized by COAH in Cycle II attempted to reflect State planning goals by omitting vacant planning areas in areas 4 and 5. But by allocating a portion of the prospective need forecast, the overall effect of Cycle II formula was to increase the allocations of affordable housing to the western rural areas of the State and decrease the allocations of affordable housing to the eastern more developed areas of the State. "The builders' remedy has been made available to developers in areas where it was never intended by the New Jersey Supreme Court or the State Legislature." That comes from a draft of the Rural Task Force.

I believe we have a responsibility throughout New Jersey to be inclusionary in all areas, including the areas of New Jersey that I represent, but I have significant problems with the second cycle, with the fact that the need has been changed from not only the indigenous need to a prospective need,

and as one of the strongest proponents of the State Development and Redevelopment Plan in the Legislature, it seems to me that at the present time, COAH and the State plan may be in some ways at odds.

I do not point an accusatory finger at anyone. I think many people involved have worked very hard in this area, that there are no villains, that we are all trying to do a good job, but I believe there has not been as great a cooperation between the State Planning Commission and its staff and COAH. I am hopeful in this forum, presented by the introduction of the Myers/Gregg legislation, as well as the recommendations of the Rural Task Force, that we can do a better job in this regard.

Assemblyman Green appropriately pointed out that the tax rate in the City of Plainfield is significantly higher than the State average and significantly higher, for example, than the tax rate in municipalities in Hunterdon County. That would be true, also, in my distinguished colleague, Assemblywoman Cruz-Perez's home city of Camden. These are cities with enormously high tax rates, and it is the responsibility of the Legislature and the executive branch, working together, to make sure that we help places like Camden, Plainfield, and other urban areas.

If, indeed, in Plainfield, there are 400 residences that are vacant that, in my judgement, means that there has been, to some extent, a failure to provide housing in a place like the City of Plainfield, and the Legislature has not done a good job with the vehicles we have established, such as the State Planning Commission and such as COAH, to make sure that appropriate housing exists in a place like Plainfield. I know there is a large, underutilized

stock of housing in the northern section of the City of Camden, as another example.

I would hope, as this procedure continues, Mr. Chairman, under your distinguished leadership, that we can examine places like that, as well as rural New Jersey.

There should be no dichotomy between sound planning regarding the environment and sound planning requiring affordable housing for all New Jerseyans. The infrastructure that exists in urban areas is important to maintain and improve. That is a State responsibility through the infusion of State tax dollars, and as Vice Chairman of the Appropriations Committee, I can assure the entire public that the appropriations process takes that into account.

Good State planning also requires that we preserve our environment, that we preserve the aquifers underneath the ground that we all cherish, that we preserve open space and farmland preservation, and that we provide housing in those areas where the people need the housing, those areas that are currently underutilized. I commend all of those who have been involved in this process.

There will be, Mr. Chairman, others testifying who have been involved in Senator Schluter's and my Rural Policy Steering Committee. I, again, commend Assemblywoman Myers and Assemblyman Gregg. I look forward to the deliberations on this process, look forward to a bill coming out of this Committee for full consideration by the House of Assembly.

Thank you, Mr. Chairman.

ASSEMBLYMAN KELLY: Thank you, Assemblyman.

ASSEMBLYMAN GREEN: John, I would just like to respond to--

ASSEMBLYMAN KELLY: Is this a response or a question?

ASSEMBLYMAN GREEN: This is a response.

ASSEMBLYMAN KELLY: Okay. Make it quick, otherwise we'll be here all day. Go ahead.

ASSEMBLYMAN GREEN: You mentioned the 400 homes in Plainfield. For the record I want to make it very clear the reason why we have 400 single-family homes is because over the last 10 years we had a lot of different programs that people came in for the first time to be able to buy a home. They paid more for the home than the home is worth today, and because of the job market, they couldn't afford these homes. That is the only reason why we have that problem.

That is why today I am speaking up, because of the fact that the jobs are not there, the income is not there. These were programs-- Because they felt being in the city they could get a home cheap. They couldn't afford the homes. What happened was they walked away from the home. That is what happened with these 400 homes.

Thank you.

ASSEMBLYMAN KELLY: Michael Van Tassel, Mayor elect, Clinton Township; Darin Vogel; Dr. Virginia Monsul-Barnes--

Might as well all get up here. You have the floor.

COUNCILMAN DARIN VOGEL: Thank you, Mr. Chairman.

Again, my name is Darin Vogel, with Clinton Township. I am a Councilman and on the Planning Board. I have, to my right, Michael

Van Tassel, Mayor elect; Michael Bolan, our Planner; and Virginia Monsul-Barnes, a local concerned citizen.

Let me just give a brief overview of Clinton Township.

ASSEMBLYMAN KELLY: Is your red light on? (referring to microphone) Push the button.

COUNCILMAN VOGEL: Is that better?

ASSEMBLYMAN KELLY: Can you hear back there? (negative response)

Is the red light on?

COUNCILMAN VOGEL: No, it's not.

ASSEMBLYMAN KELLY: Try it now. See what happens now.

COUNCILMAN VOGEL: Is that any better? (affirmative response)

Again, thank you for allowing us to present. I just want to provide a brief overview. Clinton Township is a rural community encompassing approximately 34 square miles. We have a population of approximately 12,000 people. We are located along Routes 78, 22, and 31. Basically, it makes an X. X marks the spot. We are considered a growth area by the State. We do have COAH substantive certification.

Our current allocation is 392 low- to moderate-income units. We have not entered into a regional contribution agreement. However, we have provided direct township funds to refurbish existing homes. To date, we have refurbished 38 existing homes and are well on our way to refurbishing 60 low- to moderate-income homes.

Recently, I had the distinct honor of approving a COAH-certified development called Windy Acres. It is probably akin to what some people may know as the Hills. It is an 1140-unit development on a 292-acre site, approximately half a square mile. It will provide approximately 180 low- to moderate-income units for that 1140 overall development.

It is also located adjacent to Lebanon Borough, a small municipality. The projected population of this development will be two to three times the population of the Borough of Lebanon. Obviously, there was a great outcry over this, the projected congestion, the increase in schools, but it did meet all the zoning and requirements of COAH, so it was approved.

This development will add about 30 percent to our current population. It is only half of our allocated contribution. If the remaining half is developed, you can expect another 30 percent to our population. If we had entered into a regional contribution agreement by COAH standards of \$20,000 per unit, that would be about \$3.6 million that the taxpayers would have to pay. It can then be inferred if the entire contribution was to be paid by taxes, that would be \$7.2 million. Our municipal budget for all services, police, debt, everything, is approximately \$7 million a year.

I would ask that the members here think about if their township or city had to defer that kind of tax burden for an entire year toward affordable housing, how would they handle that? What would they cut, what services? How would they handle it, or would they just raise the taxes proportionately?

We are experiencing a major growth in the area. This growth that is being pushed by COAH adds to the problems of the growth in the area and on the township level. We have actually had to raise taxes to try to provide

open space. This past year, we raised the taxes two cents per \$100 assessed value specifically to maintain farmland preservation and open space.

Again, this is not something that the taxpayers are happy about. It is a problem. Our property taxes are sky-high. The higher the taxes are, the greater the-- The transplanted senior citizens cannot afford to live in Hunterdon County. The taxes are just becoming too high.

When this Windy Acres is finally developed it will add another school to the system. The estimated cost to build a school is \$15 million. At the current, our township spends about \$8000 per pupil. We collect approximately \$4500 total, county, everything, school, county, and local taxes. We seriously believe that this is continuing and adding to the growth and higher taxes in the Hunterdon County area.

We ask you to revisit this problem with the growth in Clinton Township and Hunterdon County in general.

I would like to turn it over to Mike Van Tassel.

MAYOR MICHAEL G. VAN TASSEL: Thank you.

I would like to thank you for the opportunity to comment on this important, statewide issue. I am going to just let everyone know about a few specific situations that occur or are ongoing in Clinton Township.

Clinton Township has been designated a growth community by the Fair Housing Act. I believe the Township deserves certain considerations. A large portion of the Township is owned by the State of New Jersey. The New Jersey Water Supply Authority, Spruce Run Reservoir, Round Valley Reservoir -- they all provide water to urban areas and distribution systems for Elizabethtown Water Company and the Middlesex Water Company, yet no

water is available to Clinton Township from these facilities. We host the Mountain View Correctional Facility and its 1200 inmates. We also provide police, fire, and rescue services for these State facilities.

These aforementioned State facilities represent a combined 6270 acres of land, or approximately 10 square miles of Clinton Township. Clinton Township is approximately 34 square miles. This is 29 percent of our Township's total area with no tax revenue whatsoever. We do receive \$500 a year in lieu of taxes for a couple of pipelines that go from reservoir to reservoir.

ASSEMBLYMAN KELLY: It's \$500?

MAYOR VAN TASSEL: Yes, \$500. Yes, sir.

ASSEMBLYMAN KELLY: Thank you.

MAYOR VAN TASSEL: We are here today to discuss the fair-share and affordable housing, I understand. Clinton Township already houses 1200 inmates, who do represent many municipalities across the State of New Jersey. (laughter)

ASSEMBLYMAN KELLY: That is only temporary, though.

MAYOR VAN TASSEL: Yes, sir. Some long term and some short term. (laughter)

We provide water, as I said, to thousands of residents in Middlesex and Union Counties. Certainly, I feel we should have some consideration toward a regional contribution. Clinton Township is willing to accept affordable housing, and we are in the process -- we already have done so. We have low and moderate alike. But we feel that the term fair share also needs to be adjusted in our particular case.

Thank you.

ASSEMBLYMAN KELLY: Anyone else?

MR. VOGEL: Mike, do you want to speak next?

MICHAEL BOLAN: Yes.

My name is Michael Bolan. I am the Planning Consultant for the Township. The Planning Board, on Tuesday night, had a meeting at which they considered some of the information that had been provided to them. They indicated that the-- Let me just read this to you.

“The proposals introduced by Assemblywoman Myers and Assemblyman Gregg should received strong support, particularly in Hunterdon County where the Township is trying to maintain the rural quality of life and hold down property taxes that currently are threatening our low- and moderate-income residents.” That was a statement adopted at the meeting last Tuesday.

Taking off my Clinton Township Consulting Planner hat and putting on another hat just briefly, Assemblyman Lance referred to the work of the Hunterdon/Warren Rural Policy Task Force. I understand that there is also another group in Monmouth County that has been very active. I would just urge that you look at all of these proposals and try and consolidate them into a unified approach so that we are not fighting at odds on different proposals and that we bring all of the issues to the floor at one time.

Thank you.

ASSEMBLYMAN KELLY: Virginia Barnes, Dr. Barnes.

VIRGINIA MONSUL - BARNES, D.D.S.: Hello. I am a resident of Hunterdon County. I moved to Hunterdon County in 1990 when I graduated from dental school because I grew up in the Somerville/Bridgewater

area and I, literally, could not afford to live there. I couldn't afford to buy anything affordable that wasn't roach infested.

I had no money, so I moved to Hunterdon County purely for financial reasons. So I do sympathize with people who cannot afford to live where they want to live. After living there, I did fall in love with the area because it is so beautiful. I had never lived in a rural area. As time went on, I chose to stay there because of the beauty of the area, but I am very concerned that those two benefits to the life out there are starting to slip away.

My mother also had lived in Somerville and could no longer afford to pay the taxes on her house, so she was forced to sell. It was quite an adjustment for her, because she also moved to Hunterdon County. Assemblyman Green seems to feel that most people won't mind traveling to have a nicer way of life, to get out of Plainfield or whatever, and it's very difficult when you move to that area to take the long commute. I chose to do that.

It was very difficult for my mother. Now, she faces the same problem, that slowly the taxes are going up and up, and she is concerned that she left one area and now she is going to have the same problem. So that is a concern that I have, but a bigger area of concern is that in Clinton Township--

The reason I moved there is it was so affordable. It still is affordable even though the taxes are rising. I have a list here of 13 condos and town houses that were recently sold just in the Clinton Township area. I am very familiar with all of these, because I was involved in one of them myself and a couple other situations.

The Windy Acres development that Mr. Vogel was speaking of has several low- and moderate-income units, and the estimated average price of those is going to be about \$70,000. Well, on this sheet these all sold for approximately that same price, and they are all very nice, very nice condos. They are not little dumpy areas. They are beautiful units that I once lived in myself and was very happy living in.

So I am concerned that the government is coming in-- There is definitely a need for affordable housing, maybe a small need in certain areas and a large need in other areas of the State. But to expect an area that has a lot of affordable housing -- some of which people don't even want to buy, there isn't even that much of a demand -- to come in and ask the area to build and build and build something that really isn't needed and then to ask those taxpayers to then subsidize this thing that wasn't needed with additional tax money is really an unfair burden on the area, even if you're not concerned with the way of life. Just from a political standpoint, as a taxpayer, it is not a welcomed thing. Since taxes are not voluntary and I have to pay them, I would like for my money to be spent wisely and responsibly, and I would like for it to benefit the most people.

Thank you very much.

ASSEMBLYMAN KELLY: How is the dental business, has it picked up since they increased the number of people living up there?
(laughter)

DR. MONSUL-BARNES: No, because, unfortunately--

ASSEMBLYMAN KELLY: They travel away is what you're telling me.

DR. MONSUL-BARNES: Unfortunately, they travel too far away, or when they're done paying their property taxes, they can't afford to pay for the bridge, so. (laughter)

ASSEMBLYMAN KELLY: Thank you. I was only being facetious. Go ahead.

ASSEMBLYMAN GREGG: Just a quick question for Mr. Vogel. In your final remark -- wearing a different hat -- you made notice of a number of Task Forces, which we certainly all have agreed with their goals, and you wished them all to attempt to coalesce, I guess, to come together in one final cure for this problem. I just want to be clear.

Is it your testimony that you wish that cure to be statutory change, which means a law change?

MR. VOGEL: I'm not-- I think that there probably is some statutory, some need for statutory adjustment, yes.

ASSEMBLYMAN GREGG: Thank you.

MR. VOGEL: Regulatory adjustment, certainly, and possibly statutory, yes.

ASSEMBLYMAN GREGG: I'm still not sure I'm getting the right answer from you. Here we are talking about legislation.

MR. VOGEL: Yes. I'm saying a legislative change, also.

ASSEMBLYMAN GREGG: We control regulatory changes through statute change. Other than that, we have to negotiate regulatory changes. Is it my understanding, by your testimony and the testimony of your group up here, that you are testifying in favor of legislative change, statutorial

change? I want to be clear, because the Committee really needs to know the answer to that.

MR. VOGEL: Yes, it is.

ASSEMBLYMAN GREGG: Thank you.

ASSEMBLYMAN KELLY: Thank you.

ASSEMBLYWOMAN CRUZ-PEREZ: I have a question.

ASSEMBLYMAN KELLY: You have a question?

ASSEMBLYWOMAN CRUZ-PEREZ: Yes.

ASSEMBLYMAN KELLY: Of whom?

ASSEMBLYWOMAN CRUZ-PEREZ: I just want to know, to anybody on the panel, how much of the affordable housing contributed to the higher taxes? Every time you build an affordable house how much higher do the taxes go because you build that house? You keep saying it is going up.

MR. VOGEL: Well, because to build that one unit, you have to build four or five additional units.

ASSEMBLYWOMAN CRUZ-PEREZ: Do we have any idea how much the percentage is every time you-- Any amount of houses that you build, how much is the percentage?

MR. VOGEL: Which percentage?

ASSEMBLYWOMAN CRUZ-PEREZ: What is the financial impact in the taxes, because you keep telling me because you are building affordable housing your taxes keep going up.

MR. VOGEL: Well, you can look at it two ways. If we were to give to another township our contribution, our allocation at \$20,000 a unit, if you were to do 100 percent of what has been designated to us, it would be

\$7 million -- \$7.2 million. If you were to build them, then you have to build the schools, hire additional police, etc., and it doesn't cover the taxes for those units and the whole complex because it is smaller and the density is higher. The taxes that we receive do not cover to build the schools, to pay the police, etc.

ASSEMBLYWOMAN CRUZ-PEREZ: With all due respect, I don't think that is a problem in Clinton. That is a problem everywhere in the State. It is a problem in the City of Camden. It is a problem everywhere you go, that the taxes go up because we need to build new schools and--

MR. VOGEL: But, but--

ASSEMBLYWOMAN CRUZ-PEREZ: I don't think affordable housing is linked to higher taxes.

MR. VOGEL: Well, the problem is that we're having an influx of 30 percent of the population with one development on a 290-acre site. With a natural progression without government regulations and intervention, the natural market will allow that to happen, but not all in one shot, not creating a city twice the size of the Lebanon Borough right next to it. That is not part of proper planning.

ASSEMBLYWOMAN CRUZ-PEREZ: Thank you.

MR. BOLAN: If I may, you might be able to get a better handle-- I don't have the specific number on a per-unit basis, but our municipal budget if it goes up \$120,000 from the year before, that would represent a penny increase per \$100 of tax evaluation. So if we had to hire two police officers, I would say, as the result of any additional housing, not just *Mount Laurel*, that would mean a penny per \$100 of evaluation. It's a small tax base.

ASSEMBLYWOMAN CRUZ-PEREZ: Thank you.

ASSEMBLYMAN KELLY: Do you want to make a comment?

ASSEMBLYWOMAN MYERS: Yes, I would like to.

ASSEMBLYMAN KELLY: Go ahead.

ASSEMBLYWOMAN MYERS: Thank you, Mr. Chairman.

I have been listening to the comment from Assemblyman Green and Assemblywoman Cruz-Perez, and I hear you loud and clear. What they have been saying is that urban areas have the same costs for providing housing as rural areas. I wanted to point out that the provisions of this bill seek to implement the State Plan, and the State Plan envisions saving the State of New Jersey as a whole billions and billions of dollars by targeting growth in specific areas and providing infrastructure with State moneys only in those areas.

So the vision of this bill is to permit rural municipalities to use resources not for infrastructure and housing, but for farmland preservation and then agree that the State's resources for infrastructure should go to the urban areas where it is most needed. In other words, the bill envisions an increase in State aid to urban areas.

Thank you.

ASSEMBLYMAN KELLY: Okay.

Thank you.

MR. VOGEL: Thank you.

ASSEMBLYMAN KELLY: Let's see who is next on this list.
Walter Baumgarten, Committeeman, Bethlehem Township, Hunterdon; Styra

Eisinger; Roberta Morganstern; Suzanne Wilder, (phonetic spelling)
Environmental--

Come on up.

COMMITTEEMAN WALTER F. BAUMGARTEN:

Good afternoon. Thank you.

My name is Walter Baumgarten. I am a Committeeman from Bethlehem Township. This is Roberta Morganstern. She is the Chairman of the Environmental Commission. We came here to show our support for the Myers/Gregg bill.

Bethlehem Township is a relatively small town. I believe we're about 12 square miles. We have 3500 people. I think that is about 1500 households, if I remember the numbers correctly. Ours was a relatively--

I moved to the town 14 years ago, it was a relatively low-income town. That is why I moved there. It was old houses relatively; \$100,000 houses were sort of the average at the time. I lived in South Plainfield for most of my life. The first house I tried to buy was in Dunellen, but it was too expensive. It was rather beat up, but it was still rather expensive. What brought me-- As a previous testee -- a person who testified -- said, what brought me to the area was the fact that it was affordable.

We're in the middle of a number of suits. We have been sued three times over builders' remedies of one form or another. The issues of quality of life-- I never did quite understand quality of life issues. I have could have quality of life living in a cardboard box. I have had quality of life all my life. Whether I had money or didn't have money or was having good times or bad times, my life has always had quality. I am thankful to God for that. I

don't know that I can guarantee my constituents that they can have this quality, since I don't even understand what it is.

As far as taxes go, the more and more students, the schools we build, they have no choice but to pay the taxes. There is no choice. They will continue to pay taxes. If they have higher tax bills than they can afford, they'll move out and someone who can afford to pay it will move in, I would assume. I don't know of any large migration of people who can no longer afford anything.

The issue that we have is that our town has been recently inundated with building from developers who seem to build \$400,000 or \$500,000 homes, mostly, I am sure, because the land is cheap. It is easy to negotiate with a farmer when you are from the city. I'm sure they can get a much better deal here than they can in some urban area. We do not personally--

The \$400,000 house concept is a little bit difficult for us to take because it is a cultural difference for us. The folks who have lived in our town since its inception have been volunteer fire department people, volunteer rescue squad people, a lot of volunteers. We have volunteer government in our town. We have part-time government. We cannot-- We're not seeing that volunteer attitude in the people who are being moved to our town.

It is not like the government, at least our government or, I believe, Trenton, is determining who moves to our town and how our town lays out. It is someone who is strictly cash motivated. What the laws or the COAH rules have given these people is a tool to enforce upon us for the tune of-- If we have 40 houses -- or 50, I believe our number is -- it allows them to build

thousands. We are in the middle of a 2000-house, in fact, attempt to satisfy a 50-house number. It is rather ludicrous that they should be given such a tool.

I am not here to ask for any kind of help against this. I know it is our problem and we have to fight it, but I would really like to have such a tool removed from the hands of someone who is strictly in it for the money. We are at a position where we have 3500 people in our town. We are not required to have fire or police, and I know someday we will and we need to plan it.

But, at this point in time, if we are allowed to be leveraged into this instant and massive growth, I personally don't know how we're going to afford to, all of a sudden, one day wake up and have a police department, a fire department, and all the necessary infrastructures, including sewers, water, and the additional schools, that we do not have now. If it were not for this leverage tool that the builders have been given, this would not happen.

I also have another concern with the way COAH is supposedly working toward affordable housing. Being from a very urban area, I know HUD is planning on a new approach toward urban lifestyles, which I don't know that I have a lot of faith in. But I think there is really a movement in all of our government to give up on the cities. It is not working. The laws haven't protected people.

At some point in time, we will go back to the cities. If we spread the cities out now, we will go up. It always goes up. You can look at all of the countries of Europe, they only go up. We have to find a way to solve the urban problems, and diluting it over the countryside is by no means going to

solve that problem. It will come back to haunt us, if not our grandchildren. It will only be worse then.

ASSEMBLYMAN KELLY: Do you have any comments?

R O B E R T A M O R G A N S T E R N: I have a letter from Styra Eisinger to the Chairman, Assemblyman Kelly, and I thought I would read part of--

ASSEMBLYMAN KELLY: Hit the button. (referring to microphone) (witness complies)

MS. MORGANSTERN: I have a letter here from Styra Eisinger who wasn't able to be here. It is addressed to Chairman Kelly, and I would just like to read an excerpt. I have it here. I have not delivered it yet.

ASSEMBLYMAN KELLY: Sure, okay, if you can summarize it.

MS. MORGANSTERN: Yes.

It says, "Above all, COAH should not be forcing townships to trade farmland and environmentally sensitive land for housing. Forcing is the correct word. At present, Bethlehem Township is being sued by builders under the COAH law, seeking to require the town committee to approve projects no one in the town wants.

"There is a tremendous need for upgrading housing in cities. Do we see builders flocking to the cities to add affordable housing where people have their jobs, families, and connections? We do not. We see them here, where there are very few needy people.

"They can force their way in because COAH has become, in effect, what it was never intended to be, a boon for builders but a blight on the land. COAH should be entirely rethought so that its primary function is to see the

building of affordable housing in an environmentally rational fashion, not the spreading of suburban blight.”

Thank you.

ASSEMBLYMAN KELLY: Thank you. Are you going to give me a copy of that letter?

MS. MORGANSTERN: Yes, I will.

ASSEMBLYMAN KELLY: Thank you.

Nancy--

UNIDENTIFIED SPEAKER: She is not here.

ASSEMBLYMAN KELLY: Oh, Nancy is not here. Okay. We'll go to number six. Harry Swift, Alexandria Township Committee, Hunterdon County.

UNIDENTIFIED SPEAKER: Nancy is here.

ASSEMBLYMAN KELLY: Nancy is here? Sorry, you're going to have to wait. They told me Nancy is here, so I am going back to Nancy.

Come on up, Nancy.

Nancy Palladino, Committeewoman, West Amwell Township, Hunterdon County.

You have the floor. You are going to give us some new and enlightening information?

COMMITTEEWOMAN NANCY PALLADINO: Well, I hope so.

First of all, good afternoon, Mr. Chairman, and members of the Assembly Housing Committee.

As you know, my name is Nancy Palladino. I reside in West Amwell Township. It is a rural community that is located in the southern portion of Hunterdon County. It covers about 21 square miles, with a population of approximately 2300 people.

As a lifelong resident of New Jersey, an immediate past Mayor, and a current Township Committeewoman, I am one among many who are grateful for having been given an opportunity today by this Committee to express a personal observation and, hopefully, present some insight on behalf of my constituents, the residents of West Amwell Township.

Certainly, not many would deny the importance of providing affordable housing in our State. It is overwhelmingly apparent, as indicated by the willingness of 22 members of the Assembly to sign on as cosponsors of an initiative, that corrective measures need to be explored in order to guarantee that successful programs are implemented with solutions that are equitable and fair, while upholding the fundamental premise behind the Supreme Court decisions and the Fair Housing Act.

Unfortunately, I am constrained in my comments due to currently unresolved litigation brought upon my municipality by a developer. West Amwell was sued in August of 1994 by a major developer for a builders' remedy as a result of COAH's new requirement that West Amwell and all rural municipalities provide for prospective and regional low and moderate housing, despite the fact that West Amwell has not grown much and has, in fact, a lower population today than 20 years ago when the first *Mount Laurel* case was decided.

My attorneys tell me that I may not discuss the details of this case, but that I may comment on matters of public record. In the original *Mount Laurel* case and in the second, or the *Mount Laurel II* case, rural communities were not required to provide for regional, affordable housing obligations because this prospective regional housing need, as I understand it, was triggered and required because of growth. The courts were saying that if a township was allowed to grow through its zoning ordinances and that there was a realistic chance that this growth would occur, then the township could not use its zoning ordinances to exclude low- and moderate-income families.

However, the Supreme Court and the Legislature, in the Fair Housing Act, recognized that rural communities that are not in growth areas did not need to provide for affordable housing caused by growth, but only for its indigenous or local affordable housing needs. So until 1994, a town like West Amwell needed only to provide affordable housing for its residents. COAH's initial determination for West Amwell's affordable housing obligation for the period from 1987 to 1993 was six units.

In 1994, COAH changed the rules for rural communities. The State Department of Planning and COAH entered into a memorandum of understanding that said all communities can grow; therefore, all communities will grow. Because all towns will grow, COAH imposed a prospective regional housing obligation for all towns, including rural communities that have only experienced modest growth in their 200-plus years of existence.

COAH's action resulted in a fivefold increase in West Amwell's affordable housing obligation. I wonder what other towns could say that their affordable housing requirement was increased by five times. COAH's action

was wrong and contrary to the Supreme Court decisions in *Mount Laurel I and II*, as well as the Fair Housing Act. It defies common sense to say that since growth is possible, it must occur.

But this is exactly what COAH and the State Planners are saying, and as a result, the developers have been given a tool to sue rural communities so that, as in West Amwell, a builder can build over 400-plus houses, which would mean nearly an increase of 60 percent in existing households just to provide 30 affordable units. This is happening, despite the fact that West Amwell has already built and had occupied 10 affordable housing units with another 8 in the pipeline, many of which carry 30-year deed-restricted units.

West Amwell has also signed a letter of intent with New Brunswick for a regional housing contribution to build up to 15 affordable housing units in New Brunswick. I believe that the money that West Amwell must spend on the RCA would be better spent preserving farmland, since West Amwell should not be providing for a regional growth component as part of its *Mount Laurel* obligation. COAH's action is creating a self-fulfilling prophecy, because the developers are using COAH's new rules to promote their own, personal financial gain.

If the plaintiffs in West Amwell's builders' remedy suit are successful, our township, whose land area is exclusively in the 4, 4a, and 5 environmentally sensitive planning areas, will be permanently altered to the detriment of both current and future residents.

Implementation costs of the mandated program, which would include such items as professional fees, legal counsel, rehabilitation of indigenous units, regional contributions, projected upgrading of infrastructure,

and providing of services on both an educational and municipal level, both as an initial expense and on an ongoing basis-- (equipment malfunction, testimony lost) --in such a way that instead of ensuring the integrity of a community's housing plan, it more closely resembles legal permission, an open season for duck hunting with a bazooka. In the end scenario, West Amwell Township will indeed become less affordable than it was prior to the implementation of COAH's rules.

It is of vital importance that the Legislature readdress the unforeseen facets of the regulatory process in a progressive and aggressive manner, taking into account the effect on rural municipalities. I am here today to encourage your action in exploring the issue, and I fully support you in your endeavor to readdress the issue of affordable housing.

Thank you very much.

ASSEMBLYMAN KELLY: Thank you.

Next, we will have number six. Harry Swift from the Alexandria Township Committee and Curtis Schick.

Come on up. You have the floor.

COMMITTEEMAN HARRY SWIFT: Good afternoon. Thank you for the opportunity to address this Committee.

I live in Alexandria Township. I am a farmer there, and I have been in that capacity all of my life. I am on the Township Committee.

In the past, the taxes were reasonable. They are slowly increasing due to the cost of operating our community. We unanimously decided to -- in last year's election -- preserve farmland in our community with a two-cent set aside.

At this time, to address our affordable housing we would have to have another two-cent set aside to put-- We need to transfer funds to address this, because we do not have the housing to rehabilitate mainly in our own township. There are very few houses. We did rehabilitate 15 units already, and we're running out of those sources.

So at this time, we would like to ask this Committee to vote in favor of the bill before it.

CURTIS SCHICK: I think Mr. Swift hit most of the points.

In Alexandria Township, we have been very lucky. We haven't been hit with a builders' remedy suit, but we also embraced the initial COAH requirements. Over the last six year, we did rehabilitate the quota of 15 units, and we're very agreeable to taking care of our indigenous need. If it was 15 units every six to ten years, I think we could handle that very nicely.

ASSEMBLYMAN KELLY: What is your new quota now?

MR. SCHICK: It's 42, I think it is.

ASSEMBLYMAN KELLY: Okay.

MR. SCHICK: It's awfully hard to do. Tonight, we're going to the Planning Board to vote on a proposal to send half of our quota, at \$20,000 a unit, down to either Carteret or Perth Amboy, some place we have to make an arrangement with.

I would hate to see that money go out of the Township. We do have enough houses over a long period of time, if we can convince people to take the \$8000 or \$10,000 in rehabilitation money. Some folks don't want to do it. That is our biggest headache, trying to convince people that it is of no detriment to them. I mean, it's a loan for six years at no interest in our

township, and it's forgiven if you hold on to the house for six years. It seems like a pretty good deal.

We are very willing to take care of our own. We know the State has a big problem all over with affordable housing, but, as Connie said, the plan for the centers is to allocate moneys -- more than would come to us, certainly, we would probably get no moneys at all-- We applied for a grant for this rehabilitation four or five years ago, and we were denied. We had too many expensive homes we were told. So I know other municipalities in Hunterdon County received money this year in grants. Maybe we should reapply.

ASSEMBLYMAN KELLY: Speak to Assemblyman Lance, he is in Appropriations.

MR. SCHICK: I'll have to.

I really appreciate our chance to come down here and speak to you about this, but some adjustments need to be made.

I hope you will vote this bill out so that the Legislature can overall react to it and use it to the betterment of all of New Jersey.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

Ron Sworen, Mayor of Frenchtown.

So far, everybody is complaining about the prospective demands by COAH. That is what I have heard so far.

MAYOR RONALD M. SWOREN: Well, that is part of it.

ASSEMBLYMAN KELLY: Okay. Continue.

MAYOR SWOREN: But there is more to it.

ASSEMBLYMAN KELLY: Okay.

MAYOR SWOREN: I am Ron Sworen, the Mayor of Frenchtown. We are a small town on New Jersey's western shore on the Delaware River, a very environmentally sensitive area. We are in Planning Area 4a. According to the State Plan it is a no-growth area.

Frenchtown is listed as an historic district. We have many homes that are pre-1830. My first home, which I paid \$30,000 for in Frenchtown in 1977, was built some time around 1780 or 1790. The majority of our housing stock is pre-1950.

I am, as Leonard said, a member of the Rural Task Force on Affordable Housing. I have been working on that Task Force for about the past year and a half, because we are concerned about what has happened with COAH. I wish that Assemblyman Green was here, because I think some of the comments would be pointed toward some of the comments he made before.

Round two of COAH-- Well, first of all, in round one, we are a no-growth area. Round two of COAH said, "That is incorrect, you are now in a growth area," in deference to the State Plan. They assigned us-- We're smaller than everyone else here. We're only 1.1 mile square. We only have 1572 people, approximately. They assigned us a prospective need of three new homes and a rehab of nine others.

For the previous 10 years, our municipality only had two housing starts, but yet we're supposed to provide three new ones in 6 years. That kind of goes against what the growth pattern has been in our town. Over half of our residents today fit into the COAH low- to moderate-income range. Many of

these people rent. We have a large number of rental properties in town, both houses and apartments. We have one apartment complex.

The average rent in my town fits well into the COAH low- to moderate-income range in terms of what the rents cost.

ASSEMBLYMAN KELLY: What are they?

MAYOR SWOREN: Excuse me?

ASSEMBLYMAN KELLY: What are the average rents?

MAYOR SWOREN: Somewhere between, or around \$500--

ASSEMBLYMAN KELLY: All right.

MAYOR SWOREN: --for a one-bedroom apartment.

The average home in Frenchtown sells for somewhere between \$80,000 and \$120,000. We do have homes that are priced a lot higher, but if you look at our averages over the years that is kind of where they fit in. This also fits into COAH's figures somewhat.

We also have a very large senior citizen population. Most of our senior citizens were born in our town or moved to it and have lived there for over 50 years. Most of our senior citizens fall into the low-income bracket according to COAH.

We are the picture of the perfect affordable housing area, with lots of affordable housing, the kind of area that COAH was supposed to promote. But we do not have any deed-restricted properties, so COAH ignores us. We don't count toward the COAH numbers because we don't have any deed restrictions. So we have to do more than our fair share to provide affordable housing.

We went for certification this year, which I'll get into in a moment. But all in all, so far, it seems that our residents are not willing to give up the American dream of being able to purchase a home and then be able to sell it for a profit when they need to move. They do not want to deed restrict their properties, not even for rehabs. We are actively seeking rehabs for our seniors and that to try to get our program off of the ground, but we're not having a lot of people asking for it. We have made contracts with the Hunterdon Housing Authority to help us get people. They haven't been successful yet. Something is not working right here.

COAH is forcing us to make our low- and moderate-income families pay higher taxes and higher rents so that we can create for COAH, for their numbers, additional low- to moderate-income housing. This process is causing the price of existing affordable housing stock to rise to levels that are outside the low- to moderate-income range.

Our low- to moderate-income families in town get no benefit from this process. In fact, they are harmed by it. Our senior citizens, especially those on low incomes, are harmed by this. They don't benefit. They have to pay higher taxes. Many are having trouble paying their taxes. In short, the COAH process may actually reduce the amount of affordable housing in our town.

My annual budget is around \$900,000. We will need to spend approximately \$170,000 to \$200,000 over the next six years to provide for the new affordable housing. That is an outrageous part of our budget. The process, just to go through the COAH cycle and be certified, cost us about three cents on our tax rate. We had to hire consultants to come in and work

with our all-volunteer Council -- I am volunteer also -- and our all-volunteer Planning Board to come up with a plan.

We also have in our town -- to give you a bit of history -- a group home that now houses 15 or 16 disabled veterans of low income. COAH did not give us credit for that facility. They said it should have been counted in round one. Well, it wasn't. We are providing this housing, but we're not credited.

ASSEMBLYMAN KELLY: I want to interrupt you for one minute. You said you have to furnish three homes? Is that what you told me?

MAYOR SWOREN: Three homes and rehab nine.

ASSEMBLYMAN KELLY: Okay. Continue.

MAYOR SWOREN: Some of you may ask why we went through the cost and problems for the substantive certification process. We had to take this process and this path to protect our town and protect us from the builders' remedy. We have two undeveloped tracts in our town, even though it is only 1.1 mile square. They both have very steep slopes and are environmentally sensitive. They are around creeks that feed into the Delaware River.

A previous developer had come into town a number of years ago and wanted to put as many as 500 units on one of the tracts. This would have more than doubled the size of our town. The builders' remedy process, if we had to go through it, would threaten the very existence of our town.

We have only a three-person police force. We have a volunteer fire and rescue squad. Our local elementary school is at capacity today. We are working on ways to try to improve the school. We're going to have to build just to handle our current capacity in the school.

It is an unfortunate fact that many of the rural communities are forced to comply with COAH to protect themselves. Towns that do not have areas that need to be preserved do not have to comply with COAH. They don't have to be certified. This places an unfair and unequal burden on those of us who wish to protect our communities. We need help and this bill gives us a lot of help and gives us relief from some or all of COAH's unfunded mandates, because that is what they are. They are unfunded by the State.

COAH ignores the State Plan that all of us agreed to, through the cross-acceptance process a few years ago, as the way to plan for our State's future. COAH uses a top-down approach to determine prospective need units. I disagree with that. It should be a bottom-up approach that tracks planned growth. In our situation, we had two starts in 10 years, but yet we have to provide three new units. We need to get back to what is really the building pattern for the town and for the area.

The Fair Housing Act, as Assemblyman Lance mentioned before, notes that in determining prospective need consideration shall be given to the approval of development applications, real property transfer, and economic projections prepared by the State Planning Commission. This bill puts us back on that course, to have COAH follow the State Planning Commission.

Also, existing infrastructure should be considered. I have a sewer plant that is over 30 years old and is over capacity today. We have very few jobs in our area. I have no industry. Over 95 percent of my municipal tax dollars come from residents. We do not have any public transportation. We do not have any taxi services. We have one bus that leaves twice a day to go to New York City. If you wish to work in New York City, you can take that

bus. It comes back twice a day also. The last bus out of New York is 6:00 at night. Part of COAH was supposed to be access, and transportation between jobs and housing was supposed to be a factor and it was an important factor of COAH. We don't have that.

Green space is important to our environment. That is one reason why we would like to leave these two tracts out there, also, because they are important to us. Because we are a small town, we don't have very much green space. We are bordered by the Delaware on our one side.

Farmland is important to this State, which is the Garden State. We already have statewide goals of farmland preservation, environmental protection, and urban revitalization. If we followed our State Plan and worked with COAH with it, it would lead to the creation and use of overlays, which they didn't do in round two, overlays that would show where the growth areas really are and should be, where public transportation is, and how it can be used or improved, also job availability, which is extremely important.

It would also show areas that should not be developed, as the residents of Clinton spoke of, where they have reservoirs that can't be developed. It would also show these areas for environmental reasons or for land usage on farms that should be preserved. It would also show where we should be creating new housing.

We actively support the measures in this bill, Assembly Bill No. 2176. It is very important to the future of our State to work with the State Planning Commission to guide us in how, when, and where we should create development.

I have read the bill. It makes an awful lot of common sense for the entire State not just for the rural areas. This bill will improve our ability -- New Jersey's ability -- to provide affordable housing for our residents.

I appreciate and our residents appreciate the efforts of Assemblywoman Myers and Assemblyman Gregg in coming up with this bill and the revisions that will be very beneficial to our State.

That is the end of most of my testimony. I would like to comment back to Assemblyman Green.

I have understood a lot of what you said and where you come from on information. I was a resident of Plainfield for about a year in an apartment on Seventh Street.

My grandparents immigrated to this country. They were coal miners in upstate Pennsylvania. My father worked for the railroad. We were dirt poor. My father worked three jobs. My mother worked two. We moved out of a tenement off of Delancy Street in New York City in 1952 to move to a house in Westfield that he paid \$5000 for. He borrowed his soul to get that house. As long as I lived in that house, my father worked two or three jobs to support his family and that house. My mother worked also, including stuffing envelopes at home, which the kids helped out with. I know what it is to be poor. I know what it is to live on the edge and to have to work very hard for a living.

When I moved to Frenchtown, when I got married, I had to find-- I wasn't making an awful lot of money. I had to find an area where I could live with my wife, where we both could commute to jobs, and be affordable for us so that we could raise a family, because that was our goal.

ASSEMBLYMAN KELLY: You don't take a bus there, though.

MAYOR SWOREN: Excuse me?

ASSEMBLYMAN KELLY: You don't take a bus.

MAYOR SWOREN: No, I don't. I commute over 50 miles each way every day. I now have a better job. My wife teaches in a State school. She is an aide with children who have disabilities and that is what she enjoys doing.

But we were able to move to Frenchtown because it was affordable. It is still affordable, and unfortunately, what COAH has done today is making our town less affordable and making less affordable housing, and I think that is wrong. I think this bill will fix some of those issues and make it a lot better for the entire State.

Thank you.

ASSEMBLYMAN GREEN: Mr. Chairman, I just wanted to make a comment on what he just said in terms of--

I'm glad that you understand my concern. It goes beyond race. It goes beyond the poor.

MAYOR SWOREN: Yes, it does.

ASSEMBLYMAN GREEN: It is an opportunity. I think that-- I'm hoping, where you might feel the bill is good, I would like to feel that we can sit down as human beings and make sure that people who want to help themselves are given that opportunity.

I was given that opportunity. For five years I traveled from one part of the State to the other because I wanted my family to live some place

where it was good for them to live. I didn't mind making that sacrifice. I don't want that door closed to you or I or any other individual.

There are a lot of mistakes in terms of how we deal with the housing in the State of New Jersey. That is why I am here today, because I was given an opportunity. But I think the fact that the opportunity was given to you and given to me, we should not close that door to people who want to be given that opportunity.

I am listening to different aspects of this whole particular bill. Number one, I have listened to the fact that it is causing people a tax problem. If that is the case, then let's look at it from that point of view. If it is to save open space, let's look at it that way. But then again, if government is causing a burden on the people in your county, then that is where we ought to fix it, but not close doors on a person like you or I who has been given an opportunity to raise our families where we feel we want to raise them. That is my only concern about this particular bill.

MAYOR SWOREN: I agree with you.

ASSEMBLYMAN GREEN: So I wanted to go on record to say what I had to say about this bill.

MAYOR SWOREN: I agree with you. One issue that is very important that I am sure the Committee knows is that, for the most part, COAH has not delivered its promise. The affordable housing that has been built, having served on this Task Force, I have found out that it has cost an incredible amount of money to this State, as Assemblywoman Myers said, billions of dollars to not build affordable housing.

We have not built enough affordable housing, via what has happened in *Mount Laurel* and the COAH process so far. We have a lot of proposed housing that will probably never be built and that is a sin. That is a problem, because we should be building housing where it is appropriate and making it affordable and safe for people because everyone deserves that, safe, affordable housing. But we need to do it in a way where it is really going to happen, and the way COAH is structured today, it is not happening and the facts hold that up.

ASSEMBLYMAN GREEN: The problem should not be with you and I, it should be with COAH.

MAYOR SWOREN: No, it isn't. It's with COAH.

Thank you.

ASSEMBLYMAN KELLY: Assemblyman Lance.

ASSEMBLYMAN LANCE: Thank you, Mr. Chairman.

Very briefly, Mayor Sworen, your municipality does not qualify for urban aid does it, because it is too small?

MAYOR SWOREN: We are considered, by the State of New Jersey, as a rural distressed area.

ASSEMBLYMAN LANCE: A distressed rural community.

MAYOR SWOREN: Correct.

ASSEMBLYMAN LANCE: I want to point out to the Housing Committee, through you, Mr. Chairman, that there are municipalities throughout the State, like Frenchtown, that are not well to do, that do not qualify for urban aid because they are too small, but have the designation of distressed rural municipalities.

There are many statutes that do not contemplate the fact that there are places like Frenchtown that really do not qualify under the statute for urban aid help, for example, urban aid help regarding Green Acres. I do not want anyone in the room to conclude that Frenchtown is in any way a wealthy community, a rich community, an affluent community.

Indeed, Assemblywoman Myers and I are now analyzing legislation regarding the Green Acres funding for a place like Frenchtown which does not qualify for urban aid designation for Green Acres funding.

So the comments that the Mayor had made indicate that even in a county like Hunterdon, which is considered rural, there are municipalities like Frenchtown which are considered distressed rural centers, and this is not a wealthy municipality.

Thank you, Mr. Chairman.

ASSEMBLYMAN KELLY: Thank you.

Thank you, Mayor.

Richard Cotton. Is Richard Cotton here?

R I C H A R D C O T T O N: (speaking from audience) I will hold my comments. There is going to be another public hearing, did I hear you say at the beginning of the meeting?

ASSEMBLYMAN KELLY: We hope so. You don't want to speak today. Okay.

How about Suzanne Vahala? Come on up.

You have the floor.

S U Z A N N E V A H A L A: Is this microphone on?

ASSEMBLYMAN KELLY: It's on now. It better be. Apparently, I have to push this for that thing to work up there. (referring to microphone)

MS. VAHALA: Can you hear me okay?

UNIDENTIFIED SPEAKER: Is the red light on?

MS. VAHALA: Yes. Now, it is on.

Honorable members of the Assembly Housing Committee, I am just an ordinary citizen, and I do not presume to know the answer to the what and how of the structure of the *Mount Laurel* housing mandates. That is up to more learned and experienced persons such as yourselves. The one question I do concern myself with is the why.

My home is a modest town house in Lebanon Borough, a tiny municipality in Hunterdon County, 1.1 square miles. Despite what the press would have you believe about the affluence and elitism of the residents of that county, let me assure you, most of the people I know are neither affluent nor elitist.

A second-generation American, I, myself, was born in New York City and was raised in a three-room tenement apartment. My father was a truck driver, my mother a beautician. Each of them worked two to three part-time jobs in addition to their full-time ones to send me to Catholic school. They wanted me to be the first person in our family to attend college.

From the time I was 16, I worked after school, weekends, and summers to help out. Fate did not allow me to finish college at that time and I found myself in the working world struggling for survival. I worked at many hard jobs in my younger days, many nontraditional for women, such as loading UPS package cars on the graveyard shift during the Christmas rush.

I knew that if I were ever going to get beyond just the survival stage, I would have to improve my value in the job market. I went back to college part time at age 35 and earned two degrees in business. I didn't move to Hunterdon County until I was 39 years old.

In Hunterdon County I found kindred spirits. In this county of farmlands and beautiful, undeveloped open spaces -- unique, I think, in the whole State of New Jersey for its quality of life -- I found people with the same pioneer spirit that I had inherited from my immigrant grandparents. People who work hard for everything they have, people who expect nothing for nothing, people who fought their way through recessions, shrinking job markets, and societal malaise to provide a better way of life for themselves and their children. They pay taxes, volunteer in the community, and give back far more than they get.

Then, from out of the blue, a well-meaning but misguided judiciary decided that it is no longer necessary to earn all the better things in life; everyone is entitled to that across the board. Correct me if I am mistaken, but that sounds like socialism to me, and my grandparents crossed an ocean in steerage to escape that, but I digress.

Living in an apartment is now demeaning. Everyone has to have a condo or a house. Living in an urban area is now unacceptable, they have to live in the suburbs. After having worked my entire life to afford the fruits of my labors, I will now have to look down the road at Windy Acres when it is built at luxurious condominiums that will be sold below market value to persons who can't as yet afford full market value.

They will pay less interest on their mortgage than I have to do. They will pay a smaller maintenance fee each month than their neighbors and less in property taxes but will receive the same level of services. That is why I am concerned with the why of *Mount Laurel*. Why should I continue to work hard, continue to educate myself, continue to try and improve my lot in life if rewards are there to be had just for the asking?

I began life very modestly. I am not ashamed to tell you that I lived in a tenement, because we kept that building clean inside and out. Our apartment was clean, cozy, and as nicely appointed as we could afford. I lived in an apartment most of my life, yet I am not scarred. My dignity is not harmed beyond repair.

I know many senior citizens who, having worked all of their lives and now live on fixed incomes, can barely afford the essentials after they have paid the enormous property taxes necessary to fund the schools these new developments demand. Why should they be so penalized?

The developers have manipulated *Mount Laurel* into a cash cow for themselves. The judiciary feels smugly beneficent, and the underachievers in our society have found a mother lode. Why can't anyone see the big picture here?

America was built by people who overcame unthinkable adversity to conquer and settle an unfamiliar but fruitful land fraught with opportunity. This adversity is the very thing that made them strong. The greater the challenge, the harder they worked. The harder they worked, the greater their reward. The human spirit is like a muscle. The heavier the weight it lifts, the more times it lifts that weight, the stronger and more resilient it becomes.

Taking the challenges of life away from people does them no service. It weakens them and demeans them. So as you go about the business of modifying *Mount Laurel*, please remember all of us who have played by the rules but see those who haven't even played the game winning the prizes. We are all asking why.

I just want to add a little comment onto my prepared statement in light of the things that I have been hearing. I don't want to be perceived as begrudging anyone a decent place to live and any opportunities. I was not born in what would nowadays be considered a decent place to live. We made it decent by virtue of hard work and determination. But I believe that the opportunities in America are there, whether it is through better education, working a second, a third, or fourth part-time job, as my parents had to do, as I have had to do, to afford the better.

If Hunterdon County is considered elitist because it is expensive, and some portions of Hunterdon County, as we learned today, are not elitist by any means-- They are very depressed even, which is difficult to imagine when you think of places like Tewksbury. But I just feel that it cheapens and demeans the hard work I put into my life to raise myself from a very humble beginning, to see people who, perhaps, not in all cases, but perhaps in a lot of cases, really haven't made the extra effort to improve their marketability, improve their job skills, whatever it takes.

My grandparents crossed an ocean to get here. Some people won't even conceive of moving two towns away to get a better job, because it moves them away from friends, family, or a familiar lifestyle. I can't address that. That is their problem. My problem is why should I continue to do what I have

done all of my life if all I would have to do is just give it up and say, “I can’t do it any more,” and there would be someone there willing to give me a handout.

That is basically all I have to say on behalf of myself and a lot of the common people in the county who couldn’t here today.

Thank you for your time.

ASSEMBLYMAN KELLY: Thank you.

Bill Skene, Councilman, Lebanon Borough, Hunterdon.

C O U N C I L M A N W I L L I A M B. S K E N E: My name is Bill Skene. I am from Lebanon Borough. I am a Councilman there.

The town is a small town, a little over a mile square. It has about 1200 people in it. The town mostly consists of two major highways that run right through it, Routes 78 and 22. It leaves for little open space in the area. We’re still given 10 to 12 low-income units that we’re supposed to come up--

Right now, we have a current mixed housing and always have had, from a few old Victorians to town houses, apartments, and a lot of nondescript houses built in the 1920s and 1930s.

One of the things I saw happen firsthand when I was on the Planning Board is a former chicken farm in the center of the town with residents all around it was sold. A developer came in and he played the town like a fiddle, with a conceptual plan of some 60 units that just -- no way would they be able to get in there with roads and the traffic that it would cause on these country streets. This, naturally, was greeted with an uproar from the people in the town.

At the next meeting, he had a detailed plan to come in with 14 houses, all in the \$300,000 range, that he was able-- Normally, our zoning would have limited it to 10 houses on a cul-de-sac, 12 at the most if he really played around with it. But he needed variances, and all he had to do was just go back to the original plan to the Planning Board saying, "Well, we'll go with a 60-unit thing with a *Mount Laurel* decree." The Planning Board had no choice, or felt they had no choice, but to allow the variances which, in effect, takes away any kind of home rule that we may think that planning boards have.

I just think that the builders' remedy, as we have seen from the bigger townships and the bigger operations on how they are escalating the growth-- Right next to Lebanon Borough will be Windy Acres, which will virtually triple the size of the town of Lebanon. I think Connie's plan is a step in the right direction toward eliminating this builders' remedy.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

Are there any questions? (no response)

Charles Vegh. Am I pronouncing that correctly? (affirmative response)

You are from Harmony Township. Is that correct?

MAYOR CHARLES VEGH: My name is Charles Vegh. I am the Mayor of Harmony Township.

ASSEMBLYMAN KELLY: Okay.

MAYOR VEGH: I would like to make my remarks quite simple.

We have no roads, no bus, no rail, no shopping center within six to ten miles, no McDonald's, no Burger King. If they have no place to work, where are these low- and moderate-income people going to go? I don't want to see some of Mr. Green's 400 houses that are not built on-- I don't want 100 of them in Harmony if they have no place to work, no place to go.

Another thing, I would like to know what affordable housing is? Is it only affordable housing when you have a deed restriction? That is not fair. If we have 100 \$250,000 homes and if we have 50 older homes that are small-- Like we do have a community home that was built by Alpha Cement, which were company homes. They are smaller homes. I am sure that they are not in the \$250,000 range, so in my mind, they are affordable housing. People are living in them. But just because they're not deed restricted they are not counted as affordable housing. That is absolutely not fair.

ASSEMBLYMAN KELLY: Thank you.

MAYOR VEGH: Thank you.

ASSEMBLYMAN KELLY: Okay. Where are we now? I'm going bananas.

Marie Burns.

COUNCILPERSON MARIE BURNS: How do you do? My name is Marie Burns. I am a Councilperson in Frenchtown, New Jersey.

I notice that I didn't join Ron Sworen up here when he spoke so eloquently about our situation in Frenchtown. I suppose the reason I wasn't invited to join him is that Ron and I disagree almost all of the time. This is one time we do not.

ASSEMBLYMAN KELLY: Are you both the same party? I'm just curious.

COUNCILPERSON BURNS: I beg your pardon? I'm a Democrat and Ron is a Republican. (laughter)

ASSEMBLYWOMAN CRUZ-PEREZ: I like you. (laughter)

ASSEMBLYMAN KELLY: I don't dislike you.

COUNCILPERSON BURNS: Not only am I a Democrat, but I would describe myself as a liberal, a leftist. I contribute to the ACLU. I contribute to Morris Dees.

ASSEMBLYMAN AZZOLINA: We're leaving. Okay. I'm leaving. (laughter)

ASSEMBLYMAN LANCE: Marie, may I give you some advice?

COUNCILPERSON BURNS: You name it. You name it.

ASSEMBLYMAN LANCE: Marie, just say you're a Democrat and just leave it at that. (laughter)

COUNCILPERSON BURNS: You name it and conservatives won't like it.

Nevertheless, Ron and I, who come from such differing positions on so many issues, agree on this issue, because Ron and I see what COAH has done to Frenchtown. I admit what is happening in Frenchtown doesn't seem to compare when I hear 400 units here and 300 units there -- that this is a requirement -- and our requirement is only 12, but when you compare a requirement of 12 to the 2 housing units that have been built in Frenchtown over the last 10 years, then it begins to look bigger.

Frenchtown itself is built out. There are some environmentally sensitive areas, but other than that it is a one-square-mile town. It was built almost-- Almost 66 percent of it was built before World War II. A large majority of that was built at the turn of the century or before.

The housing absolutely is affordable. The average price of a single-family dwelling -- and the single-family dwellings constitute a majority, but only about a 66 percent of the majority of housing there -- is \$138,000. Forty-three percent of the people who live in Frenchtown rent their housing. It is affordable. It is accessible.

Twenty-five percent of the people who live in Frenchtown are senior citizens. The average household income, not the average personal income, the average household income, is \$43,000, and most of that, I know for a fact, is people who have two people working, and they're each making about \$20,000. These are not rich people. We have the lowest per capita income in Hunterdon County.

COAH has served to hurt us, mostly because of the way the rules have been applied. It is not necessarily because of what the Legislature decided or what the courts have decided, but the way the rules have been administered. I support anything that will help reduce our commitment and will clean up the way COAH administers its program so that communities that truly do have affordable--

I moved to Frenchtown because I didn't want to live in suburbia. I wanted to live in a town that had all economic levels of people, and I love the mix. I moved to Frenchtown by choice. I didn't have to move there. I could have afforded to live in another town. I live there because I want to live in a

community. If you look at the model communities that are being built now, they are not Levittown. They are communities that have a diversity of people living there.

Frenchtown is that. I invite you all to come see what beautiful affordable housing looks like. It is a choice that we still have. It is a choice that this legislation is going to allow us to retain, but if we don't do something about it now, then it isn't going to be there.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

Are there any questions, anyone? (no response)

Where are we? We're moving along.

Bea Muir, Julia Allen, Marygrace Flynn. You're all from the same township, I believe.

They're all coming up. Who are we missing? Bea Muir, Julia Allen, and Marygrace Flynn.

MARYGRACE FLYNN: (speaking from audience) They can say well enough for me.

ASSEMBLYMAN KELLY: Excuse me?

MS. FLYNN: They can say it well enough.

ASSEMBLYMAN KELLY: Okay.

JULIA ALLEN: My name is Julia Allen, and I, for 16 years, have been involved in the effort in Hunterdon County to preserve farmland as a member of the County Agricultural Development Board. I would like to say that from this position I see firsthand the effort and the expense that goes into saving farmland.

In Hunterdon County over the last 10 to 15 years, we have managed to save or preserve deed-restricted farmland -- about 5000 acres. The total bill for this, township, county, and State, is probably \$20 million. It is a big job. It is a technical job. It is an expensive job, and it's a burden and an obligation that rural communities have taken and have taken quite seriously, and that is, it's their job to protect the countryside of New Jersey.

Everybody agrees that we ought to protect this countryside, that New Jersey will remain a much better place for generations to come if we have a countryside, if we have beautiful areas, and clean water and clean air and farmland. We can't have that if we don't work to protect it.

What we have here are conflicting public purposes. It is a public purpose to protect the countryside. It is a public purpose to provide affordable housing. I think we can invent a system or adjust the present system so they are not in conflict. We can help do our part to provide affordable housing, and we have to be given the opportunity and the right to protect our countryside and, by the way, have money to protect the countryside, because it is a very expensive proposition in and of itself.

Thank you.

BEATRICE MUIR: Good afternoon. My name is Beatrice Muir. I am a resident of Readington Township. I would like to make a few comments from a citizen's point of view.

I have been a resident of Readington Township in Hunterdon County for 26 years. I moved to New Jersey from rural Ohio where I grew up on a dairy farm. Believe me, growing up on a dairy farm is a lot of hard work.

Very little was given to me, and what opportunities did come along I seized upon and worked hard in order to achieve.

When we moved to Hunterdon County 26 years ago it was, indeed, rural. Readington Township was even rural in those days. It had about nine working dairy farms, and it had other farms that were in agriculture, as well. Today, Readington Township has no working dairy farms. There is no longer an infrastructure nearby that supports the needs of dairy farmers. We still have farms, but these farms and farmers are under intense pressure to sell out and the *Mount Laurel* legislation increases that pressure. The State *Mount Laurel* mandate is a developer's dream and an active farmer's nightmare.

The developer has the State's help in forcing a rural township to develop high-density housing. The developer is able to come into a township such as ours and spend relatively little or nothing on infrastructure, such as roads and schools, make obviously great profits, and then leave us with the resulting problems.

Our senior citizens often find that the extremely high taxes in our area forces them to leave, no matter that many families have been in our town for many generations. Many times, because of our high taxes, our younger residents cannot afford to move into our towns and own a home such as their grandparents or their parents enjoyed.

If we want to continue to be somewhat rural in Hunterdon County and in Readington Township and if we deem agriculture valuable, something has to change. The ever-increasing demand to build high-density, low- and moderate-income units, which occurs only along with the builders' remedy,

results in the building of many high-density units often in the thousands of units, which provides only a few of the COAH units.

The impact of *Mount Laurel*-mandated housing will be, in the future, to make all of New Jersey urban and suburban. Is this what New Jersey needs? Is this what New Jersey wants? I think that the people of New Jersey who have time and time again supported open space and Green Acres referendums statewide value the agriculture that we have left in all parts of New Jersey and that part of their American dream is not to pave over and develop every township in our State. *Mount Laurel* in its present form is moving us quickly toward that possibility.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

Liz Schmid. You are the Mayor?

MAYOR ELIZABETH MARX SCHMID: (speaking from audience) I am the Mayor of Franklin Township.

ASSEMBLYMAN KELLY: Of Franklin Township?

MAYOR SCHMID: Yes. Correct.

Hi.

ASSEMBLYMAN KELLY: Hi. How do you do that job? I was a Mayor, I wanted to commit suicide. (laughter)

MAYOR SCHMID: That sounds about reasonable. (laughter)

ASSEMBLYMAN KELLY: All I did was get abused. (laughter)

MAYOR SCHMID: That's about right.

I am Elizabeth Marx Schmid. I am the Mayor of Franklin Township in Hunterdon County. Franklin is about 23 square miles. We have a population of about 2900 people.

We have had an ongoing concern about the impact of COAH-mandated housing on our rural, agricultural community. We are designated in the State Plan as rural/agricultural and environmentally sensitive. We have been pioneers in the Farmland Preservation Program. We had three farms in our township enter the Program in the first round, and we have continued having farms enter into the Farmland Preservation Program. We are actively involved.

We have absolutely no water, other than well water. We have no sewers. We have no public transportation. From my house, I can get to a bus with a five-mile drive, about a five-mile drive. There is no public transportation easily available.

Yet COAH formulas require that we provide some of the housing for more urban areas. This does not sound like sound planning to us, just encouragement for increased urban sprawl. This isn't just poor planning. The present COAH process is expensive for everybody in the State. COAH is a bureaucracy that we all pay for. It has developed a set of arcane regulations which force municipalities, who are trying to comply, to hire planners and attorneys just to ensure that we are complying with our applications for certification. Just to get the applications right, that we're meeting everything, costs a great deal of money.

There has to be a better way to provide affordable housing wherever it is needed in the State and, at the same time, to allow preservation

of farmland and other open, green areas as foreseen in the State Plan. This bill would appear to do this. Open space and farmland have value for all citizens of the State, not just those of us who are trying to save them.

As Assemblyman Lance mentioned, we need recharge areas for water. People in more urban areas need green areas to go to just as spiritual rebirth, as a relief of stress. It is valuable for everybody in the State.

Just as several asides and to share with you some personal things from Franklin Township, we have been involved in the COAH process from the beginning. We are working on our second round at the moment. Certainly, the COAH people have been more responsive this time in trying to help us than last time in struggling with the process, but it is still difficult.

We did initiate a program of accessory apartments in Franklin Township. We are the folks in the State who started accessory apartments and pushed for them. We have been successful with that, but we-- As required by COAH, we have to advertise the affordable units that we create in our region, throughout the region not just locally.

When we advertise regionally, we do get phone calls on the ads from people in more urban areas. When they find out where this is and what is available in the way of trans-- I mean, we get all the time, "Well, where is closest bus stop? How can I get to here?" You can't get there, and people end up not applying for the affordable units that we have. The affordable units that we create tend to be rented by people who are very, very local or, at least, within the county just because people who live in more urban areas just don't comprehend-- This even is true of wealthy people.

ASSEMBLYMAN KELLY: You don't have the transportation.

MAYOR SCHMID: People expect services, we don't have them. They are just not there. So people don't do the apartments or even apply to get into the affordable units we build.

Secondly, I am a social worker by occupation. I worked for a Board of Social Services for many years in Somerset County that ended about 15 years ago. While I was there, one of my greatest frustrations, many other social workers' frustrations, and I think our clients' frustrations, was the lack of, at that time, any kind of public transportation in Somerset County.

Frequently, low-income people need services. They need to be able to get to service providers. If there is not public transportation, frequently a low-income person will not have access to a reliable vehicle to get to services. How are you going-- Now, getting people down to the Board of Social Services in Flemington, in Hunterdon County-- There is no way for somebody from our municipality to get down to Flemington, to get to services, to get to jobs. The transportation isn't there, and it doesn't necessarily serve people well to get to a place where they are not going to be able to do what they want to do, where they are going to feel isolated.

My mother is getting older. She was choosing to give up her house in New York and had several choices. She was fortunate. She had several choices of where to go. She chose not to come to Hunterdon County, because she would lose her independence by coming to Hunterdon County. When she could not drive, when she had to give up the car, she was going to be stuck if she was in a condo, because she couldn't get anywhere. So she chose to go to a more urban place that had the transportation. I think that is true of many,

many seniors. To create housing in a more rural area for seniors that takes away their ability to function independently that does not do them a service.

Thank you.

ASSEMBLYMAN KELLY: Thank you. Good luck as Mayor.

MAYOR SCHMID: Thank you.

ASSEMBLYMAN KELLY: Well, I think we have heard all of the proponents. Now, we're going to hear from the opponents.

Diane Sterner.

Hi, Diane.

DIANE STERNER: Hi.

ASSEMBLYMAN KELLY: We have to get the bond issue now that will help us with affordable housing.

MS. STERNER: We have multiple goals here.

Good afternoon, Chairman Kelly, Committee members, and visitors. Thank you for the opportunity to testify today on this bill.

I am Diane Sterner, Director of the Affordable Housing Network of New Jersey, which is a statewide association of over 200 housing and community development organizations and their supporters who are building affordable housing and revitalizing low-income communities throughout New Jersey.

I also am a resident, incidently, of Allentown, New Jersey, where my property taxes have increased by about 25 percent over the last few years. This isn't related to the production of affordable housing. To my knowledge, Allentown doesn't even have substantive certification, but I wanted to make

the point that I think taxes are generally on the increase, and it's not just places where affordable housing is being built.

There is a tremendous need for affordable housing in New Jersey. This ranges from housing for people who are currently homeless to people who are making \$40,000 to \$45,000, depending on the part of the State you are in and what the median income levels are. We're talking about people who have no jobs to people who have two. Some of the people who have been described today in the testimony are actually eligible for affordable units in their areas because of their low incomes. The problem in New Jersey is that housing costs are so much higher than what people's wages are that it is very difficult for a lot of people to afford current housing. In addition to the 86,000 affordable units that COAH says are needed, one in ten households in New Jersey are paying more than 50 percent of their income on housing, and depending on the estimates that we see, at least 25,000 individuals are homeless.

We agree the State is also losing open space at an alarming rate. We strongly believe that New Jersey needs to be working toward both the provision of affordable housing and the preservation of open space and environmentally sensitive land. We further believe that both can be accomplished without sacrificing either goal, the win/win situation that Assemblywoman Myers referred to earlier.

The legislation before you today, however, in our opinion, attempts to create a vehicle for preserving open space at the expense of affordable housing development. I would like to make a few brief observations.

First, the mechanism proposed in the legislation to permit any town anywhere in the State to reduce or eliminate their fair share by

submitting a preservation plan would likely lead to a dramatic, drastic reduction in the total fair-share obligation for New Jersey.

We strongly believe that any effort to protect open space or other land should not lead to a decrease in the overall number of affordable housing units being created. There is a provision in the State Plan for directing development toward centers, but we think it is important that if one town is able to protect all of the available land, then the units need to be built somewhere and some mechanism needs to be provided for that.

Contrary to the premise of this legislation, in our experience, for the most part, affordable housing is rarely the force driving growth in rural or less-developed areas. Usually market forces drive growth in these areas, the development of middle- and upper-income housing or new, commercial or office development.

Most towns willing to create affordable housing can do so without significantly changing the character of an area or even using undeveloped land. Now, not every town knows what the options are for this, but they can do this by working with nonprofit organizations, for example, and in that way, they can build 100 percent affordable units and not have to build additional market-rate units for every affordable unit, as is the case in inclusionary developments. A town can build their own housing and get technical assistance to do that. So there are creative ways that a town can employ to get around the typical inclusionary process that has been the rule, rather than the exception, in New Jersey.

In many cases, a rural community can meet its own affordable housing needs without building new sewer and water lines or accelerating

growth, and that is a goal of the State Redevelopment Plan. There are vehicles and provisions for that happening.

So while protecting open space and environmentally sensitive land is a laudable goal, blaming the loss of land entirely on the Fair Housing Act is misdirected in our opinion.

As I mentioned, there are already a variety of mechanisms available to towns interested in preserving open space and agricultural land, mechanisms both permitted under the Fair Housing Act and encouraged by the State Plan. The primary obstacles to preservation in rural areas, far from being the Fair Housing Act, seem to be weak enforcement of the State Plan by State agencies or insufficient enforcement mechanisms built into the State Planning Act, and in some cases, an unwillingness on the part of rural towns to comply with the Plan.

Employment opportunities in New Jersey are shifting, also. Increasingly, jobs are moving out of the urban areas and into the suburbs. Areas that were rural are now major areas of job growth. Any legislation addressing this problem should keep in mind that one of the goals and strategies of the State Plan is to provide adequate housing at a reasonable cost by planning for the location of a density of housing sufficiently close to both employment opportunities and public transportation so as to reduce both housing and commuting costs for low- and moderate-income groups. This, obviously, takes some planning and some creative thinking, but it is possible to do.

For these reasons, the proposals contained in this legislation, as well as the bill's underlying premise that the Fair Housing Act is causing

growth in rural areas that would not otherwise occur, need to be seriously studied before any action is taken. We recommend that a committee be created, including members of the Task Forces that have been mentioned, but also of other affected sectors, including nonprofit housing developers, to make recommendations on how to preserve precious open space while complying with the intent of the Fair Housing Act and ensuring that the need for affordable housing is being addressed.

Thank you.

ASSEMBLYMAN KELLY: Thank you, Diane.

Shirley Bishop.

ASSEMBLYMAN GREGG: Mr. Chairman.

ASSEMBLYMAN KELLY: Yes.

ASSEMBLYMAN GREGG: I have a couple of questions.

ASSEMBLYMAN KELLY: Okay.

Wait a minute, Shirley.

ASSEMBLYMAN GREGG: In your initial testimony you mentioned that, ultimately, this legislation would reduce the number of low and affordable homes in the State of New Jersey, but you failed-- Could you tell me why you think that will occur?

MS. STERNER: It is the mechanism for the preservation plan. That if any town in New Jersey submits a preservation plan, their obligation can be reduced to zero. It doesn't say-- There is not a minimum amount of land that can be preserved, but all it has to be is that the reason that they want to have the preservation plan is to preserve open space.

ASSEMBLYMAN GREGG: So you're assuming that the communities that apply for this have not already bought out their payments?

MS. STERNER: We're assuming that that would happen in a lot of the cases.

ASSEMBLYMAN GREGG: Well, if they are already writing a check to another community, the housing isn't necessarily being built anyway.

MS. STERNER: Well, in cases-- In cases where there are--

ASSEMBLYMAN GREGG: Do you have any numbers to substantiate--

MS. STERNER: We can get you information on this.

ASSEMBLYMAN GREGG: Do you understand what I'm saying?

MS. STERNER: In cases where they are paying other towns to build their housing, they have to have projects in place that the Housing and Mortgage Finance Agency has reviewed for feasibility. So in most cases those projects are very close to happening and I'm sure that--

ASSEMBLYMAN GREGG: Well, those projects are being underdone anyway. They are just subsidizing with the money coming from the other communities. But with that said, do you have a philosophical problem with the concept of a community being able to control their destiny and the housing that they have and the housing that they need in the future? That that should equal the growth in their community and equal the needs that they have?

MS. STERNER: I believe that there has to be a balance. I believe that people throughout New Jersey have an obligation to help take care of each other and that not only is it an obligation, but it is also something that will

come back to haunt us if we don't do it now. Because if we continue to undermine what is going on in the cities and undermine the family structure and people's ability to support themselves and become self-sufficient by taking away from programs like this, the problems that New Jersey has -- the social problems -- are just going to continue to spread into other communities.

ASSEMBLYMAN GREGG: Well, I don't disagree with the concept of being committed to a local piece of New Jersey, but if they're -- and you have heard testimony all day today-- You have heard communities that are being forced to build housing that has no meaning to them. They are being forced to build housing, there are no people who can work, there is no transportation for those people--

MS. STERNER: Right, and I heard a lot of problems that I think should be addressed in one way or another. I think there has to be some changes made.

ASSEMBLYMAN KELLY: That is why we had this meeting.

MS. STERNER: Right. But I think there has to be some solutions that we haven't yet found.

ASSEMBLYMAN GREGG: Well, I would like to know, I guess because we're talking about an initiative here, what you think in this piece of legislation doesn't do or solve many of these problems?

MS. STERNER: Well, if I had to pick one thing that I would change about the legislation, I would not eliminate a town's obligation to figure out some way to provide for its fair share if they want to preserve open space.

ASSEMBLYMAN GREGG: But if fair share is based on indigenous need, as Assemblyman Lance spoke of earlier, and that was the

initial goal, and they have no more indigenous need, why should they have any obligation?

MS. STERNER: You know, when COAH did their last round of numbers we objected to their formula, so I can't defend the formula that they used to come up with how they allocated all the numbers.

ASSEMBLYMAN GREGG: Well, I can't defend their formula either, that is why we're doing this legislation.

MS. STERNER: This legislation doesn't deal with the formula, though.

ASSEMBLYMAN GREGG: No, but what it does is it clearly--

MS. STERNER: It skirts around that actually. I think that would be a more direct way of taking it on.

ASSEMBLYMAN GREGG: Skirt may be a term we can debate, but in issue--

I guess I also have one last question on the issue of the farmland preservation concern that you brought out, that the biggest problem that farmland preservation has in being is complexities, waiting lists, and problems of that nature. I guess this is more of a statement.

I truly believe that one of the biggest problems that they have is funding, and when a community is being forced to make a decision on whether they would prefer to buy the property rights for a farm and keep a small-business person working and retaining some asset in property taxes, that they have to make that determination while thinking of some of their COAH obligations. I don't think any of those obligations were created when we had a vision for Green Acres that we have today.

MS. STERNER: Right, and I think that some of those programs are underfunded. I think there should be more money available for farmland preservation.

ASSEMBLYMAN GREGG: Well, sometimes we have to make a choice, and this is an ability for us to make a choice. I would hope that you would put some of your thoughts in writing to the Committee, because I think you brought some good points up, but I think that, perhaps, they are not as clear to me as I would like to see them.

So if you have specific issues with the legislation that you think would improve it, I would certainly be happy, through the Chair, and the Committee's staff to hear that.

MS. STERNER: Thank you.

ASSEMBLYMAN GREGG: Thank you.

ASSEMBLYMAN KELLY: Now, Shirley Bishop, from COAH.

You have been getting kicked around all afternoon.

SHIRLEY M. BISHOP: Good afternoon, Mr. Chairman, members of the Assembly Housing Committee. Thank you for the opportunity to listen to all of the testimony today. I would like each of you to know that we have been taking copious notes. All of the testimony that we heard today we will bring back to the members of the Council On Affordable Housing, so they will know what occurred today.

We understand that the public hearing today is on the substitute bill. Unfortunately, the Council On Affordable Housing cannot offer comments on the substitute bill, because we were not given an opportunity to sit down and review the bill with the Council members.

So as a result, I would like to ask that you accept our comments at a later date. We will be very happy to offer them to you, and we look forward to working with you in the future.

ASSEMBLYMAN KELLY: You know I'm easy to work with.

MS. BISHOP: That's true.

Thank you.

ASSEMBLYMAN KELLY: Who have we got here? Howard Sereda.

Am I pronouncing that correctly?

L. HOWARD SEREDA: (speaking from audience) Yes, sir.

ASSEMBLYMAN KELLY: Who are you with? It looks like it says MEND, is that what it is?

MR. SEREDA: Yes.

ASSEMBLYMAN KELLY: What is MEND?

MR. SEREDA: MEND is Moorestown Ecumenical Neighborhood Development.

ASSEMBLYMAN KELLY: Okay.

MR. SEREDA: Moorestown is a suburban community in Burlington County, and I am glad South Jersey has an opportunity to speak here this afternoon.

ASSEMBLYMAN KELLY: The Speaker is from South Jersey. He does all the speaking for us. Did you know that? (laughter)

MR. SEREDA: Now, what do I do here? I press this button? (referring to microphone)

ASSEMBLYMAN KELLY: Is the red light on?

MR. SEREDA: No.

ASSEMBLYMAN KELLY: Well, it should be.

MR. SEREDA: Oh, there we are.

ASSEMBLYMAN KELLY: Okay.

MR. SEREDA: MEND is one of the State's oldest and most active nonprofit housing developers. MEND was formed in 1969, and over our 27-year period we have developed 251 affordable-housing units for families and seniors in about 15 locations in Moorestown. We also develop in other suburban and urban areas in Burlington and Camden Counties. Moorestown is a bedroom community. Our development focus throughout our entire history has been predominately suburban, so we have a different slant on this.

I would like to address a few unstated assumptions in this legislation which I think bear some scrutiny. The first is that there is a dichotomy between preservation and affordable housing. I will speak from the experience that the agency has had in our suburban community.

We have found that in Moorestown and in Burlington County, at least, there is no inherent conflict between open space preservation and affordable housing development by itself. There is an assumption in this bill that communities have excessive development pressures emanating from *Mount Laurel* and from Trenton bureaucrats. Again, this has not been our experience.

The purpose of *Mount Laurel* is simply to give affordable housing its legitimate share. Suburban and rural areas have a fair-share obligation because they attract the people and the jobs and the houses. They are the major centers of economic growth in our State. The new jobs in this State and

the housing for those jobs are not being created in Newark, Paterson, and Camden. They are being created in places like Parsippany, Edison, the 287 corridor, the 78 corridor, the Route 1 corridor, Cherry Hill, and Deptford. This is a suburban phenomenon.

An unstated assumption is that the housing and jobs nexus is local, not regional, in this State. As anyone who lives in this State knows, nothing could be further from the case. All you have to do is listen to the traffic report in the morning to hear working families trying to get from point A to point B. The jobs are created in the suburbs.

It seems to us the purpose of *Mount Laurel* is to relocate housing to where the jobs are actually being created so that working families are able to take these jobs, to take advantage of new employment opportunities.

But most importantly, an assumption which, in fact, has been stated repeatedly by speakers this afternoon is that affordable housing is essentially, and by its very nature, high-density development. We take very strong issue with this. Communities that opt for builders' remedy are making a choice. They don't have to make it. If they choose to meet their COAH obligations from inclusionary developments that is a choice they have made.

Our experience and our community's experience is that there are alternatives. We have successfully developed, in our 27 years, schools, other surplus municipal properties, such as firehouses, municipal buildings, other nonresidential properties, such as a medical arts building. We have consistently developed low-density, scattered-site affordable housing, both rental and for sale, for families and seniors.

There are a number of other options which we have not used, including accessory apartments and the like. There are a number of other ways to raise the funds to support affordable housing. There is absolutely no doubt that affordable housing produced through builders' remedy is expensive not simply in terms of the up-front capital costs and consumption of scarce open space, but the continuing operational expenses for municipal services, especially education. But those are choices and those are responsibilities and burdens that these suburban and rural communities accept voluntarily. There are options. We would urge all communities in this State to consider those alternatives to the builders' remedy.

There are many changes which have to be made in the *Mount Laurel* legislation. I am not familiar with the communities that have spoken so eloquently here this afternoon, but it certainly sensitized me to the need for change. But I think it is vital that we not throw the baby out with the bathwater. Jobs are being created in this State. It is important that people be brought closer to the jobs that are being created.

Thank you.

ASSEMBLYMAN KELLY: I have been an advocate of affordable housing for most of my life, so don't worry about us getting involved in throwing the baby out. That will not happen, I can assure you.

MR. SEREDA: Thank you.

ASSEMBLYMAN KELLY: Thank you, sir.

Now, who do we have next? Joanne Harkins.

You represent the New Jersey Builders.

JOANNE HARKINS: That's right.

ASSEMBLYMAN KELLY: You have an opposed here.

MS. HARKINS: Yes, that is correct.

Good afternoon, Mr. Chairman, members of the Committee.

Oh, this is not on I guess. (referring to microphone)

UNIDENTIFIED SPEAKER: Is the red light on?

MS. HARKINS: No.

ASSEMBLYMAN KELLY: Try it now.

MS. HARKINS: Now it is.

I am Joanne Harkins. I am a professional planner. I am Director of Land Use and Planning for the New Jersey Builders Association. I will be taking Assemblyman Azzolina's advice in being very brief. I have a very succinct statement.

The New Jersey Fair Housing Act was crafted in the Legislature to provide an administrative framework to meet New Jersey's constitutional obligation to create a realistic opportunity for the construction of affordable housing in all regions of the State.

The Act that evolved from that legislative process has strengths and weaknesses due to the compromises that were made to respond to all of the interests and yet meet our constitutional obligation. Legislation that now attempts to change the underlying principles of the Fair Housing Act runs the risk of raising significant constitutional and social issues. This should not be undertaken lightly.

The New Jersey Builders Association suggests to this Committee that this bill is ill advised.

ASSEMBLYMAN KELLY: Thank you.

ASSEMBLYMAN AZZOLINA: That's it?

ASSEMBLYMAN KELLY: That's it.

MS. HARKINS: Yes.

ASSEMBLYMAN AZZOLINA: You get an A.

ASSEMBLYMAN KELLY: You get an A for that one. (laughter)

Stephen Eisdorfer.

Who do you represent?

STEPHEN M. EISDORFER, ESQ.: In this context, I am here just representing myself.

ASSEMBLYMAN KELLY: Oh, okay.

ASSEMBLYMAN AZZOLINA: What do you do?

MR. EISDORFER: I am an attorney. I was with the Public Advocate for 15 years. I litigated some of the *Mount Laurel* cases. I am President of the Housing Coalition of Central Jersey, which is a nonprofit organization, a fair housing organization and a housing and service provider in Central Jersey. I am also a member of the nonprofit Affordable Housing Network.

Wearing another hat, in addition to being a lawyer, I also do social science research. I recently completed a study at Seton Hall University on what actually happened, what the actual consequences were of the *Mount Laurel* initiatives.

I would like to make three observations in connection with this bill. First of all, we are now 10 years out in terms of the Fair Housing Act and the State Planning Act, and it is a good moment. It is a good moment to be rethinking what we have learned from that experience, what lessons we have

learned. So I actively support the notion that we engage in some thought, in some study, and perhaps, in some new legislative enactments.

One thing is clear, New Jersey still has an enormous unmet housing need. There are still some 600,000 households who have severe housing problems in New Jersey, many times more than the 86,000 identified by the Council On Affordable Housing. We have an unmet housing need in suburban and exurban areas.

Mount Laurel was about -- was not about meeting New Jersey's housing needs. It was about where housing is located. It was not about building housing in Camden and Newark. It was about building housing in Mount Laurel and other suburban and exurban communities. It was about that because that is where the jobs are, because New Jersey has experienced an extraordinary and massive shift of jobs from the cities to the suburbs. To create real housing opportunities, the housing opportunities have to be created where the jobs are.

We have not met that housing need. We have not met it anywhere in the State. We have not met it in suburbia or exurbia. That is still an unmet task for us.

This bill is based on a premise that seems to me to be a faulty premise, which is that housing and open space preservation are a zero-sum game, that if you are going to preserve open space in a municipality, the only way you can do it is to not have any affordable housing. I submit that there is no empirical basis for that, that there is no reason to believe that affordable housing and open space preservation are not perfectly consistent.

Indeed, in fairness, the State Planning Commission set out on a conscious agenda of trying to accommodate the two. The State Planning Commission devised a State Plan that envisioned that growth would take place everywhere, because that was, indeed, the sentiment, but that it would be channeled in rural areas into centers.

Now, what has been disappointing is that although the State Planning Commission envisioned that rural municipalities would designate several hundred centers, in fact, virtually no centers have been designated. The opportunity by rural municipalities to seize the State Plan and to use it as a device for channeling development in general and development of affordable housing in particular into town centers and to avoid sprawl has been missed. We need to go back and see why that has taken place. Why is it that some rural municipalities have chosen to permit development on a sprawl-econo basis rather than using the center strategy? But that opportunity remains available to us, and it seems to me that we should be looking now at how to better effectuate that center strategy.

Now, it seems to me that this particular piece of legislation does not publish the objectives of its proponents and does so at the expense of meeting our unmet housing needs. It reaches that result in a number of respects. First, as currently drafted -- and I confess I only saw the bill this morning and there are pieces that I genuinely don't understand, so I am going to do my best with it -- the bill would permit any municipality that seeks to preserve open space or agricultural lands to submit a plan to COAH, and if it does so, it is entitled to have its obligation reduced to zero. Now, I would

suppose that there isn't a municipality in the State that can't identify some open space area that it would like to preserve.

I live in Highland Park. In Highland Park there is about as close to a fully developed municipality as there is in New Jersey, but we in Highland Park have a few acres that we would like to preserve. So as presently written, this bill would permit any municipality to come in and submit an open-space preservation plan or an agricultural-land preservation plan and get its obligation reduced to zero. Now, I doubt if that was the intention of the sponsors, but that is way the bill is written.

This would have a radical impact on statewide housing obligations. Now, the bill does not permit housing obligations that are met in one area to be met some place else. In fact, the bill specifically prohibits in Section 7 of the bill which changes the way we do adjustments.

Currently, the statute authorizes the Council On Affordable Housing to make both downward and upward adjustments. So if obligations were reduced in one community, it could correspondingly increased in another community. As presently drafted, the bill changes that from adjustments to decreases. So the Council On Affordable Housing would only be able to adjust downward.

If town *X* comes in and says, "Reduce my obligation to zero," the Council On Affordable Housing would not be able to adjust anybody else's obligation upward to compensate for that. All adjustments go down. So what this bill specifically envisions, whether that was the intention of the proponents or not, is a constant pulling away, chipping away at statewide housing obligations and reductions in the amount of housing that is built.

The bill proposes to change the way prospective need is counted. Currently, we calculate prospective need on a planning basis. We say, "How many new households are there going to be in the State? How many of them are going to be adequately housed through the existing housing stock? How many of those household whose needs are not going to be met through the existing housing stock are going to be low- and moderate-income households?" That is how we calculate prospective need.

It is a system with many defects. My estimate is that it underestimates prospective need by a factor of -- the numbers are 80 percent too low. The real prospective need is four times as high as COAH calculates. But, nonetheless, it has its intrinsic logic because it is a planning approach.

Section 4.j of the proposed bill would change that and say that instead of calculating prospective need statewide on the basis of how many households are going to need housing, prospective need should be calculated on the basis of existing development. That means that we are only looking at what is going on now and not where we are going to be a few years from now.

Now, the bill has other consequences that I think are just harder to figure out what their significance is.

ASSEMBLYMAN KELLY: I take it you want us to throw the bill right out.

MR. EISDORFER: Your honor--

ASSEMBLYMAN KELLY: Thank you. I mean, that is what you want.

MR. EISDORFER: The concept behind the bill of rethinking where we are now is a good one. The details of this bill are very problematic.

But don't propose to eliminate regions. Simply eliminating regions, it appears to me, has odd consequences. What it does is it shifts housing obligations from North Jersey to South Jersey and from areas of high-intensity suburban development to rural areas. It spreads out the need over the entire State, instead of cabineting it in the various regions. I think it has a paradoxical effect. I think it has the opposite effect from that that the proponents intend.

So it seems to me that, on the whole, this bill, as drafted, does not advance the cause of preservation of open space and does imperil meeting our housing obligations and our housing needs. I would therefore urge the Committee to take the impetus created by this bill, the impetus to rethink where we are now, to take advantage of the new research and our 10 years of experience, our experience with one round of the State Development and Redevelopment Plan, and rethink the Fair Housing Act and the State Planning Act -- rethink them in the rural context, rethink them in the urban context, rethink them in the suburban context. This a good moment to be doing this, and I would urge the Committee to seize that moment and undertake that thought but not to adopt this bill in its present form.

ASSEMBLYMAN KELLY: Thank you.

MR. EISDORFER: Thank you very much.

ASSEMBLYMAN KELLY: Assemblyman Wolfe, do you-- Oh, you're observing. Okay.

Where do we go from here? How about Ken Johnson?

COMMITTEEMAN KENNETH JOHNSON: Good afternoon, Mr. Chairman, Committee members, and staff. Our audience is shrinking.

ASSEMBLYMAN KELLY: But it is being recorded though.

COMMITTEEMAN JOHNSON: Good.

Happily, Mr. Chairman, most of the substance of my comments are in written material that I will leave with you, but I do have a short statement.

My name is Ken Johnson. I am a member of the Hunterdon/Warren Rural Policy Task Force. I am also an elected official in Delaware Township, Hunterdon County.

I am presenting this testimony on behalf of the Hunterdon/Warren Rural Policy Task Force on the subject of affordable housing under Cycle II regulations of the Council On Affordable Housing. This testimony has been prepared by the Steering Committee of the Task Force, on which I serve, and by Senator Bill Schluter.

Early in 1995, mayors and local officials of many municipalities in Hunterdon County spontaneously formed a grassroots organization to study and recommend revisions in the COAH Program to correct the onerous and nonproductive provisions of this law in rural New Jersey. This effort was subsequently joined by municipal officials of Warren County and is called the Rural Policy Task Force.

The group studied the provisions of the *Mount Laurel II* decision issued by Chief Justice Wilentz in 1983. This decision clearly respected sound State planning principles and articulated the need to balance protection of farmland and environmentally sensitive areas of the State with the need to make affordable housing available. The recommendations of the Rural Policy Task attempt to more closely align affordable housing policies and procedures

that have developed over the past 10 years with the original intentions of the *Mount Laurel II* decision.

The Task Force selected a Steering Committee, Chaired by Barbara Wolfe of East Amwell Township and consisting of members representing a cross section of interests, including legal, professional planning, municipal government, county planning departments, municipal planning boards, State Planning Commission, and the environmental community. Hundreds of hours have been spent by the Steering Committee studying current problems of COAH, holding public forums, and analyzing possible improvements to the current policies and procedures.

It is important to note that virtually all of the municipalities of Hunterdon and Warren are in Planning Areas 4 and 5. Probably the most significant issue with which the Steering Committee and the Task Force have been confronted has been inclusionary zoning and the builders' remedy that require high-density development and infrastructure. The large numbers of prospective need assigned to rural areas in Cycle II of COAH was not a problem in Cycle I, because rural areas, as we have in Hunterdon and Warren, were not considered growth areas because they did not have the infrastructure to support a share of the region's prospective growth.

The recommendations of the Rural Task Force have received total local support, and we are presenting them to you today in two attached documents. The first of these is a mission statement, which includes nine specific proposals for improvement of COAH's system. The second document is a recommendation to the State Planning Commission on appropriate strategies for rural areas, and this contains five policy statements.

We are suggesting that your Committee use this research and information in the development of an overall, statewide reform of COAH. We are also providing several other back-up documents that you may find helpful.

It is important to note that our proposals are in concert with the policies of *Mount Laurel II* and the Fair Housing Act in that they are nondiscriminatory and do not represent exclusionary zoning. It has been our express purpose to improve the system for affordable housing in New Jersey.

The Rural Policy Task Force has met with the staff of the Council On Affordable Housing and in July of this year made a formal presentation to COAH and to Commissioner Kenny. Our findings indicate that many of the problems are caused by imprecise policy and inappropriate administrative regulation.

It is imperative that the study to reform COAH make a determination as to what affordable housing directives should be part of the statute, what directives should be purely a matter of administrative agency promulgation, and how the statute can be reinforced more clearly to state legislative policy.

The recommendations made by Assemblyman Azzolina in Wall Township on December 3, that a broad task force be formed to reconcile the various interests of this subject, is a good one. Our group is willing to participate and cooperate totally in such an effort.

We would also like to express our support in general for the recommendations made at the Wall Township Summit II meeting.

That is the extent of my prepared remarks, Mr. Chairman.

ASSEMBLYMAN KELLY: Would you send us a copy of those reports?

COMMITTEEMAN JOHNSON: Yes.

ASSEMBLYMAN KELLY: I appreciate it.

COMMITTEEMAN JOHNSON: I have them with me, and I will drop them off.

ASSEMBLYMAN KELLY: That would be great.

Thank you.

COMMITTEEMAN JOHNSON: Are there any questions?

ASSEMBLYMAN KELLY: Are there any questions?

ASSEMBLYMAN GREGG: Mr. Chairman, just a quick question.

As we say in our venue, on the bill, I heard a very eloquent statement about your concerns and your Task Force, which I think we all are in agreement with, but we have a piece of legislation that we're looking at or a couple of pieces of legislation that we're looking at.

What is your position or is there a position of the Task Force on the legislation we are looking at today and the direction we're moving in, if you can't be as specific? I know it has been somewhat quickly released even to some of the members, but we're really looking for a feeling on a legislative remedy today and that I didn't catch in your testimony, and I would certainly appreciate your comments on that.

COMMITTEEMAN JOHNSON: Assemblyman Gregg, most of the Steering Committee has not had a chance to study the substitute bill because we just don't have copies. So I can't be as specific as, perhaps, you would like me to be. But I think our objectives are that we agree that some

sort of legislative change should be considered. I think our view is primarily based on the earlier bills which brought up the issue of constitutional amendment, and I think that--

ASSEMBLYMAN KELLY: That's out.

COMMITTEEMAN JOHNSON: --has been stricken, so that is out. Although we are classified with the opposition, I think that we're sliding together which I think is a healthy part of the legislative process.

ASSEMBLYMAN KELLY: I apologize for putting you with the opposition. It just turned out that you were on bottom of the list and I thought you were. I apologize.

COMMITTEEMAN JOHNSON: Yes.

ASSEMBLYMAN KELLY: Thank you.

COMMITTEEMAN JOHNSON: Thank you.

ASSEMBLYMAN KELLY: Randy Solomon.

Okay. You have the floor.

R A N D Y S O L O M O N: Thank you.

Good evening.

ASSEMBLYMAN KELLY: Who do you represent? I don't have any information.

MR. SOLOMON: New Jersey Future.

ASSEMBLYMAN KELLY: New Jersey who?

MR. SOLOMON: Future.

ASSEMBLYMAN KELLY: Future?

MR. SOLOMON: Yes.

ASSEMBLYMAN KELLY: What is that?

MR. SOLOMON: Well, I'll tell you.

ASSEMBLYMAN KELLY: Okay. (laughter)

ASSEMBLYMAN AZZOLINA: Until you get the testimony you can't find out. (laughter)

MR. SOLOMON: Initially, I had written good afternoon, but good evening. I came little late, so I signed up a little late. I wouldn't know that New Jersey Future is necessarily classified in the opposition or the proponents of the bill.

We are a statewide nonprofit organization working for a sustainable economy, environment, and society. Much of our work focuses on advocating for statewide planning and, specifically, the State Plan.

But first, I would like to thank the Committee, Assemblywoman Myers, and Assemblyman Gregg for this opportunity. I will try to be very brief given the hour.

First off, we're delighted that you are working to solve this important, difficult, and I might add, very complex problem of providing affordable housing throughout New Jersey. We hope to have continuing opportunities to work on this. There is going to be another hearing, and I think that is good. The bill has changed substantially since the last time I was able to review it so I'll just make a few brief, general comments.

New Jersey Future supports the concept of the regional nature of affordable housing need. In fact, the problem that we're here to address would be alleviated if we took more of a regional approach to development and growth in New Jersey.

Municipalities should all be responsible for ensuring that both housing and open space needs of all New Jerseyans are met. It is only through intermunicipal coordination and cooperation, using vehicles such as the State Plan and the cross-acceptance process, that we can meet all of these common goals.

When determining regional need and responsibility for affordable housing the central questions are: What are these regions based on, and where in the region is the housing going to go? New Jersey Future clearly believes that there are good and bad places to build new housing. Existing infrastructure, access to jobs and services, and the State Plan should be key determinates to siting new affordable housing. Amendments to the bill should recognize the role of the State Plan and look to it in the formation of housing regions and the allocation and siting of affordable housing.

However, we want to be clear that this should not abdicate any municipality from its responsibility to work with its neighbors to ensure that the housing needs of New Jerseyans are met. The same approach holds true for the protection of open space.

The State Plan and the cross-acceptance process are strong vehicles to bring about the kind of intermunicipal cooperation and coordination this problem needs. The State Plan will direct growth into areas where it will meet all of our common objectives, especially placing affordable housing where it is needed and simultaneously protecting open space. The cross-acceptance process will ensure that municipalities fully participate in deciding where growth should occur and deciding the exact content of the State Plan itself.

The *Mount Laurel* decisions were the impetus for both the State Planning and Fair Housing Acts. In fact, the Fair Housing Act clearly asserts that a comprehensive planning and implementation response is the best way to address this problem. The State Plan is that response.

I would like to briefly say that-- Someone had mentioned the idea of creating a task force or some further committee to study this, and I think that is a very good idea. We would be happy to work with or on any body that was created. This is a very complex issue and it deserves careful study and measured responses, and further dialogue and thought would only produce a better, more widely accepted solution.

So, again, I would like to say how pleased we are that this critical issue has come to the forefront. We applaud your courage for working on a difficult and highly sensitive issue, an issue that we all knew must be addressed, and we would very much like to work with you to find solutions that will satisfy all New Jerseyans. We firmly believe that such solutions are within reach and through cooperation we can make significant, tangible progress.

Thank you.

ASSEMBLYMAN KELLY: Thank you.

Is there anyone out there who I should have called but haven't called? (visual response from audience)

Who are you?

S U S A N D I C K Y: (speaking from audience) Susan Dicky.

ASSEMBLYMAN KELLY: I'm sorry. I apologize. I inadvertently crossed it out. Come on up. I apologize. Come on up. It is way down on the bottom of the list. I crossed it out inadvertently. I take full blame for that.

MS. DICKY: Well, after six years of discussion with COAH regarding a sensible application of the *Mount Laurel* decisions, I welcome any opportunity to review legislation that would examine the Fair Housing Act.

Affordable housing, you have heard all afternoon, is a recognized need, I think, in New Jersey. However, it has to be addressed locally and regionally by those who are best able to accommodate it.

ASSEMBLYMAN KELLY: By the way, I want to interrupt you. This young lady is a Freeholder.

Is that correct?

MS. DICKY: Yes, it is.

ASSEMBLYMAN KELLY: Okay. I wanted everyone to know that.

MS. DICKY: Does that count for anything?

ASSEMBLYMAN KELLY: I don't know. I wanted to know who was addressing us.

MS. DICKY: Okay. If we're going to get technical, Freeholder/Director.

ASSEMBLYMAN KELLY: Oh, okay. That is more headaches.

MS. DICKY: The powers that have been given to COAH far exceed the boundary of fulfilling affordable housing, and they border on a State mandate without consideration for local condition, need, or municipal ability to fund the imposed growth.

Furthermore, for years it has been painfully obvious to municipal defendants that current statutes outlining protective measures for environmentally sensitive land and the protection of farmland are not adhered to by COAH in their enthusiasm to compile numbers that result in too few actual units for habitation.

You have heard all afternoon that COAH doesn't work in its present form. I am glad that we are going to be looking at ways to change it.

ASSEMBLYMAN KELLY: But I don't think it doesn't work completely. Let's be fair about it.

MS. DICKY: Well, I think from a rural point of view it doesn't work.

ASSEMBLYMAN KELLY: Okay.

MS. DICKY: You have heard that we don't have infrastructure. We do not have transportation. We do not have jobs. We cannot do anything with the people who come if we put in affordable housing.

However, I did come this afternoon to testify on A-2176, which is now gone. So I will leave you with the testimony that I prepared for that bill. Without having the opportunity until today to find out that there is a Committee Substitute, I really can't give you any testimony on what -- my opinion on what the contents of that bill is, and I would like to do that at a further time.

ASSEMBLYMAN KELLY: Would you like a copy of the bill?

MS. DICKY: Yes, I would. I think there are some up here.

ASSEMBLYMAN KELLY: Okay.

MS. DICKY: But, if we're going to be looking at prospective need, I think I have to caution in reading ACR-88 and 2176 that we have, in our statutes right now, a law against discrimination, and if we look at not providing growth for those people who do not live in the area presently, I think it would be viewed by the courts and considered, possibly, as unconstitutional. So in any legislation that will be drafted in the future I do think we have to keep that in mind.

The New Jersey statute for the law against discrimination, which is 10:5-3, holds that the Legislature finds that because of discrimination people suffer personal hardships and that the State suffers egregious harm, and the personal hardships include homelessness. So while we're in the process of drafting this new legislation, I think we have to bear that in mind, so we don't raise another issue that creates another Mount Laurel III.

I do support the need for change. I am a member of the Task Force, and I think it is very important that we incorporate all of these ideas into a positive step forward to provide affordable housing and yet protect the rural areas of New Jersey.

I thank you for this opportunity.

ASSEMBLYMAN KELLY: Thank you. I am sorry that I-- I really apologize.

Does anyone else want to testify -- of who I don't have any names?

(no response)

Does somebody want to make a motion?

ASSEMBLYMAN WEINGARTEN: So moved.

ASSEMBLYMAN KELLY: Seconded. We're adjourned till the next meeting.

(HEARING CONCLUDED)