

Housing Study for Twp of Plainsboro

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CA002648E

HOUSING STUDY

Township of Plainsboro, New Jersey

August 1982

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Princeton, New Jersey **Tarrytown, New York**

App J

TOWNSHIP OF PLAINSBORO

ad hoc Housing Committee

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INTRODUCTION

The Township of Plainsboro, New Jersey has an unusual mix of population and housing. A large group of renters, with a high proportion of young singles living in one newly-built development, has been grafted onto a stable, small, farming community. The growth has been rapid as well as concentrated; the newcomers are extraordinarily mobile. There is a heavy turnover of rental units each month. The housing is so much in demand, however, that no unit remains vacant more than a few weeks.

A number of concerns have emerged as a result of these changes. Among these is the concern that the housing needs of elderly residents are not being met. There is also the fear that other problems may arise, in a few years: Will the rapid turnover in apartments lead to deferred maintenance? Will the healthy demand for apartments lead to rapidly escalating rents?

The township has responded to these incipient problems first, by creating a seven-member ad hoc Housing Committee representing the major groups concerned with housing, and, second, by authorizing the committee to conduct this study which addresses the three major housing concerns:

1. Determination of unmet housing needs of the community, particularly with respect to senior citizens.
2. Recommendations concerning implementation of a housing maintenance code.
3. Development of techniques designed to ensure fair and equitable rental policies within the community and to encourage good landlord and tenant communications and relations, if possible, avoiding the formalized approach of rent control.

The study also includes a review of state rules concerning condominium and cooperative conversions and the likely effect of these conversions.

The following pages contain our findings and recommendations dealing with these study areas. A summary of the study is being prepared for widespread distribution.

Part I: POPULATION AND HOUSING ANALYSIS

The 1980 Census

Plainsboro's population characteristics are distinctive. The average household -- in the statistical sense of the most frequently occurring, the commonest -- consists of a single male renter in his upper twenties. About half of the township's households have only one person, living alone; of these one-person households, 95 percent are renters, about three-fifths are males. Of all males living in Plainsboro, 55 percent are aged 22-34.

The most comprehensive and reliable source of demographic and housing data is the U.S. Census. The most recent Census, taken April 1, 1980, has not been fully released. Many critical statistics, such as income and employment, are not yet available. Further, in interpreting the data that are available, we must remember that Plainsboro has grown considerably in the two years since the Census: 1,020 new units have received certificates of occupancy, an increase of about 30 percent in the housing stock. Since three-quarters of these new units are rental apartments, the new residents probably continue the demographic skew toward young single males noted above.

An indication of the strength of the skew is apparent in the comparison between Plainsboro and Middlesex County, used here to establish a "norm" for the Plainsboro environs. The 1980 Census data provide considerable insight into household types for persons 15 years old and over (an age group that reaches down to include high school students living at home). Proportionately, Plainsboro has fewer married and widowed persons than Middlesex County, but more who are single, separated or divorced. And among these single, separated, or divorced persons, the proportion of men is strikingly high, as shown by the male-female ratio (a ratio of more than 1.0 means more men than women; a ratio of less than 1.0 means more women than men).

PERSONS 15 AND OVER BY MARITAL STATUS AND SEX, 1980

	Marital Status		Male: Female (Ratio)	
	Plainsboro	Middlesex	Plainsboro	Middlesex
Persons 15 and over	100.0%	100.0%	1.13	.94
Single	39.2	30.1	1.34	1.17
Married, not separated	43.9	56.6	1.02	1.01
Separated	4.8	2.3	1.22	.74
Widowed	2.2	6.7	0.28	.21
Divorced	10.0	4.3	1.16	.68

Plainsboro's growth has been rapid and recent. A generation ago, in 1960, the township had a population of 1,171 persons. By 1970, despite a strong growth rate of 40 percent, it was still a small rural community with a population of 1,648. During the next decade, however, the township population grew by 240 percent to 5,605, and the housing stock by 513 percent, from 551 to 3,380 units. With this phenomenal growth -- due almost entirely to a single multi-phased development -- came the demographic skewing: the average 1970 household size of 2.87 persons declined to 1.81 in 1980. During the same ten year period, the median age declined from 30.9 to 28.7. In Middlesex County, the average household size and the median age figures for 1980 were comparable to those for Plainsboro ten years earlier.

	Plainsboro		Middlesex
	1970	1980	1980
Average household size	2.87	1.81	2.93
Median age	30.9	28.7	30.6

Plainsboro has relatively few children and relatively few senior citizens. In contrast to the county, where one-quarter of the population is under 18 and nine percent is over 65, 15 percent of Plainsboro's population is under 18 and less than three percent over 65.

AGE DISTRIBUTION, 1980

	Plainsboro		Middlesex
	Number	Percent	Percent
All persons	5,605	100.0	100.0
Under 5 years	283	5.0	5.8
5-17 years	578	10.3	20.1
18-64 years	4,581	81.7	65.1
65 years and over	163	2.9	8.8

The Census provides some insight into the household status of the 163 persons who were 65 or over in 1980. Of the 113 households with persons 65 and over, 95 were headed by a person 65 or over and most of the rest were living with younger relatives. Of the 95 households headed by a senior citizen, 60 were homeowners and 39 lived alone.

Plainsboro's population is overwhelmingly non-Hispanic white, as is true of Middlesex County as well. Both the township and the county populations are 90 percent white and six percent black. Only in the proportions of persons of Spanish origin is there a difference: in the township about two percent of the population is of Spanish origin, as compared with about six percent in the county. (Note that the term "Spanish origin" includes persons of all races. The table below, therefore, cannot be totalled.)

RACE AND ETHNICITY, 1980

	Plainsboro		Middlesex
	Number	Percent	Percent
All persons	5,605	100.0	100.0
White, not Spanish origin	5,021	89.6	86.0
White	5,095	90.9	89.6
Black	330	5.9	6.0
Other	180	3.2	4.4
Spanish origin	96	1.7	5.7

Plainsboro is a township of renters: 83.8 percent of occupied units were renter-occupied in 1980. Contrast this with the 33.1 percent renter-occupied in the county. Even accounting for this, Plainsboro's households are unexpectedly small. Among Plainsboro's renter households, 57.7 percent have only one person; among Middlesex County's, this type of household accounted for 34.6 percent. In both township and county, about one-third of renter households have two persons.

OCUPIED HOUSING UNITS BY TENURE BY PERSONS IN UNIT, 1980

	All Units		Renter-Occupied	
	Plainsboro	Middlesex	Plainsboro	Middlesex
All units: No.	3,080	196,708	2,580	65,080
%	100.0	100.0	100.0	100.0
1 person	50.3	18.1	57.7	34.6
2 persons	32.4	29.3	33.1	32.8
3 persons	7.9	18.9	6.0	15.7
4 persons	6.2	18.2	2.2	9.7
5 persons	2.2	9.3	0.7	4.1
6 or more persons	1.0	6.1	0.3	2.9

With Plainsboro's small households and new housing, the Census reported little evidence of poor housing conditions. Less than one percent of all households experienced any degree of overcrowding (defined as more than one person per room). The incidence of housing units lacking complete plumbing for the exclusive use of the inhabitants of the unit was also negligible, at less than one percent.

At the time of the Census -- April 1, 1980 -- Plainsboro had a total of 3,380 housing units, of which 3,080 were occupied and 300 vacant. The total count of vacant units is deceptively high, however, since 60 of the vacant units were not for rent or sale (i.e., they were second homes, rented or sold units not yet occupied by new residents, etc.). Subtracting these 60 units still leaves an extremely high vacancy rate among homeowner units (owner-occupied and vacant for sale) of 13 percent, and, among rental units, a slightly high vacancy rate of six percent. The reasons for these high vacancy rates can be surmised: the count of vacant units for sale or rent undoubtedly

included many newly or nearly completed units soon to be rented or sold. First, new speculative homeowner housing is likely to remain vacant for a little while before being sold. Second, the Census sometimes includes units as "vacant" before they are fully completed. Certainly according to the recollections of members of the ad hoc Housing Committee, there were few vacancies at that time, and new housing was being snapped up. In communities with many real vacancies, one finds boarded-up units, and units for rent or sale which have been vacant for many months. For Plainsboro, the Census reported only one unit for sale which had been vacant for six or more months, no boarded-up units, and 25 rental units which had been vacant for two or more months (this latter figure, one suspects, mistakenly includes some units under construction).

OCCUPANCY AND VACANCY STATUS, YEAR ROUND HOUSING UNITS, 1980

	Plainsboro		Middlesex
	Number	Percent	Percent
All year-round units	3,380	100.0	100.0
Occupied	3,080	91.1	96.7
Renter-occupied	2,580	76.3	32.0
Owner-occupied	500	14.8	64.7
Vacant	300	8.9	3.3
For rent	165	4.9	1.4
For sale	75	2.2	0.5
Held for occasional use	5	0.4	0.1
Other vacant	55	1.6	1.3

Plainsboro's housing units tend to be small, as would be expected of a community where rental apartments constitute the vast majority of all units. Two-fifths of all units have either three or four rooms; 18 percent have six or more rooms. In the county, in contrast, one-half of all units have six or more rooms.

NUMBER OF ROOMS IN UNIT, 1980

	Plainsboro		Middlesex
	Number	Percent	Percent
All year-round units	3,380	100.0	100.0
1 room	55	1.6	0.3
2 rooms	304	9.0	1.8
3 rooms	1,108	32.8	10.7
4 rooms	912	27.0	17.8
5 rooms	394	11.7	18.2
6 or more rooms	607	18.0	50.2
Median rooms	3.7	--	5.6

Compared with Middlesex County, Plainsboro's rentals and house values tend to be high. This is due to the high proportion of new units as well as the desirability of the community and the quality of its housing.

CASH RENT, RENTER-OCCUPIED HOUSING, 1980

	Plainsboro		Middlesex
	Number	Percent	Percent
All units for which rent is paid	2,518	100.0	100.0
Less than \$150	11	0.4	9.8
\$150-199	44	1.7	10.6
\$200-249	91	3.6	18.2
\$250-299	1,007	40.0	29.3
\$300-399	1,279	50.8	26.6
\$400-499	70	2.8	4.3
\$500 or more	16	0.6	1.3
Median contract rent	--	\$308	\$269

VALUE, OWNER-OCCUPIED NON-CONDOMINIUM HOUSING UNITS, 1980

	Plainsboro		Middlesex
	Number	Percent	Percent
All specified units	437	100.0	100.0
Less than \$50,000	25	5.7	28.6
\$50,000-\$79,999	128	29.3	51.1
\$80,000-\$99,999	82	18.8	11.9
\$100,000-\$149,999	172	39.4	7.3
\$150,000 or more	30	6.9	1.0
Median value	--	\$96,000	\$62,600

Housing Questionnaire

In order to supplement Census data, a questionnaire was sent to all Plainsboro households in early June 1982. There were two specific purposes to this survey: to provide data (particularly data on income and the relationship between income and housing costs) which are not yet available from the Census; and to supplement Census data with information about perceived housing problems and desires.

The questionnaire, a facsimile of which can be found in the appendix, was mailed to 4,200 households. More than 900 responses were received, a return rate of 22 percent (not as high as the return rate to a previous questionnaire on recreation, but respectable nevertheless). Of the returns, 731, or one-sixth of all Plainsboro households, were processed. This gave a sufficiently high number of responses in most categories for purposes of this survey and, indeed, wherever it is possible to verify results in the Census or other data, the sample appears extremely reliable. However, since we had been specifically charged with undertaking an analysis of housing needs of renter and senior citizen households and renter households, all responses from those living in Millstone Apartments and Forrestal Village, and householders aged 62 and over were added to two types of tables: those with geographic cross-tabulations and those showing responses of senior citizen households. These additional questionnaires constitute, in effect, an oversample, and have not been included elsewhere. In the tables below, all columns which include this oversample are marked by an asterisk.

	All Responses		Tabulated Responses				
	Plainsboro		Lin- pro	Mill- stone	For- restal	Else- where	62+
Initial processing	731	731	483	19	40	188	29
Oversample group	139	--	--	6	7	--	8
Late returns	<u>42</u>	--	--	--	--	--	--
Totals	912	731	483	25*	47*	188	37*

*Includes oversample.

Not every respondent answered every question. In almost all the tables, the total given is for those answering the question; non-responses were not included in computing percentages, except where specifically stated.

Two-thirds of all respondents lived in one or another of the Linpro Company developments -- Fox Run, Deer Creek, Hunters Glen, Pheasant Hollow, or Quail Ridge. Only 2.6 percent live in Millstone Apartments, and 5.5 percent in Forrestal Village and west of U.S. Route 1. The rest, amounting to about one-quarter of the total, live elsewhere in the township (Beechwoods and George Davison Road; the village area; US Homes, Perrine Road, Schalks Crossing Road; Eiker Road, Petty Road, Scotts Corner Road, Friendship Road, Dey Road, Nostrand Road, Cranbury Neck Road, and Grovers Mill Road).

Respondents in the Linpro and Forrestal developments are the newest residents: two-thirds of Linpro residents and nine-tenths of those in Forrestal have lived in their apartments less than two years.

YEARS IN PRESENT HOME

	Plainsboro Total	Linpro	Millstone	Forrestal	Elsewhere
Less than 1 year	27.0	33.4	12.0	19.1	12.2
1-2 years	36.2	36.3	36.0	70.2	28.7
3-5 years	25.8	23.7	40.0	10.6	34.6
6-10 years	6.0	6.4	8.0	--	5.9
11-20 years	2.2	0.2	4.0	--	7.5
20+ years	2.9	0.0	--	--	11.2
Total tabulated: %	100.0	100.0	100.0	100.0	100.0
No.	730	483	25*	47*	188

*Includes oversample.

Seventy-three percent of respondents were renters, twenty-seven percent owners. Owners include 87 percent of those living "elsewhere" (i.e., not in the Linpro, Millstone and Forrestal developments) and 51 percent of Forrestal residents. Almost all renters reported living in apartments. Of the owners, four-fifths reported living in single-family homes and most of the rest, in townhouses.

TYPE OF UNITS BY TENURE

	Owner	Renter
Apartment	4.6	95.7
Townhouse	17.0	0.9
Single-family house	78.4	3.4
Other	4.6	0.4
Total tabulated:		
No.	170	533
%	100.0	100.0

Household sizes, as had been reported by the Census, were small, particularly among renters. More than half of all renters -- including more than half of the Linpro and Millstone renters -- were one person households. Two

person households were most frequent in the Forrestal units, with larger households, three or more persons predominated among owners and particularly those living "elsewhere," i.e., not in the three developments.

HOUSEHOLD SIZE BY TENURE AND PLACE OF RESIDENCE

	Plainsboro Total	Owner	Renter	Linpro	Millstone	Forrestal	Elsewhere
One person	40.9	11.7	51.6	53.6	52.0	19.1	10.1
Two persons	36.0	32.7	38.2	36.7	44.0	57.4	29.3
Three persons	9.7	17.4	6.9	6.4	4.0	14.9	18.6
Four or more	13.4	38.3	4.3	3.3	--	6.4	40.0
Total responses: %	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No.	731	196	533	483	25*	47*	188

*Includes oversample.

To gain some understanding of household composition, respondents were asked about the ages, in broad groups, of household members. Nearly three-quarters reported that all household members were adults aged 19-61. Less than one-quarter included children under 18, about three percent reported all members 62 or over, and another three percent reported mixed-age households including persons 62 and over.

HOUSEHOLD COMPOSITION

All members under 18	0.3
All members 19-61	72.0
All members 62 or over	3.3
Members 19-61 and under 18	21.9
Members 19-61 and 62+	2.1
Members under 18, 19-61, and 62+	0.6

Respondents were asked the "age(s) of head(s) of household." Spaces were provided for two answers, but, for statistical reasons, when two ages were given, the older age only was coded. This tends to overstate ages

slightly. The highest proportion of young households live in the Linpro developments. Forrestal Village had both the highest proportion of householders 62 and over and the highest proportion aged 45-61.

AGE OF (OLDER) HOUSEHOLD HEAD

		Plainsboro	Linpro	Millstone	Forrestal	Elsewhere
Less than 30 years		43.5	58.1	40.0	21.4	10.9
30-44		40.3	31.4	45.0	38.1	63.4
45-61		11.9	7.9	10.0	31.0	18.3
62+		4.2	2.6	5.0	9.5	7.4
Total responses:	%	100.0	100.0	100.0	100.0	100.0
	No.	687	458	20*	45*	175

*Includes oversample.

In the original sample of 731 respondents, only 687 answered the question concerning age(s) of the household head(s); of these, 29 were 62 or over. In order to have a larger sample of this important age group, the oversample was added, bringing the total to 37. These households differed from other Plainsboro residents in some unexpected ways:

- Although, as expected, more than half (54 percent) lived "elsewhere," 35 percent live in a Linpro apartment, three percent in Millstone Apartments, and eight percent in the Forrestal Village area.
- Although half are long-term residents (eleven or more years in the same unit), nearly one-quarter have lived in their present home two years or less.
- Only half are homeowners.
- Nearly half live alone; one-third live in two-person households.

These results, when compared with the Census, suggest a slight influx of senior citizen renters (probably at the

newest Linpro developments), even though senior citizen households are still a very small proportion of the renters. Direct comparisons with the Census are not valid, given age differences and the two year time lag.

HOUSEHOLDS HEADED BY PERSONS 62 AND OLDER*

Place of Residence	Percent
Linpro	35.1
Millstone	2.7
Forrestal	8.1
Elsewhere	54.0
Total tabulated: %	100.0
No.	37
Years in your present home?	
Less than 1 year	5.4
1-2 years	18.9
3-5 years	21.6
6-10 years	5.4
11-20 years	13.5
2+ years	37.8
Total tabulated: %	100.0
No.	37
Tenure	
Own	47.2
Rent	52.8
Total tabulated: %	100.0
No.	36
Number of Persons in Household	
1 person total	48.7
2 persons total	32.4
3 persons total	16.2
4+ persons total	2.7
Total tabulated: %	100.0
No.	37

*Includes oversample.

A question on income -- critical to the question of housing affordability -- yielded very different responses depending on where the respondent lived and his/her age. In the township as a whole, about one household in fourteen reported an income of under \$15,000. This proportion did not vary greatly depending on where the respondent lived. Among senior citizen households, however, 37.5 percent -- more than one-third -- reported incomes of less than \$15,000.

The highest income category -- \$35,000 and over -- was reported by 37.6 percent of respondents townwide. There was a wide disparity in the proportions of households reporting incomes over \$35,000: three-quarters of the households in Forrestal Village, two-thirds of those living "elsewhere," one-quarter of those living in a Linpro development, and only four percent in Millstone Apartments.

	Plains- boro	Linpro	Mill- stone	Forrestal	Else- where	Renters	62+	Proportion of income used for rent	
								30% or less	More than 30%
Total household income									
Less than \$15,000	7.2	6.5	8.7	8.9	7.7	7.1	37.5	1.1	17.1
\$15,000-\$17,999	6.5	7.5	21.7	2.2	2.8	8.0	15.6	2.5	12.8
\$18,000-\$24,999	20.4	24.9	30.4	4.4	10.4	24.8	18.8	16.4	26.9
\$25,000-\$29,999	14.9	19.5	13.0	4.4	5.5	18.7	12.5	16.4	12.5
\$30,000-\$34,999	13.3	16.4	21.7	4.4	7.1	16.0	3.1	17.5	5.8
\$35,000 and over	37.6	25.2	4.3	75.6	66.5	25.4	1.3	46.0	24.9
Total %	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
no.	709	470	25*	26*	175	517	32*	442	262

*Includes oversample.

Put another way, the median income reported for the township as a whole was close to \$30,000; for Linpro residents, a few thousand dollars less; and, for Forrestal residents and those who lived elsewhere, over \$35,000. Millstone residents reported a median income of about \$20,000, and senior citizen households one of less than \$18,000.

Given this disparity, it is not surprising that about half of those living in Millstone and "elsewhere" reported paying more than 30 percent of their incomes for rent, as did about half of the senior citizen households. Until recently, 25 percent of household income was considered the maximum that low or moderate income household could afford to pay for shelter. Due to increases in the cost of shelter, including energy costs, the Reagan Administration has advocated and Congress has adopted a standard of 30 percent.

It is not only lower income households, however, who pay dearly for shelter: one quarter of the households reporting incomes of \$35,000 or more paid more than 30 percent of their incomes for shelter. This income group can exercise some housing choices without government assistance. Among lower income groups, however, there may be little choice, and some of the lower income households may be depriving themselves of some necessities in order to pay for their apartments or homes. More than 80 percent of the respondents with incomes of less than \$18,000 paid more than 30 percent of that income for shelter. Homeowners were more likely to allocate more than 30 percent of their income to meet housing costs than were renters -- 46 percent of homeowners v. 34 percent of renters. In many cases, particularly among younger households, this is a matter of choice, an investment. Among elderly households, however, high housing costs can cause deferred maintenance or other involuntary and possibly health-impairing hardships.

This income-housing squeeze could be expected to be strongly reflected in respondents' perceived housing needs. Among the under-62 renter households, one half reported that they wanted to own a home in Plainsboro but could not afford it. Among renters, only one-quarter reported incomes of \$35,000 or more. Realistically, those with lower incomes could not expect to be able to afford to buy a home in Plainsboro.

DESIRE TO MOVE (HOUSEHOLD HEADS UNDER 62)

	All Respondents	Renters
Would like to own home in Plainsboro	54.7	66.2
Can afford	10.2	10.0
Cannot afford	39.4	50.6
Would like to rent in Plainsboro	8.0	11.0
Can afford	1.3	1.8
Cannot afford	2.5	3.4
Want or need to move elsewhere	8.2	8.2
Do not want to move	29.2	14.6
Total tabulated: %	100.0	100.0
No.	667	500

Note: Due to partial non-responses, answers do not total.

Senior citizen households were asked about problems with their present housing. Nineteen households, or 51.4 percent, responded that their homes were not satisfactory. The proportion with problems may actually be higher than 51.4 percent, if the eighteen non-responses included a few with housing problems who overlooked the question as well as those who had no housing problems. (Answers do not total, since multiple responses were encouraged.)

Problem with housing	51.4
Too expensive	27.0
Problems of maintenance or physical design	30.5
Location, distance from desired destinations	21.6
Other	2.7
No problem or no response	48.6
Senior citizen households tabulated: %	100.0
No.	37*

*Includes oversample.

Senior citizen households whose housing is not satisfactory were asked "...if the township were able to help, what would be most useful to you?" Responses were received from 27 households (more than had indicated a problem in the previous question). Responses, below, are computed as a percent of all senior citizen respondents.)

Some two dozen respondents volunteered reactions to Plainsboro. More than half of these liked the town, particularly its rural qualities, and did not want to see it further built up. Some, however, would like to have a nearby supermarket and convenience stores. Families with children wanted more playgrounds (a subject explored in greater detail in the 1980 Township Questionnaire); a few childless households wanted to segregate the families with children.

Respondents were asked if there was a handicapped person in their household. Only seven responded positively. A few of the handicapped were elderly, and, among the others, there seemed to be no need for special housing for low-income persons. The lack of low income handicapped households in Plainsboro is caused, in part at least, by the lack of appropriate housing to draw such households to the township. (The 1980 Township Questionnaire reported two percent handicapped among 1220 responses, or some two dozen.)

Plainsboro's Population and Housing Units in 1982

In order to expand the survey sample and estimate the housing needs of Plainsboro residents, we must estimate the population and housing inventory as of the time of the questionnaire. Since the 1980 Census, some 750 new apartments and 265 new houses have received certificates of occupancy.

In Plainsboro, where 40-45 percent of Linpro's units change tenants annually and hundreds of new units are added annually, some proportion of the township's units must be vacant at any given moment, even if a would-be resident has difficulty finding a unit. Let us assume, therefore, that four percent of the rental units and two percent of the homeowner stock were vacant on July 1, 1982. Let us further assume that the average household sizes of the Census still hold (1.56 for rental units, 3.10 for homeowner). On this basis, we estimate a household population of 7,820 in Plainsboro today, in some 4,200 households. The total population at the time of the Census included 21 persons in group quarters; assuming this number has not changed, we estimate the total population as 7,840. The total number of housing units at the time of the Census included 60 vacant units that were not available for sale or rent. Assuming this number has not

changed, the total housing stock --all occupied, available vacant, and other vacant units-- would be 4,400 units.

HOUSING UNITS

	Owner Inventory	Renter Inventory
a. 1980 Census: occupied	500	2580
b. vacant	75	163
c. Certificate of occupancy April 1980 - June 1982	265	755
d. Total occupied + available (a+b+c)	840	3500
e. Estimated vacant, July 1982: %	1.0	4.0
no.	8	140
f. Estimated occupied, July 1982: no.	832	3360

POPULATION

g. Persons in households, 1980	1548	4036
h. Persons per household, 1980(g÷a)	3.10	1.56
i. Estimated persons in households, July 1982 (h x f)	2579	5241

Among Plainsboro's estimated 4,200 households, some 175 are estimated to be headed by someone 62 or over, based on responses to the housing questionnaire. At the time of the Census, three percent of households were headed by someone 65 or over; among the respondents to the housing questionnaire, 4.2 percent were 62 or over. This is roughly the same proportion, since the housing questionnaire added three years (62 vs. 65).

Housing Needs and Housing Programs

The process of translating the results of the housing questionnaire into numbers of households with certain types of housing needs is not a precise one.

Mail-back questionnaires have a built-in bias. This is because the respondents constitute a self-selected sample. As such, they tend to over-represent activists, including those who want something and those who are against

something, and to under-represent more passive or contented residents. In addition, all samples, even the most scientifically selected, have a margin of error, and this margin of error increases with each cross-tabulation, as does the possibility of violating the pledge of confidentiality.

For these reasons, detailed cross-tabulations (e.g., the number of low income, elderly, one person, renter households in Forrestal Village) were not attempted, and all estimates are given in ranges or rounded numbers.

Many Plainsboro households at all income levels are paying a high proportion of their incomes for housing. Our concern, however, is with lower income households who may be depriving themselves of necessities in order to pay for shelter. The federal government sets income limits to be used in determining eligibility for federal rent subsidies (Section 8). Households with incomes under these limits are classified, by the federal government, as "lower income." In the New Brunswick-Trenton area, as of October 1, 1981, the income limits are:

<u>Size of Household</u>	<u>Income Limits</u>
1 person	\$15,250
2 persons	\$17,400
3 persons	\$19,550
4 persons	\$21,750
5-8 persons	\$23,100-\$27,200

On this basis, ten to fifteen percent of Plainsboro's households would be income-eligible for subsidized housing. However, one-person households, except for elderly or handicapped persons, are not eligible. When one also eliminates the households living in Forrestal Village (i.e., living in privately subsidized housing) and some proportion of the "lower-income" homeowners (whose eligibility is not always clear-cut), the number of non-elderly households eligible for subsidies dwindles to very little, too little to estimate. Despite the lack of eligibility, however, some 80 percent of Plainsboro's "lower income" households pay more than 30 percent of their incomes for shelter. For some, this may be because they choose to live in a certain type of environment; for others, it may be because of lack of choice.

Federal subsidies, with the possible exception of housing for the elderly, are not likely to ease the financial hardship of these households. Plainsboro is eligible for Farmers Home Administration programs, because it falls within the definition of rural; but the FmHA housing programs are no longer operative. As for Section 8 subsidies, they are only available at the present time for existing housing and, combined with Section 202 low interest construction loans, for new housing for the elderly.

In an attempt to avoid subsidizing luxury homes, yet enable lower income households to have decent and appropriate housing, the federal government sets fair market rents for existing housing. To receive rent subsidies, "lower income" households must live in housing that does not exceed these rental levels. The federal Section 8 subsidy makes up the difference between 30 percent of the household's income and the fair market rent. The fair market rents for Middlesex County, as of March 18, 1981, are as follows:

Efficiencies	\$261
One bedroom	320
Two bedrooms	378

No Linpro units qualify for Section 8 tenants, but Millstone Apartments probably do. These developments, however, do not have the three or four bedroom units needed for larger families. (The Forrestal Apartments, of course, are privately subsidized.)

In contrast to younger households, there appears to be a quantifiable need for subsidized housing for senior citizen households. Some 40-50 percent of this group may be "lower-income," as defined by the federal government. Some 40 percent expressed a desire to live in senior citizen apartments. In addition, younger respondents asked for such housing for their parents. The total sample of senior citizen households was small --37 households-- which adds an extra note of caution in expanding the sample. One can postulate, however, a market for a 50 unit subsidized project for senior citizens. This is a small but not uneconomic size. First priority might be given to existing senior citizen residents and second priority to relatives of existing residents. Given the difficulties expressed by respondents to the housing questionnaire, by this age

group in getting to shopping, the doctor, etc. (particularly in bad weather), such a project is best located near shopping and a major road. The only possible source of substantial funding is Section 8 plus Section 202.

In order to compete for Section 202 funding (currently 9.25 percent construction loans), a senior citizen project would require a non-profit sponsor. No new applications for Section 202 will be considered, however, until the Spring of 1983 --assuming the program is still operable at that time. Furthermore, only 144 units were made available in the present round of funding for a large area including Middlesex County as well as Monmouth, Mercer, Atlantic, Camden, Cumberland, Burlington, and Gloucester.

Two non-federal sources of funding are additionally available. A state program, run by the New Jersey Housing Finance Agency, provides below market rate loans -- 13 percent -- for senior citizen housing. Seed money and loans and grants for up-front costs are available in limited amounts from the County Housing and Community Development Department.

Two other housing needs, relating to homeowner housing, should be mentioned. The first is the desire on the part of two-thirds of Plainsboro's renters to own a home in Plainsboro. Most of these -- one-half of all renters -- felt they could not afford to buy a house in the township. This is probably true: 40 percent of renters reported income of less than \$25,000 annually, close to 60 percent reported less than \$30,000. Only one-quarter reported incomes of \$35,000 or more.

Most homes, in a place like Plainsboro, are not within the range of these households, nor can the township lower interest rates or construction costs. The township, by permitting townhouses, has already taken one step towards providing affordable housing. Reduced interest mortgages (about 13 percent) may be available for fee simple townhouses through the New Jersey Mortgage Finance Agency to reduce housing costs to prospective owners.

In order to encourage least-cost housing for senior citizens or would-be homeowners, the township might consider, for specific locations, provision of some of the infrastructure. Permitting increased densities or encouraging small size units, devices used elsewhere,

would not be practical since Linpro is already building small units at very high densities.

During the course of the study, several persons suggested two-family "mother-daughter" homes. This type of housing has received mixed reviews. It is hard to police, if the "mother-daughter" or in-law or other relationship is meant to be taken seriously. In many communities where this type of housing is really needed, homeowners resort to illegal conversions to save taxes and lower costs. Plainsboro, having only a few large old houses that lend themselves to conversion, might best limit itself to permitting conversions of older homes to create one accessory apartment per structure under controlled conditions. As for new two-family houses, there seems to be no reason why they should not be permitted in a certain amount since the community welcomes townhouses.

The other housing need related to homeowner housing is the desire expressed by many senior citizens to have their taxes lowered somewhat, so they could more nearly afford to stay in their present homes. New Jersey permits such a tax break only for the lowest income group, under \$5,000. The township might consider urging the legislature to make this income figure more realistic. Of course, the creation of accessory apartments can also help homeowners carry their homes.

One final item should be mentioned. Many renters complained of poor construction, making their apartments cold, drafty, and, with high energy costs, very expensive to heat. These complaints may reflect a reaction to high utility bills due to rising energy costs. If economically feasible, landlords might also be encouraged to retrofit their buildings to make them more energy efficient. (Plainsboro cannot require buildings to be built to higher standards than required by the state building code. Unfortunately, the energy sections were not added to the code until 1977.)

Part II: CONDOMINIUM AND COOPERATIVE CONVERSIONS

Under the law (N.J.S. 2A: 18-61.7 et.seq.), an owner who intends to convert a multiple dwelling into a condominium or cooperative, must give tenants 60 days notice. A tenant in occupancy at that time has exclusive rights to purchase his unit or the corresponding shares of stock for 90 days after such notice. Any tenant who does not wish to do so can request that the landlord provide a reasonable opportunity to examine and rent comparable housing. Upon demonstrating to the court that the landlord has failed to provide such opportunity, the tenant can be granted a one year stay of eviction, renewable for a total of not more than five times, unless after the first year, the owner is willing instead to forgo five months' rent as compensation for the relocation hardship.

Conversions of the type covered by the statute work a special hardship on lower income elderly or low- or moderate-income tenants of rent controlled apartments in a tight market. In Plainsboro, almost none of these conditions are present. Tenants of rental housing are mostly young, and all pay market rate rents (except at Forrestal Village); their housing is not rent controlled; and the turnover rate of 40 or more percent per year provides ample opportunities for displaced tenants to find relocation housing. While these conditions may not endure forever, there seems to be little reason for major public concern with this issue at this time.

The beneficial aspect of conversions should not be totally neglected, however. At present, Plainsboro's housing supply is approximately eighty percent rental units. In an inflationary economic climate, housing, operating and maintenance costs may be rising faster than incomes. This could lead to large numbers of vacancies as well as strong tenant pressure for rent control, either of which could impair the owner's financial ability to continue to maintain the housing properly. Obviously, the risk to the community of deterioration due to these causes is higher when a higher proportion of its units are rental. Some rental housing is essential to achieve a reasonable balance in the region, but the amount in Plainsboro is out of proportion when viewed in this perspective.

One other possible benefit to Plainsboro should be mentioned. Rental units tend to have high turnover, while

owners tend to put down roots in a community. Not only are they willing to invest in buying and maintaining their own homes, but they tend to be more willing to pay for community-wide improvements.

For these reasons, we feel that Plainsboro need not fear condominium conversions at this time.

Part III: HOUSING MAINTENANCE CODES

The Need for Housing Maintenance Code Enforcement

Even in a community with a high proportion of new housing, housing maintenance is necessary for continued decent living conditions and sound neighborhoods. The purpose of a housing code is to establish the minimum acceptable standards for the maintenance of existing buildings, structures, premises and facilities. As distinct from a building construction code which prescribes the manner in which a building must be built in order to meet acceptable health and safety standards, a housing code is intended to apply to buildings already in existence. As such, as long as the building or any part of it was constructed legally, according to a building code or other building regulations legally in force at the time of its construction, the housing code should not mandate that the building be modified to meet subsequently adopted standards.

Housing maintenance codes came into widespread use only since mid-century, in response to a general national awakening to the consequences of neglect. Most such codes dealt with areas in an advanced state of deterioration. It is only recently that communities such as Plainsboro have recognized the preventative value of official supervision of maintenance practices in both single family units and multiple dwelling developments.

Plainsboro is a unique community from the standpoint of distribution of dwelling units, by type. Of a total of nearly 4,400 units only about 1,000 consist of detached single family or occasional two-family units. The remainder are in multiple dwelling structures (a term that, for purposes of this discussion, includes owner-occupied townhouses), located in three developments and distributed as follows:

	Already Built	Ultimate No.
Princeton Meadows	cca. 3,000	5,650
Millstone Apartments	120	120
Forrestal Village	cca. <u>180</u>	<u>600</u>
Total	cca. 3,300	6,370

The oldest of the multifamily developments, Millstone Apartments, was completed as recently as 1963.

Generally, all of the residential structures in Plainsboro, including the single- and two-family homes, are in good condition, so that the primary role of a housing code enforcement program would be to prevent deterioration.

The township also contains a substantial number of hotel units (including conference center facilities) and more will be built soon. These are distributed as follows:

	Already Built	Ultimate No.
Holiday Inn	102	102
Scanticon*	311	311
Merrill, Lynch*	<u>--</u>	<u>700</u>
Total	413	1,113

*Hotel/conference centers.

All of the existing hotel units are recently built and are in excellent condition.

Causes of Housing Deterioration

A dwelling can deteriorate for any of a number of reasons. Those that occur most frequently are:

Owner-occupied single-family housing:

- (a) Owner's physical or mental disability
- (b) Financial inability to meet the costs of routine maintenance and repairs.

- (c) Simple neglect, for reasons other than the above.

Multiple dwellings and other rental housing:

- (a) Poor management practices, including inability to control destructive tenant behavior.
- (b) Owner's unwillingness to reinvest a sufficient proportion of net income in repairs and replacements.
- (c) Owner's inability to get sufficient rental income to cover cost of adequate upkeep of the property while getting an adequate return on his investment.

Code enforcement, alone, cannot be expected to either prevent or cure housing deterioration that is ascribable to lack of money for maintenance and repairs. In recognition of this, starting in 1954, the U.S. Congress enacted a number of rehabilitation loan and grant assistance programs. These programs have been slashed to the bone since the advent of the Reagan Administration. What is left is contained in the Community Development Program. Plainsboro has made these programs available to owners of single family homes, but there has been almost no demand for such assistance. Fortunately, however, housing conditions in Plainsboro are not such that this lack of interest should cause concern.

Regularly scheduled and conscientiously and competently conducted inspections, followed by a fair but firm enforcement effort, can help the community prevent housing deterioration due to any of the other frequently encountered causes.

The State Code

The State of New Jersey requires that all multiple dwellings and hotels be the subject of a systematic state inspection and code enforcement program. This program is the responsibility of the Bureau of Housing Inspections (hereinafter referred to as the Bureau) under the provisions of the Hotel and Multiple Dwelling Law (P.L. 1967, c.76, as amended; N.J.S. 55:13A-1 et. seq.) and the Regulations for the Maintenance of Hotels and Multiple Dwellings (Chapter 10 of Title 5 of the New Jersey

Administrative Code). Since the code does not apply to one- and two-family units, any community concerned with the level of maintenance of this type of housing must adopt its own code, specially tailored to suit its particular requirements.

Under the law, the Bureau inspects each multiple dwelling unit at least once in every five years and each hotel at least once in every three years. A "multiple dwelling" is defined as any structure, other than a hotel, which is occupied or intended to be occupied by three or more persons living independently of each other. The term "hotel" is defined as any structure containing 10 or more units or sleeping facilities for 25 or more persons which is made available to either transient or permanent guests.

The Regulations define a "structure" as any "assembly of materials forming a construction for occupancy or use, including among others: buildings....," etc. Since the definition of multiple dwelling relates to entire structures meeting the relevant criteria, the code's applicability to such structures does not seem to be affected by their being in condominium or cooperative ownership in their entirety, or by portions thereof consisting of separately owned townhouses. Inquiry with the state Bureau of Housing Inspections confirmed that this is a correct interpretation of the law.

Under the terms of the law, each multiple dwelling and hotel development must be registered with the Bureau. Following each inspection, the owner must apply to the Bureau for a certificate of inspection. The application must be accompanied by a fee. In the case of multiple dwellings, the fee is \$20.00 for the inspection of the common areas plus \$15.00 per unit, for a maximum of \$350.00 per building. Where there are more than three buildings in a project, the fee schedule is adjusted as follows:

4th building	1/2 of the normal fee
5th building	1/4 of the normal fee
6th and remaining buildings	\$50.00/building
Maximum for entire development	\$1,250

We have reviewed the state Regulations for Maintenance of Hotels and Multiple Dwellings and compared it with other recognized model codes (the 1975 Housing Maintenance and Occupancy Ordinance recommended by the Public Health

Service of the U.S. Department of Health, Education and Welfare and the BOCA Basic Property Maintenance Code/1981 published by the Building Officials and Code Administration International, Inc.). It appears to be thorough and comprehensive in its coverage and, if properly enforced, should be capable of protecting Plainsboro's multifamily housing and hotels from deterioration.

Enforcement and Local Control

Proper enforcement is the key to the effectiveness of any housing maintenance code. Ideally, enforcement of regulations dealing with all the minutiae covered by the state code is best entrusted to a local agency, one which can relate to the owner on a continuing basis and which can respond sensitively to local conditions and concerns. While it is entirely possible that the state enforcement machinery may be sensitive to relevant local issues and concerns, it can be assumed safely that the probability that this will happen would be much greater if the process were placed in local hands.

In recognition of this, the Bureau is authorized to delegate the responsibility for inspections to any locality wishing to assume it. (N.J.S. 55:13A-21 and N.J.A.C. 5:10-13(b)). Such assumption of responsibility is accompanied by a system of payments by the state, as follows:

1. Upon first registration of any building, \$10.00.
2. For each unit inspected, \$10.00, but not more than \$150.00 per building.
3. For each reinspection, \$10.00 for common areas and \$5.00 per dwelling unit up to a maximum of \$30.00 per building.
4. For each inspection and reinspection performed as a result of a complaint received by the state following the issuance of a Certificate of Inspection, \$10.00.
5. For administrative hearings and/or court appearances by local personnel, \$25.00 per full day for each municipal witness required to appear.

These reimbursements are contingent upon the state's being satisfied with all work performed by qualified local

personnel. Persons with past construction experience, such as contractors, plumbers, electricians, etc. are considered qualified. The inspections must be performed on a cyclical basis (one-fifth of all multi-family and one-third of all hotel units each year). The state notifies communities when a new round of inspections is due and seems to discourage more frequent inspections than required by law. The responsibility for enforcement of the code and the issuance of certificates of inspection remains lodged with the state.

As of mid-1982, 89 of New Jersey's 567 municipalities had accepted the responsibility for inspections.

Only a handful of communities have returned the inspections to the state. Together with a few relevant characteristics these are listed in the table below.

LOCALITIES THAT RETURNED INSPECTION RESPONSIBILITY TO STATE

	1980 Population	Housing Units			
		Total	Year Round	Multiple*	
				2-9	10+
Pleasantville City	13,435	5,518	5,483	1,036	258
Avalon	2,162	4,259	2,822	532	65
Sea Isle City	2,644	4,595	1,175	436	32
Egg Harbor City	4,618	1,807	1,794	378	82
Paterson	137,970	48,159	48,156	31,023	8,039

Source: 1980 Census

*Available Census data do not correlate with the state definition of multiple units, particularly because they do not isolate two-family units from three or more unit structures.

It appears that four of the localities listed above lack a sufficient number of multiple dwelling units to justify the establishment of a local system. Furthermore, two of them (Avalon and Sea Isle City) are decidedly seasonal in character. In the case of Paterson, cost seems to have been an issue. Paterson, however, is a large, old community with a considerable supply of deteriorating housing and with many problems characteristic of inner cities. Its experience is, therefore, not germane to Plainsboro.

Experience in Adjoining Communities

Of the communities which have taken over administration of the state-mandated inspections, four are nearby townships of similar, though decidedly not identical, character: East Brunswick, East Windsor, Lawrence and South Brunswick. In the course of this study we have interviewed the officials in charge of administering the system in these communities. The following paragraphs summarize the results of those interviews.

South Brunswick Township uses only the state code. The township began by conducting inspections once each year, but, on request from the state, it now inspects every five years, as notified by the state. More frequent inspections are not felt to be needed because, as is true also in Plainsboro, the units subject to the code have almost all been erected in recent years. South Brunswick has only 5-600 apartments and some 200 hotel units.

Lawrence Township adopted its own code in addition to the state code because it wanted to inspect more often than once in every five years. The local code also covers one- and two-family houses which are inspected on change of occupancy. Despite its best efforts to date, the township has not been able to develop a fool proof system of notification of move-outs. Lawrence Township has six or seven apartment developments ranging from 70 to 200 units in each. It also has four or five small hotels.

East Windsor Township also has its own code in addition to the state code. It inspects both apartments and homes on change of occupancy, and feels that the notification system works "90 percent of the time." Any multiple dwelling units missed as a result of lack of notice of vacating of premises are of course, inspected as part of the state-mandated cyclical inspection process. East Windsor has over 3,000 multiple dwelling units, and additional condominium units are being developed. It has 365 hotel rooms, including the four-story Hilton Hotel. Hotels are licensed annually and are inspected at the time of renewal of the license.

East Brunswick also administers the state-mandated inspections, only, under the state code. It has some 1,800 multiple dwellings and a considerable number of hotel units.

Lawrence Township spreads out its housing code inspections fairly evenly throughout the year. East Brunswick prefers to concentrate them in the winter months, when the departmental work load is less. Both systems have been approved by the state.

None of the four townships has attempted to separate the costs attributable to the housing inspection program from that of its other inspectional responsibilities. In South Brunswick, two employees inspect some 180 units in three to four days (e.g., 20-30 units per person/day). This rate holds true also for East Windsor, Lawrence and East Brunswick Townships. None of the townships complained of excessive paperwork burdens, especially after establishment of the system in conjunction with the first inspection.

The communities which enforce their own codes in addition to conducting inspections under the state code rely upon a system of supplementary inspection fees to help them meet the added costs. Lawrence Township charges \$10/unit up to 100 units and \$5/unit thereafter. East Windsor Township charges \$5/rental unit plus \$10 for each reinspection; \$10/unit in a condominium, town house, and single family home; and \$10/hotel room.

There is comparatively little experience in the area with inspection of condominium units. Lawrence Township has none. South Brunswick and East Windsor have not yet begun to inspect such units. East Brunswick, which is inspecting them as mandated by law, finds that access is generally limited to evenings and weekends.

Plainsboro's Options

1. Code Coverage

Plainsboro could accept responsibility for administering the state-mandated inspections, only (following the example of South and East Brunswick); or it could adopt its own code as well (as do Lawrence and East Windsor). The only reason for adopting its own code at this time would be to enable it to inspect one- and two-family detached homes. If Plainsboro's single-family areas were deteriorating, this might be appropriate. Under the existing circumstances, however, we recommend against such inspections for the reasons discussed below.

The basic purpose of housing maintenance code enforcement in multiple dwellings is to protect tenants from exploitation and from the effects of neglect or poor housekeeping in directly adjoining units. These considerations do not apply to detached, owner-occupied houses and apply only marginally to rental units of this type. Purchasers of one-family houses are often fully aware of any deficiencies that may exist and plan to repair, replace, or remodel after taking possession. This willingness frequently applies to systems (heating, plumbing, etc.) as well as structural elements (such as leaking roofs, etc.).

On the other hand, there is some justification for protecting a neighborhood against unkempt properties which blight their neighbors. External neglect may also signal serious health- and safety-impairing internal deficiencies. Effective action in such instances can be taken on a case by case basis, triggered by the visible evidence of neglect. Homeowners sometimes refuse to admit an inspector and the locality must prove probable cause in court in order to gain access. A thorough documentation of external deficiencies should provide the township with the necessary evidence.

To give its staff the necessary authority, the township could enact a simple ordinance requiring (a) that the outside of all buildings be free of holes, loose boards, loose railings, or any broken, cracked or damaged finishes to the point of admitting the elements; and (b) that all exterior wood surfaces be reasonably protected against decay by paint or other approved protective coating applied in workmanlike fashion. Upon a finding that a building does not comply with these requirements, the ordinance should authorize the inspector also to enter the premises for the purpose of securing the abatement of any health- or safety-impairing violation in the interior of the building (such as broken stairs or loose or absent railings, hazardous electrical conditions, etc.).

2. Method of Inspection

Two basic inspection methods are available to Plainsboro: cyclical inspections, where one-fifth of

all multiple dwelling units are inspected every year, as required by state law; or inspections on change of occupancy, where units are inspected as promptly as possible after the township is notified that they are vacant and readied for re-occupancy.

Nearly all of the township's multiple dwellings have been built and are owned by a single developer, Linpro. The choice of method is of great significance due to the extraordinarily high rate of turnover in Linpro's apartments which can be as high as 40-45 percent of all units per year, or an average at the present stage of development of 100-115 units per month. This turnover ranges from 60-70 units per month in the winter to 200 units per month during the September-October period. Linpro fears delays in inspections and the loss of income which would result from such delays after the unit is ready for occupancy. East Windsor, which inspects multiple dwellings on change of occupancy, has confirmed that its inspectors are very busy at times.

The situation in Plainsboro suggests a hybrid inspection system to minimize the burden, inconvenience, and cost for both the township and the owner. As long as a multiple dwelling development -- or, in the case of a development as large as Linpro, any given section such as Fox Run, Deer Creek, Hunters Glen, Pheasant Hollow, or Quail Ridge -- is still relatively new and adequately maintained, there seems to be no reason to inspect more frequently than required by the state. If conditions in any development or section were to begin to deteriorate, the township could institute a system of inspections on change of occupancy limited to the areas that seem to require special attention. This would enable it to apply the more intensive method selectively only where the need for it is clearly demonstrated.

To assure that such a system responds as sensitively as possible to changes in levels of maintenance, the township should schedule its cyclical inspections in such a way that 20 percent of all units in each development, or section of a development, are inspected every year. The township's inspectors will thus be kept abreast of conditions in each area and will be able to react to change as it occurs, rather than at the end of a five-year period. An even more

sensitive system would schedule inspections so as to sample units in every building in each section, on a regular basis.

Since the state notifies each municipality of the units due for inspection, it is recommended that the township design a five-year schedule incorporating this patterning of inspections and propose it to the state.

Maintenance of Landscaping

The maintenance of landscaping in multiple dwelling developments is worthy of special notice, since the quality of the environment which they offer is very much affected by the care with which the grounds are kept. The state code is not very specific in that regard, beyond requiring that the exterior of the premises be kept "free of all nuisances, insanitary conditions, and any hazards to...safety or health..." including keeping the premises free of "brush, weeds...stumps, roots...", etc.

The township may wish to adopt an ordinance requiring all types of development subject to site plan approval (which would include multiple dwellings and hotels) to maintain at all times all fences, trees, plantings, shrubbery, or other screening facilities shown on the approved site plan, or replace such features, at least to the originally required quality. The ordinance should authorize the township to perform such maintenance or replacement if the owner fails to do so within 30 days' written notice by the township inspector. The cost of such action by the township should be made assessable against the land involved and permitted to become a municipal lien against the property.

Cost Implications

The workload and cost implications of establishing a local housing maintenance code inspection system, projected to the time when all the multiple dwellings and hotel units that have been authorized are completed, are as follows:

<u>Type of Unit</u>	<u>Total</u>	<u>Annual Workload</u>
Multiple Dwellings	6,370	± 1,275
Hotel	1,113	± 370

At 20 residential units per inspector per day, the multiple dwelling workload translates into approximately 60 working days, or 12 work-weeks. Adding 25 percent for reinspections and evening and weekend work produces a total of 15 work weeks. Since it would be very inefficient to distribute the inspection of hotel units evenly over the required three-year period, we will assume that each of the three prospective hotel developments will be inspected every year, and that this can be done in, at the most, five days per year. The resulting total work load --multiple dwellings and hotels-- is approximately one-third of a person-year. To this must be added clerical assistance to take care of the necessary paperwork. A safe estimate seems to be one-third of a person-year.

This workload will be incremental to the township's administrative structure. Its cost is therefore difficult to estimate. If the inspections can be concentrated when the department is least busy, this incremental cost will be considerably lower than if the added workload is evenly distributed throughout the year. Assuming an annual salary level for a housing inspector of \$22,500 (including fringe benefits) the added cost of establishing a housing maintenance inspection system including clerical assistance, could be reasonably estimated at about \$20,000 annually.

The state reimbursement for 1,275 multiple dwelling units plus 440 hotel units, including reinspections, etc., can be reasonably estimated at some \$12-15,000 per year. This may be sufficiently close to the estimated cost of the inspection program for the township to follow the example of the other two neighboring municipalities which, having no code of their own to enforce, have not instituted any supplementary charges. If the cost turns out to exceed the reimbursement by a substantial margin, the township could institute a charge for each inspection or an annual charge applying across the board to all units subject to inspection, in an amount sufficient to make the system self-sustaining.

Part IV: ALTERNATIVES TO RENT CONTROL

Background

As one major element of the housing study, we were asked to look into alternatives to rent control. In order to understand the implications of this subject, for Plainsboro, it is necessary to reiterate the special history and qualities of the township.

In 1970, there were 551 housing units in Plainsboro, including one multi-family complex, the 120-unit Millstone Apartments, which was completed in 1963. By 1980, Plainsboro had 3,380 units, six times its 1970 size. This dramatic increase was due in large part to multi-family housing construction, which changed the character of the township from a grouping of predominantly single family homes to multi-family and townhouse clusters. Linpro started construction in 1970, building at the rate of 50-300 units annually since then. As of March 1982, 2,784 units were occupied. A total of approximately 180 units was also built at Forrestal Village during the seventies. Of these, 120 (96 apartments and 24 townhouses) are privately subsidized rentals, the others are owner-occupied townhouses.

Plainsboro is thus in the position of having 80 percent of its housing in new rental units, and most of these in a single large development. Many tenants in this development are young singles, straining their incomes to live in these attractive new units with their amenities. Under such circumstances, the question of rising rents is bound to loom large in the public eye.

As part of this assignment we interviewed a few tenants in the three major housing development. Additional insight was gained from volunteered comments in response to the housing questionnaire. The tenants who were interviewed seemed generally to like their development, particularly at the Linpro complexes -- the apartment, the maintenance, the amenities; the people, etc. Interestingly, Linpro tenants who were interviewed remembered rent increases of about ten percent annually, higher than they actually were, but feel that their rentals, while high, are lower than those of New York City. The respondents to the housing questionnaire, however, indicated considerable concern with the high cost of living in a Linpro unit.

Among those interviewed, satisfaction with Millstone and Forrestal apartments was not quite as uniform, but complaints varied from concerns about safety to flooding of the parking lot when a swimming pool was drained, to a strong feeling that maintenance could be better. In responses to the questionnaires, maintenance problems were cited more frequently than high cost. Some tenants in each development --both those interviewed and questionnaire respondents-- mentioned rapidly rising rents. Some questionnaire respondents asked for rent control. Nevertheless, tenants are not organized in the Linpro or Millstone developments, nor are there any apparent movements towards tenant organization, a fact that can be interpreted as a sign of global tenant satisfaction. A tenant organization which was active once at Forrestal Village is not so at the present time.

Rent Control Communities and Plainsboro

Before exploring alternatives, it is necessary to place Plainsboro's present experience in its setting, comparing it with similar communities nearby.

Among rent-controlled communities, none are both nearby and similar. In Middlesex County and adjoining Somerset and Mercer Counties, 18 municipalities have established rent control. Of these, eleven are not at all comparable to Plainsboro: eight can be classified as older cities (Trenton, Perth Amboy, New Brunswick, and the boroughs of Highland Park, Metuchen, Middlesex, North Plainfield, and Sayreville) and three as generally stable suburban areas with some development potential (the townships of Ewing, Piscataway and Hamilton).

Compared with Plainsboro, the seven communities, all townships, that are left are both populous and relatively slow-growing, as shown in the table below.

Township	County	Population			
		1970	1980	Increase No.	%
East Brunswick	Middlesex	34,200	37,200	3,500	10.2
Edison	Middlesex	67,200	70,200	3,000	4.5
Franklin	Somerset	30,400	31,400	1,000	3.3
North Brunswick	Middlesex	16,700	22,200	5,500	32.9
Old Bridge	Middlesex	48,700	51,500	2,800	5.7
South Brunswick	Middlesex	14,000	17,100	3,100	22.1
East Windsor	Mercer	11,700	21,000	9,300	79.5
Plainsboro	Middlesex	1,648	5,605	3,957	240.2

A more productive line of research is to compare the rent increases experienced in Plainsboro with those permitted under rent control. The table entitled "Formulas for Permitted Rent Increases" shows the types of formuls which have been adopted and the number of communities adopting each type.

Local rent controls are more widespread in New Jersey than in any other state, having been enacted by more than 100 municipalities. Almost all rent control ordinances base rent increases on increases in the Consumer Price Index, on an automatic percentage increase over the previous rent, or a combination of both. The largest single group by far allows the full CPI increase; most municipalities that specify a percentage increase, however, whether in combination with the CPI or not, limit the permitted increase to six percent or less, which in recent years has generally been less than the annual CPI increase (in 1979, 1980, and 1981, there was double-digit inflation). Furthermore, most of these ordinances do not permit fuel cost surcharges.

FORMULAS FOR PERMITTED RENT INCREASES
New Jersey Municipalities With Rent Control

Type of Formula for Rent Increase	Total	Number of Municipalities	
		Energy Pass-Through	
		Yes	No
Based on rise in Consumer Price Index	38		
50% or less of CPI		--	6
60-90%		--	3
100%		--	25
Other formula		--	4
Percent increase over previous rent	35		
Less than 4.0%		2	6
4.0-4.9		--	4
5.0-5.9		3	10
6.0-6.9		--	4
7.0-7.9		--	2
8.0		--	1
Other formula		--	3
Percent increase or CPI, whichever is less	21		
Less than 4.0% or CPI		2	3
4.0-4.9 "		1	2
5.0-5.9 "		--	7
6.0-6.9 "		--	1
7.0-7.9 "		--	1
8.0-8.9 "		1	--
9.0-9.9 "			
10.0 "		--	1
Other formula		--	2
Communities using other types of formula	7		

Rent increases in Plainsboro's apartments in the past years have been generally somewhat lower than would be permitted by rent-controlled communities that permit increases to match the rise in the CPI, and higher than would be permitted by those using a percentage increase formula. In the Linpro complexes, they have risen regularly, at an average of 8.0 to 8.5 percent -- with or without utilities. In Millstone Apartments, the increases have been extremely irregular -- a 15.4 percent increase

for one-bedroom units from 1979 to 1980 was followed by an increase of only 1.9 percent the next year; and, over the four year period the average was about seven percent. In general, the rate of increase has been slightly higher in smaller apartment.

Forrestal Village has 120 rental units that have been partially subsidized by Princeton University. Although there was one large rent increase in early 1981, rent increases have averaged less than six percent since initial occupancy in 1979. Income limits for admission are set so that housing costs are 15 to 30 percent of incomes. The lower end of the income limits is about half-way between the "lower income" and "very low income" Section 8 income limits. Rentals are lower than those at the Linpro's developments and higher than those at the older Millstone Apartments.

Communities with rent control find, in time, that new construction of rental units comes to a halt and property values drop, according to a 1977 study.* Landlords have a recourse, in that they are entitled to a "fair return." The rent control formula can be appealed on the basis of hardship, but this appeal is subject to a ceiling, usually 15 percent. The hardship procedure is usually lengthy and cumbersome. In addition, every type of fair return standard now in use in New Jersey has been rejected by at least one court in the state--but many of the same standards have been upheld by other courts in the state. The state Supreme Court has tried, and failed, to define fair return.

A recent article** discussed the standards and the problems with them, as follows:

- (1) Negative cash flow from the property -- i.e., inability to meet operating expenses and mortgage payments. This standard is inherently unfair, as an investor with large mortgage payments is entitled to higher rents than one with more cash invested.
- (2) Fair return on equity -- i.e., rents adequate to cover operating expenses and mortgage payments plus

*"Rent Control in New Jersey: The Beginnings," Gruen, Gruen & Associates, 1977.

**Kenneth Bear and Dennis Keating, "Defining Fair Return for Rent Controlled Landlords," New Jersey Municipalities, March 1982.)

percentage return on their cash investment. This penalizes long-term owners who paid relatively little for a building.

- (3) Fair return on gross rent -- i.e., rents cover operating expenses and mortgage payments plus designated percentages of gross rents (usually six to eight percent). As with the negative cash flow standard, this considers only mortgage payments, not cash investment.
- (4) Fair return on assessed value. Assessed value is supposed to be set at a uniform ratio to fair market value, but seldom does.
- (5) Percentage net operating income. Operating income is gross rental income minus operating expenses. (Mortgage payments are not operating income.) This standard entitles landlords to a hardship increase if operating expenses exceed a designated percentage of gross rents, usually 60 percent. The net operating income, the 40 percent remainder, is presumed adequate to cover debt service. By ignoring differences in value between buildings, this standard would permit higher rents in older buildings and penalize newer relatively maintenance-free buildings with high mortgages.
- (6) Cost pass-through -- i.e., maintenance of net operating income with hardship increases granted if operating expense increases in rental income. This type of standard has been used in Massachusetts, where it was withstood legal challenge, and New York and California. In effect, this standard preserves the status quo at a given time. The standard may be expressed in fixed or partially inflation-adjusted dollars. (This standard was recommended by the authors of the article.)

The long digression above serves to illustrate the difficulties involved in trying to legislate minimum rent increases that are nevertheless fair to landlords.

The Tenant's Recourse

New Jersey offers only slight protection from extraordinary rent increases to tenants, and then only when landlords are taken to court. The law (N.J.S.A.

2A:18-61.1[F]) establishes good cause to evict where "the person has failed to pay rent after a valid notice to quit and notice of increase of said rent, provided the increase in rent is not unconscionable." The courts have interpreted "unconscionable" as when the resulting rents are so great as to shock the conscience of a reasonable person or where the raise was for the purpose of compelling the tenant to vacate. Although a rise of 8.5 to 10 percent or less has been held to be reasonable, there is no legal standard; different courts have had differing opinions. In any event, the protection offered is only to tenants-in-residence, and does not affect new tenants.

In Plainsboro, where turnover is high, this statute offers little protection. Linpro, along with almost all operators of rental housing, everywhere, offers only one year leases and has a turnover of 43 percent annually. (Linpro has stated that one year leases are specified as part of its financing.) Millstone Apartments, which also offers only one year leases but has the lowest rents, has greater tenant continuity, averaging a twenty percent turnover annually. Forrestal Village had a turnover of nearly 45 percent.

Rent Monitoring or Grievance Boards

A Rent Monitoring or Grievance Board system is, in effect, a gentleman's agreement. It has been tried in East Windsor and Millburn, New Jersey, and Montgomery County, Maryland. In addition, the Borough of Princeton has been using a rent registration system.

1. Princeton

From 1973 to 1981, Princeton had rent control. It was discontinued in 1981. The borough is now using a rent registration system, which requires that, in order to raise rents in buildings with three or more units, a landlord must provide (1) 60 days notice, and (2) a health inspection certificate. The health inspection covers only "substantial outstanding violations which involve a defect in a vital facility or a hazardous situation threatening the safety of the tenant or tenants." Examples are lack of potable water, adequate plumbing, adequate heating facilities, or safe electrical service; or presence of vermin. The rent registration board has five members: one landlord representative, one tenant

representative, and three who are neither landlords nor tenants. The members, who are appointed for one-year terms by the mayor and council, must be residents of the borough.

In theory, if the aim of this ordinance is to inhibit the rapid rise of rents, it cannot be effective. Landlords are permitted to raise rents as much as they want, if they follow the rules. In fact, however, the ordinance appears to be working reasonably well. Landlords in general have not been requesting exorbitant increases. Furthermore, the board provides a forum for discussion with three more neutral members balancing the two more partisan members.

If its aim is to assume that rental apartments are not unsafe, it may be reasonably effective.

2. East Windsor

From October 1979 until one year ago, East Windsor had a rent monitoring board type of system, with voluntary compliance. One landlord refused to cooperate, forcing the township to adopt rent control. The rent control ordinance, enacted in June 1981, states: "There have been sharp increases in rental housing prices in the Township of East Windsor during the past few months... [T]hese increases are over and above and in abrogation of the existing voluntary agreement on rental price increases entered into between the Township and the landlords... the Township council has noted a deterioration of basic services and facilities in some areas of the rental housing market..." The Council also noted a shortage of rental housing.

The ordinance, which affects some 3,000 apartments, duplicates the former gentleman's agreement by permitting rent increases of one-half the average increase in the CPI plus a fuel surcharge (based on a formula).

3. Millburn

A well-to-do community of some 20,000 persons, Millburn is predominantly a single-family home area. Only 20 percent of its 7,000 housing units are

renter-occupied, and only 550 are in larger buildings (ten or more units). As of March 1, 1982, Millburn has an agreement in effect covering rent increases through the end of February 1985. Increases are limited to 8.5 percent annually, except that if a landlord makes capital improvements he can apply to the board to increase the percentage by one-half percent (to nine percent). He may also apply for further relief after installing a capital improvement that was "necessary and reasonable" and the cost of which causes him a "substantial hardship."

The rental limits do not apply to a new tenant in the first year, but do apply to any subsequent years.

The Rent Monitoring Board consists of two landlord representatives, two tenant representatives, and two representatives of the locality. (The present tenant representatives are members of the Millburn Tenants' Organization.) The agreement now in effect was reached at a negotiating session of the board, and took effect upon ratification by the tenants' association and all affected landlords.

4. Montgomery County, Maryland

From 1973 to 1981, Montgomery County, Maryland had rent control in one form or another, although the plethora of laws suggests a stormy history. For example, vacancy decontrol was enacted in January 1976; the Voluntary Rent Guidelines Program replaced vacancy decontrol in January 1976; and, in the spring of 1979, a temporary Rent Stabilization Program was enacted, setting a 9.9 percent increase limit on units covered by Vacancy Decontrol--about one-third of the 45,000 units in the county.

Since 1981, the county has opted for voluntary compliance. The guidelines allow for rent increases of 10 percent for formerly controlled units and 15 percent for formerly decontrolled units. (Since 1973, landlords have been generally required to offer two-year leases.) The record of compliance, in the last quarter of 1981, was 87 percent in formerly controlled units, 77 percent in formerly decontrolled units. In cases of non-compliance, property owners need only state why the increases exceed guidelines. Rent monitoring is done on all apartments, however.

For qualifying tenants (meeting Section 8 income limits) in apartments with rent increases greater than 10 percent, the county will pay that portion of the rent increase that exceeds 10 percent for two years. Currently, 1,000 households receive such assistance.

Interestingly, the Montgomery County Office of Landlord-Tenant Affairs, which handles the voluntary compliance program, is also a licensing body--600 buildings are licensed, or all those with two or more units--and performs codes inspections of each unit every three years. The annual licensing fee of \$19 per unit supports the entire office.

A Recommended System for Plainsboro

Alternatives to rent control are few: (1) a continuation of the status quo; (2) a formal grievance committee, with tenant, landlord, and township membership, but no actual power; (3) a voluntary agreement by landlords to limit rent increases.

At the present time, Plainsboro has no need for rent control. Rent increases have not been exorbitant or even particularly high, when compared with those permitted in rent controlled communities or those that resulted from voluntary agreements such as Millburn's. While there is no formal rent review board, one of the major landlords has, in past years, voluntarily discussed rent increases with the township. Following this lead, we recommend that all major landlords be required to inform the township, in writing, of all proposed rent increases, thus placing this information on the public record.

As for a voluntary agreement to limit rent increases, on the order of Millburn's, it seems unnecessarily rigid, given Plainsboro's history of rent increases.

We do, however, recommend a limited modification of the status quo. While the present system has worked fairly well, it has left some uneasiness. This uneasiness might be alleviated by open discussions in an appropriate forum. We believe that the ad hoc Housing Committee, which oversees this present study, is sufficiently broad based to be given responsibility akin to that of a grievance committee. The Committee includes a landlord representative, a tenant representative, and township officials and

residents -- a group chosen to discuss and deal with the difficult questions raised in this study. All proposed rent increases and all tenant grievances would be brought before the Committee in the first instance. The board would have no powers other than to persuade, to make the facts known, and to clear the air. These can be valuable powers, sufficient to handle Plainsboro's present situation.



Township of Plainsboro

641 Plainsboro Road, Box 278, Plainsboro, New Jersey 08536 (609) 799-0909

June 1, 1982

Dear Plainsboro Resident:

We have prepared this questionnaire to help us understand the housing needs of Plainsboro residents.

This is a difficult time in the field of housing: interest rates and construction costs are high and federal assistance programs are drying up. The Township is exploring ways of helping residents deal with their housing problems. We must know what housing problems exist and how widespread they are in order to take advantage of opportunities as they arise. Please help us by taking a few minutes to fill out this questionnaire, re-fold it and return it by June 21, 1982.

Do not sign your name or give us your address. All answers will be confidential. If you have housing problems not covered in this questionnaire, please tell us about them in the space for "Additional Comments." If you have any other questions or comments please address them to me at the Town office, telephone 799-0909.

Very truly yours,

Peter L. Hechenbleikner,
Township Administrator

QUESTIONNAIRE

1. Where in Plainsboro Township do you live? (check one)
 - a. Fox Run, Deer Creek, Hunters Glen, Pheasant Hollow, Quail Ridge
 - b. Millstone Apartments
 - c. Beechwoods & George Davison Road
 - d. Village Area (railroad & east)
 - e. West of US Route 1 & Forrestal Village
 - f. US Homes (Princeton Collection), Perrine Road, Schalks Crossing Road
 - g. Eiker Road, Petty Road, Scotts Corner Road, Friendship Road, Dey Road, Nostrand Road, Cranbury Neck Road, Grovers Mill Road
 - h. Jeffers Road, Pasture Lane, Plainsboro Road (east of US Route 1 to railroad)
 2. How long have you lived in your present home?

<input type="checkbox"/> less than 1 year	<input type="checkbox"/> 6 to 10 years
<input type="checkbox"/> 1 to 2 years	<input type="checkbox"/> 11 to 20 years
<input type="checkbox"/> 3 to 5 years	<input type="checkbox"/> 20+ years
 3. Do you own your home? Or, Rent?
 4. Do you live in:
 an apartment, a townhouse, a detached single-family house, or
 other (please specify) _____
 5. Number of persons in household? (please be sure to include yourself)
 persons under 18, persons 19 to 61, persons 62 or over
 6. Do you spend more than about 30 percent of your total household income for housing (rent or mortgage and taxes plus gas or oil and electricity)?
 Yes, I spend more than 30 percent of my income for housing
 No, I spend less than 30 percent of my income for housing
 7. What is your total household income?

<input type="checkbox"/> Less than \$15,000	<input type="checkbox"/> \$25,000 to \$29,999
<input type="checkbox"/> \$15,000 to \$17,999	<input type="checkbox"/> \$30,000 to \$34,999
<input type="checkbox"/> \$18,000 to \$24,999	<input type="checkbox"/> \$35,000 and over
 8. Age(s) of head(s) of household. (If the head of the household or spouse is 62 years of age or over, please skip to question 11)
 years
 years
- FOR HOUSEHOLDS HEADED BY PERSONS UNDER 62 YEARS OF AGE:**
9. Would you move to other housing in Plainsboro if you found the right place?
YES: I would like to own a home in Plainsboro I prefer rental housing
If Yes, do you think you can find a place to move to, that you can afford, in Plainsboro? yes no
NO: I want or need to move elsewhere I do not want to move
 10. Is there a handicapped person in your household who needs special housing or special equipment in the home? yes no
If Yes, What is the age of this person? years
Does your present housing answer this person's needs? yes no
Please specify _____

FOR HOUSEHOLDS HEADED BY PERSONS 62 YEARS OF AGE OR OVER:

11. Is your present home satisfactory for you or are there problems?
(please check all that apply) It's not satisfactory because it's:

- Too expensive
- Too big
- Too hard to maintain
- Too far from where I have to go
(work, doctor, shopping, etc.)
- Other (please specify) _____
- Too cold and drafty
- Too run down
- Too many stairs

12. If your housing is not satisfactory, and if the Township were able to help, what would be most useful to you (please check the sentence that best describes your situation):

- Lower my taxes a little bit so I could continue to live in my present home.
- Help me to repair or improve my home so it will:
 - be more comfortable
 - be less expensive to maintain
- Build some special senior citizen apartments that I could afford.
- Nothing. I would like to move somewhere else.
- Other (please specify) _____

ADDITIONAL COMMENTS: