

- Report of the need to have statewide allocation plan

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A REVISED STATEWIDE HOUSING  
ALLOCATION REPORT FOR NEW JERSEY

For Public Review and Comment

NEW JERSEY DIVISION OF  
STATE AND REGIONAL PLANNING

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MAY, 1978

*Check for change made  
from draft  
Exec Order 46*

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## I. INTRODUCTION

### A. Background

In the Housing Act of 1949, Congress declared that "...the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage...and the realization as soon as feasible of the goal of a decent home and suitable living environment for every American family..."<sup>1</sup>

In 1968, Congress went further, stating that "...this goal has not been fully realized for many of the Nation's lower income families... The highest priority and emphasis should be given to meeting the housing needs of those families for which the national goal has not become a reality..."<sup>2</sup>

In 1968 and 1970, the New Jersey Department of Community Affairs investigated the extent of housing and housing production problems in the State of New Jersey. These investigations found that the State was in the midst of a serious housing crisis, characterized, on the one hand, by deteriorating housing in core cities, declining volumes of housing production, and low vacancy rates, and, on the other hand, characterized by a widespread pattern of exclusionary land use regulations outside the core cities.<sup>3</sup> The nature and extent of exclusionary land use restrictions was documented in a 1972 survey of municipal land use ordinances in the State.<sup>4</sup> It was found that many municipalities employ zoning regulations which operated to attract a select type of growth favorable to its municipal tax base and to exclude less lucrative forms of development. This pattern of zoning for fiscal ends is in large part a result of the tax structure in New Jersey with its heavy reliance on the municipal property tax as a source of revenue for municipal and county expenses.

One consequence of this dual situation of great housing need and exclusionary zoning practices is that the production of an adequate volume of lower cost housing is constricted, thereby restricting the housing choices for families and individuals in the State, some of whom are residing in substandard or overcrowded units or in housing which is inadequate for their specific needs.

1. The Housing Act of 1949, Public Law 171, 81st Congress; 63 Stat. 413; 42 U.S.C. 1441, Section 2, approved July 15, 1949.
2. The Housing and Urban Development Act of 1968, Section 2, Public Law 90-448, 82 Stat. 476.601; 12 U.S.C. 1701 and 42 U.S.C. 1441a, approved August 1, 1968.
3. Housing in New Jersey 1968 and The Housing Crisis in New Jersey 1970, New Jersey Department of Community Affairs.
4. Land Use Regulation The Residential Land Supply, New Jersey Department of Community Affairs, 1972.

Under former Governor William T. Cahill, two messages were delivered to the Legislature outlining the State's housing problems and suggesting a number of strategies that could be utilized to increase housing opportunities.<sup>5</sup> An outgrowth of this executive initiative was further research and the introduction of proposed legislation which, although not enacted, sought to meet some of the State's housing problems by encouraging municipalities, on a voluntary basis, to increase the number of housing sites suitable for low-and moderate-income housing.<sup>6</sup>

During this same time, the issue of exclusionary zoning was also being argued in the New Jersey courts, and in March of 1975, the New Jersey Supreme Court issued a landmark decision in Southern Burlington County N.A.A.C.P. v. the Township of Mount Laurel.<sup>7</sup> This decision was instrumental in focusing widespread public attention on the issue. The Mount Laurel decision articulated the relationship between housing opportunity and municipal land use powers, stating that developing municipalities must, by their land use regulations, "presumptively make realistically possible an appropriate variety and choice of housing...at least to the extent of the municipality's fair share of the present and prospective regional need..."<sup>8</sup> It was made clear that the exercise of municipal land use regulations and other actions affecting housing opportunity must take into account not only a municipality's own housing need, but also the housing need of a wider region of which it is a part.

In April of 1976, Governor Brendan T. Byrne issued Executive Order No. 35, in which he directed the Division of State and Regional Planning to prepare state housing goals to guide municipalities in adjusting their land use regulations in order to provide a reasonable opportunity for the development of an appropriate variety and choice of housing to meet the needs of the residents of New Jersey.<sup>9</sup> Pursuant to Executive Order No. 35, the Division of State and Regional Planning prepared a preliminary draft plan, "A Statewide Housing Allocation Plan for New Jersey" which consisted of three parts: (1) the determination of a numerical housing goal based on the present and prospective need for low-and moderate-income housing in the State up to 1990; (2) the delineation of appropriate allocation regions; and (3) the formulation of a fair share allocation methodology to distribute the regional housing goal among the component municipalities of each region. Under this plan, each municipality in the State received an allocation of low-and moderate-income housing units to the year 1990 based on present housing needs, recent growth and a potential to accommodate future growth. A summary of this preliminary plan was submitted to Governor Byrne and released for public discussion in December, 1976. Copies of the plan were sent to all municipalities and county governments.

5. A Blueprint for Housing in New Jersey, 1970, and New Horizons in Housing, 1972, Governor William T. Cahill.
6. Assembly Bill 1421, November 13, 1972.
7. So. Burlington Co. N.A.A.C.P. et. al. v. Twp. of Mount Laurel, 67 N.J. 151 (1975).
8. 67 N.J. at 174.
9. Executive Order No. 35, April 2, 1976.

At the same time that Governor Byrne released this preliminary report, he issued a second executive order - No. 46 - which extended the completion date for the allocation of housing goals to December, 1977.<sup>10</sup> The new order directed a review and, if necessary, a modification of the preliminary housing allocation plan to assure that it would take into account: current programs designed to revitalize the cities of New Jersey (e.g., neighborhood preservation and urban economic development programs), redevelopment possibilities for the more developed municipalities of New Jersey, statewide planning objectives as encompassed by the comprehensive planning activities of the Division of State and Regional Planning, as well as the original housing goal allocation criteria prescribed in Executive Order No. 35. In accordance with this executive directive, the Division of State and Regional Planning has reviewed and modified the 1976 statewide housing allocation plan and has prepared this report.

B. A Statewide Housing Allocation Plan for New Jersey - Purpose and Content

The purpose of this plan is to provide municipalities throughout the State with a guide for the evaluation of their land use regulations and housing programs in providing reasonable housing opportunities to meet the needs of New Jersey residents. These guidelines are presented in the plan by an enumeration of existing (1970) and future (1970-1990) housing needs of persons of low-and moderate-incomes in our state. These needs are allocated on a regional basis, according to specific criteria, to each municipality in the State in order to equitably distribute housing opportunities for low-and moderate-income housing. A municipality should plan and provide for the development of such housing opportunities accordingly.

This plan retains, with only minor statistical revisions, several parts of the preliminary allocation plan. These sections include: (1) the enumeration of existing housing needs based on certain housing deficiencies (dilapidated units, overcrowded units and needed vacant units) for low-and moderate-income households in New Jersey as of 1970; (2) the projection of low-and moderate-income household growth from 1970 to 1990; (3) the delineation of a set of 12 sub-state regions to facilitate the equitable allocation of present and prospective regional needs for low-and moderate-income housing; and (4) the calculation of allocations of low-and moderate-income housing needs based on present housing needs, relative recent growth factors and on a relative resource potential to accommodate future growth.

This new housing plan, however, incorporates several significant modifications to the preliminary housing allocation plan. These are:

- (1) The allocation process includes an enumeration of the 1970 housing need originating in each municipality. This enumeration has been presented in order to indicate the location of the 1970 housing need and its equitable distribution throughout a region.
- (2) The housing allocations have been modified to reflect each municipality's actual capacity, in terms of vacant developable land, to accommodate additional development. Where a municipality was found to have insufficient vacant developable land to reasonably accommodate its allocation, the allocation was reduced in accordance with the municipality's development limit. These units were then re-allocated to municipalities in the relevant region with adequate developable land to accommodate these needed units.
- (3) Under the mandate of Executive Order No. 46, the provision of housing opportunities in accordance with this plan has been coordin-

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10. Executive Order No. 46, December 8, 1976.

ated with the statewide planning objectives formulated by the Division of State and Regional Planning in the preliminary State Development Guide Plan.<sup>11</sup> Accordingly, this plan recommends that implementation of housing allocations in excess of existing, immediate needs (i.e., those needs originating in the relevant municipality) be deferred in those municipalities where growth or development will be discouraged by the state in order to accommodate a documented state need for the preservation of open space and prime farmland.<sup>12</sup>

- (4) This report also provides recommendations as to how a municipality may plan and provide for the needed housing opportunities enumerated in this plan. These recommendations include a variety of implementation techniques for the creation of expanded housing opportunities for persons of low-and moderate-incomes.

This report enumerates existing housing needs in 1970 and projects low-and moderate-income housing needs for the twenty year period of 1970-1990. It must be acknowledged that a number of changes have occurred in the State's housing stock since 1970. Lower cost housing units have been built throughout the State and have satisfied some housing needs. Middle and upper income units have also been added, thereby permitting some older housing stock to "filter-down" to the low-and moderate-income range. On the other hand, the aging process for housing has generated some additional housing deficiencies during the past eight-year period, thereby adding some housing needs to those enumerated in 1970.

The accurate assessment of these changes in housing stock would require a statewide survey which is beyond the scope of this allocation plan. This information will not become known until the next federal census is compiled and distributed, sometime in 1982. At that time, the monitoring of changes in housing stock as they relate toward meeting housing allocation goals will be possible. Until that time, each municipality should attempt to assess the changes which have occurred in its own housing stock since 1970 and the efforts which have been made toward the housing allocation determined in this report. Appendix E provides an enumeration of governmentally assisted rental housing units, by municipality, for the State. This has been provided to supplement municipal records. Other sources of information that can be reviewed by local officials assessing changes in housing stock include: municipal, county or consultant housing surveys, housing data contained in applications for federal community development funds, local building trends data, as reflected by certificates of occupancy for new residences, demolition permits or other local building inspection or monitoring records.

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11. New Jersey Department of Community Affairs, July 1, 1977.

12. It should be noted that this deferral is contingent upon a municipality's not experiencing growth and not pursuing policies which encourage growth or manifest any characteristics which could be construed as having a growth orientation.



## II. HOUSING ALLOCATION PLAN

This statewide housing allocation plan is presented in four interrelated sections: (1) definition of the low-and moderate-income population whose needs are addressed in this plan; (2) the types of housing needs which are assessed; (3) the sub-state regions in which the allocations are made; and (4) the methodology used to allocate these needs.<sup>13</sup>

### A. Low-and Moderate-Income Population

The target group for the assessment of housing need for the purposes of this report consists of households in the State in 1970 with gross incomes in the low-and moderate-income range as defined below. While households of higher incomes also experience housing need, it is recognized that low-and moderate-income households have the least mobility, purchasing power and opportunity to secure adequate housing in the present housing market. Numerical income ranges for this target group were determined by using family budget information published by the United States Department of Labor. In 1970, these income ranges were:<sup>14</sup>

Low-income household .....up to \$5,568/year

Moderate-income household ...\$5,569 to \$8,567/year

### B. Housing Need

#### 1. 1970 (Present) Housing Need

The first task in determining these housing allocations was to assess the 1970 housing need of low-and moderate-income households in New Jersey. There are many types of housing need, however, all such needs were not considered to be within the scope of this plan and were not assessed and allocated in this report.

A number of unsatisfactory housing conditions exist in New Jersey, including physical housing deficiencies - deteriorated or dilapidated units and housing lacking plumbing facilities; financial housing imbalances - units priced above, or with rental costs above the affordability of households; overcrowded housing units; and an insufficient number of vacant units to provide mobility in the housing market. Unsatisfactory housing conditions

13. This discussion is based on four detailed technical reports prepared by the Division of State and Regional Planning in the Summer of 1976. These include: New Jersey's Present Housing Needs, Prospective Housing Needs Report, Housing Allocation Regions, and New Jersey's Fair-Share Housing Allocation. It may also be noted that the data used in these sections is based on the preliminary draft allocation plan of November, 1976, with some adjustments to the calculation of prospective housing needs and updated statistics.

14. Standards of Living for an Urban Family of Four, Bulletin No. 1570-5, Bureau of Labor Statistics, Spring, 1967. See also An Analysis of Low-and Moderate-Income Housing Need in New Jersey, op. cit., p.1. Since 1970, these income ranges have expanded. In 1976, low-and moderate-income households were estimated to have incomes of up to approximately \$14,000.

also exist where suitably priced units are not in reasonable proximity to employment opportunities and when the type of housing available is not suitable for a portion of the housing market. For this plan, the housing goal which was selected and allocated to municipalities does not represent all the housing need in the State. This housing allocation plan only focuses on the need for new housing construction for low-and moderate-income households.

The types of present housing needs suitable for assessment for this housing allocation are: (1) dilapidated units, (2) overcrowded units, and (3) needed vacant units. These 1970 housing needs predominantly affect low-and moderate-income households and most closely reflect new construction requirements. Unlike these three types, the other housing deficiencies listed above, although important, do not necessarily require new replacement units on a one-for-one basis. Strategies other than new construction -- e.g., housing maintenance, rehabilitation, renovation, financial assistance, etc. -- may be more appropriate to meet these 1970 housing problems.

The three types of housing need which were selected to represent the present housing need for this allocation are defined as follows:

**Dilapidated Units:** units having one or more critical defects; or having a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding; or being of inadequate original construction. The defects are either so crucial or so widespread that the structure should be extensively repaired or torn down.<sup>15</sup>

**Overcrowded Units:** units which are considered not large enough to accommodate the occupants adequately. The standard of overcrowding used was 1.01 or more persons per room.

**Needed Vacant Units:** units which are considered necessary to permit mobility and choice in the housing market. The number of units required to achieve a given 5 percent vacancy rate for rental units and a 1.5 percent rate for owner occupied units were used as measures of this need.

Using the above definitions for present housing need, it was found that in 1970 there existed a statewide need for 219,455 units which included 94,835 dilapidated units, 94,499 overcrowded units and 31,121 needed vacant units.<sup>16</sup> Table 1 shows the 1970 present housing needs for each county and for the State. A total present need figure is provided for each municipality in Column 1 of Appendix A.

15. Plumbing Facilities and Estimates of Dilapidated Housing, Final Report, HC (6) U.S. Bureau of the Census, Census of Housing: 1970, pp. VII and VIII.
16. New Jersey's Present Housing Needs, op. cit., pp. 10-12 and Appendixes A and B. Some overcounting of present housing need might result if and when new units become available for households presently occupying overcrowded units. The amount of overcrowding would be reduced, however, since some of the overcrowded units contain more than one family. (Unfortunately, the extent of "doubling-up" cannot be determined accurately). As a practical matter, however, the fact that there may be some overcounting of overcrowded units is not significant in light of the limited definition of housing need used in this allocation plan.

TABLE 1

1970 - Present Housing Needs

<u>County</u>	<u>Dilapidated Units</u>	<u>Overcrowded Units*</u>	<u>Needed Vacant Units</u>
Atlantic	3,517	2,092	73
Bergen	8,033	7,758	5,709
Burlington	3,189	3,360	852
Camden	5,814	5,493	1,067
Cape May	1,352	478	20
Cumberland	2,228	1,690	157
Essex	17,527	16,612	4,711
Gloucester	2,184	2,113	454
Hudson	11,062	13,120	3,795
Hunterdon	683	602	220
Mercer	3,868	3,402	1,050
Middlesex	5,209	7,943	2,503
Monmouth	5,411	5,475	932
Morris	2,934	3,485	1,710
Ocean	3,805	3,119	229
Passaic	7,109	7,036	3,006
Salem	871	600	214
Somerset	1,618	1,866	859
Sussex	861	948	135
Union	6,520	5,674	3,206
Warren	1,040	633	219
State Total	94,835	93,499	31,121

\*Overlap between dilapidated units and overcrowded units has been eliminated in these numbers.

## 2. Prospective Housing Needs: 1970-1990

The second task in preparing this report was to assess the prospective housing need for low-and moderate-income households in New Jersey. In this statewide housing allocation plan, prospective housing need is defined as the projected increase in low-and moderate-income households between 1970 and 1990. This twenty-year time span was selected to provide reasonably accurate projections of household growth.

The calculation of the increase in low-and moderate-income households involves several steps and a number of assumptions, e.g., a slower rate of population growth, a decrease in household size, and a continuation of current socio-economic trends.<sup>17</sup> Population was projected in 1990 for each county, and county household increases between 1970 and 1990 were determined. The prospective low-and moderate-income housing needs were then computed for each county. Table 2 (contained on page 9 of this report) shows the steps involved in determining low-and moderate-income household growth. Column 7 indicates the 1970-1990 low-and moderate-income household growth by county. For the State, there will be the need to house an additional 300,232 low-and moderate-income households between 1970 and 1990.<sup>18</sup> In the preliminary draft report (1976), projections of population growth included persons living in group quarters. In this report, persons in group quarters are excluded from projections of future population. Subsequently, these adjustments to the population growth projections (Table 2, Column 2) thereby result in a downward adjustment to household growth projections (Table 2, Cols. 4, 5 and 7).

### C. Sub-state Regions for Housing Allocation

The third task in preparing the unadjusted fair share housing allocations was to delineate a set of sub-state regions which can facilitate the equitable allocation of the present and prospective regional needs for low-and moderate-income housing. The four criteria identified as necessary to delineate equitable and practicable housing allocation regions were:

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17. Prospective Housing Needs Report, op. cit.

18. An adequate vacancy rate to allow mobility and choice for future low-and moderate-income households might be added to prospective housing needs, as was done with present housing needs. It has not been included here because of the difficulty in projecting housing stock changes to the year 1990. Periodic updating of the housing needs analysis will consider such vacancy needs.

TABLE 2

Prospective Housing Needs: 1970 - 1990

	<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u>	<u>Col. 7</u>
<u>County</u>	1970 Households	1990* Population	1990 Average Household Size	1990 Total Households (Col.2 + Col.3)	1970-1990 Total Household Growth (Col.4-Col. 1)	% of Low-and Moderate- Income Households in 1970	Low & Moderate Income Household Growth: 1970-1990 (Col. 5 x Col. 6)
Atlantic	60,716	196,059	2.61	75,118	14,402	58.4	8,411
Bergen	279,625	949,507	2.71	350,371	70,746	28.4	20,092
Burlington	84,788	373,500	2.85	131,053	46,265	35.6	16,470
Camden	138,408	563,670	2.76	204,228	65,820	41.5	27,315
Cape May	21,177	75,313	2.49	30,246	9,069	61.1	5,541
Cumberland	37,086	150,302	2.73	55,055	17,969	51.0	9,164
Essex	302,582	924,512	2.66	347,561	44,979	46.8	21,050
Gloucester	49,693	214,862	2.81	76,463	26,770	40.4	10,815
Hudson	207,499	600,534	2.54	236,431	28,932	51.7	14,958
Hunterdon	21,063	87,499	2.72	32,169	11,106	37.7	4,187
Mercer	93,486	362,518	2.67	135,775	42,289	40.9	17,296
Middlesex	168,076	677,617	2.74	247,306	79,230	31.2	24,720
Monmouth	135,230	525,600	2.79	188,387	53,157	39.1	20,784
Morris	109,823	463,517	2.83	163,787	53,964	25.7	13,869
Ocean	68,362	356,633	2.71	131,599	63,237	51.9	32,820
Passaic	147,214	501,825	2.68	187,248	40,034	42.6	17,054
Salem	18,681	75,435	2.70	27,939	9,258	44.8	4,148
Somerset	57,013	226,337	2.80	80,835	23,822	26.9	6,408
Sussex	22,809	102,554	2.84	36,110	13,301	38.9	5,174
Union	171,580	570,831	2.72	209,864	38,284	33.6	12,863
Warren	23,271	87,171	2.67	32,648	9,377	45.6	4,276
State Total	2,218,182	8,085,796	2.71	2,980,193	762,011	39.4	300,232

\* Revised from original report - now excludes population in group quarters. Cols. 4, 5 and 7 changed accordingly. (October, 1977)

(1) Sharing Housing Needs - In Southern Burlington County N.A.A.C.P. v. Township of Mount Laurel, the New Jersey Supreme Court made it clear for the first time that municipalities must take into account not only local housing needs, but also the housing needs beyond the municipality's boundaries in the region of which it is a part. Accordingly, the regional delineation in this plan has been made to permit the equitable sharing of housing need between areas with high levels of present housing need and few resources and areas with the opposite characteristics. The lack of resources precludes, for example, the designation of Hudson County as a region by itself. The concentration of housing need in this county would require a more expansive region than the county itself. This criterion (sharing housing need) was considered to be the most important in the selection of a set of sub-state regions and would take precedence over the other three.

(2) Socio-economic Interdependence - The regions should be characterized by evidence of socio-economic interdependence with regard to housing choice considerations, i.e., they should reflect the geographic area within which housing location decisions are made. Housing decisions are related to job location, to the location of community facilities and institutions and to available transportation and services.

(3) Data Availability - Data reliability and availability are necessary considerations in delineating housing regions. The regions should have descriptive and directly applicable socio-economic data available for the purpose of housing allocation, with minimum reliance upon assumptions or interpolations from data describing other geographic units. It is necessary that reliable land use, demographic, economic and other data be available for all housing allocation regions so that the enumeration of regional housing needs and allocations can be complete and precise.

(4) Executive Order 35 - The regions should be reflective of the intent of Executive Order 35. While the term "region" is used in the order, it is not explicitly defined; however, there are recurring references to the allocation of housing needs to municipalities within counties or groups of counties.

Various delineations of regions were analyzed in terms of these four criteria. They included existing planning, statistical and geographically defined regions in New Jersey, none of which were designed for housing allocation, and the housing allocation regions adopted in recent judicial decisions in the State, including those in Mount Laurel and Oakwood at Madison v. Madison Twp.<sup>19</sup> This analysis was concluded with the formulation of a new set of regions specifically delineated for the purpose of equitable housing allocation. The recommended set of allocation regions consists of twelve regions covering the entire state. Ten of the regions (1-10) were delineated as single counties. They are:

19. 72 N.J. 481 (1977).

*Note that the planners  
used Mt L / Madison  
much more generously  
than the 1977/78 law  
Assumes gen'l  
applicability*

Region 1: Atlantic	Region 6: Monmouth
Region 2: Cape May	Region 7: Ocean
Region 3: Cumberland	Region 8: Salem
Region 4: Hunterdon	Region 9: Sussex
Region 5: Mercer	Region 10: Warren

The other two regions consist of clusters of adjacent counties. Region 11, in the northeastern part of the State, contains the counties of:

Bergen	Middlesex	Somerset
Essex	Morris	Union
Hudson	Passaic	

Region 12, in the southwestern part of the State, consists of the counties of:

Burlington  
Camden  
Gloucester

The twelve allocation regions are shown on MAP 1. The delineation of two multi-county regions was necessary to insure an equitable balance between existing housing need and resources. For the remaining areas of the State, the relationship between housing need and resources did not currently warrant more expansive allocation regions than individual counties. Table 3 shows the present and prospective housing needs for each of the twelve allocation regions in the State.

**MAP I**  
**HOUSING ALLOCATION REGIONS**

-  **INDIVIDUAL COUNTY REGIONS**
-  **CLUSTERED COUNTY REGIONS**

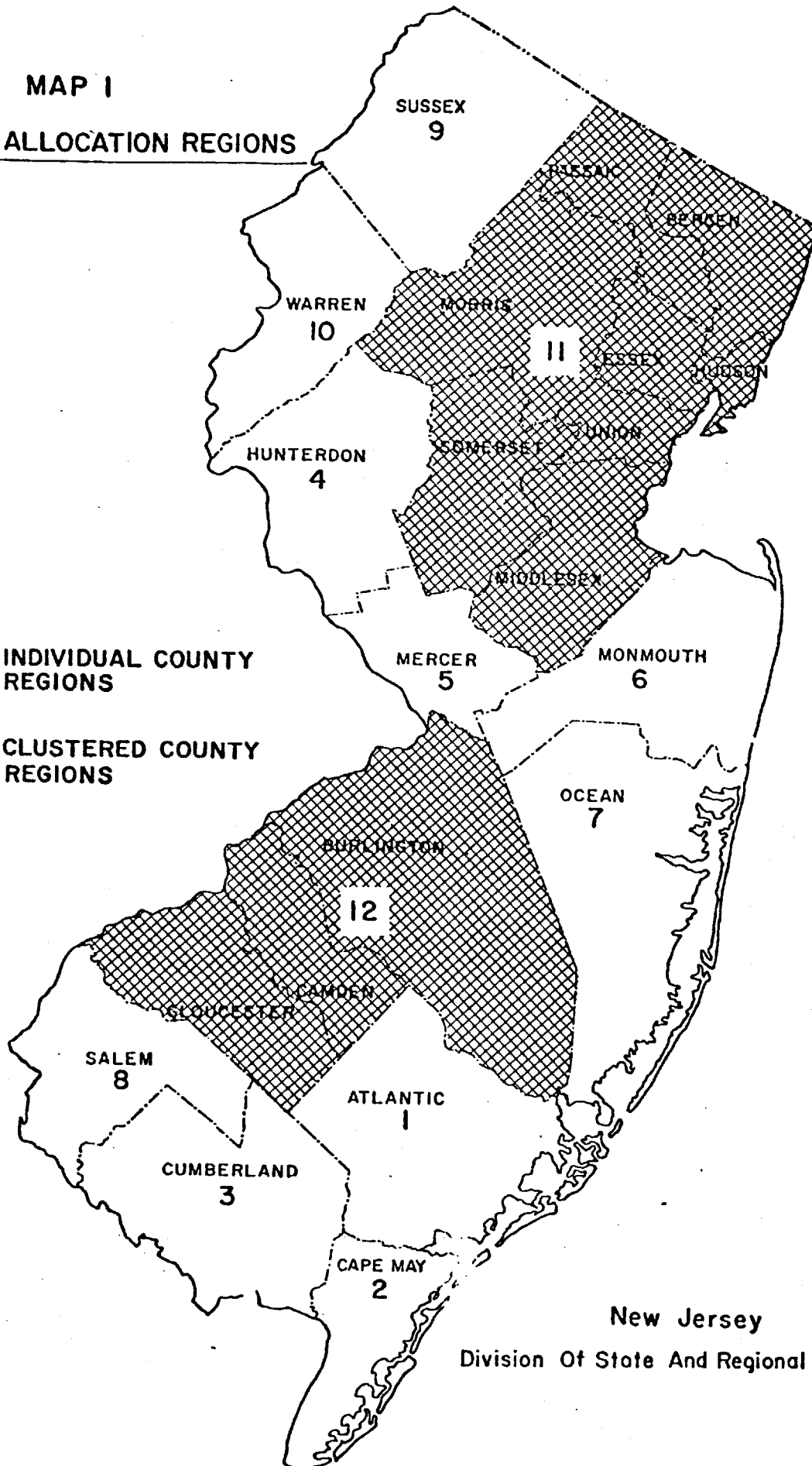




TABLE 3

Present and Prospective Housing Need By Allocation Regions

	<u>Present Housing Needs 1970</u>	<u>Prospective Housing Needs 1970-1990*</u>
REGION 1 - Atlantic County	5,682	8,411
REGION 2 - Cape May County	1,850	5,541
REGION 3 - Cumberland County	4,075	9,164
REGION 4 - Hunterdon County	1,505	4,187
REGION 5 - Mercer County	8,320	17,296
REGION 6 - Monmouth County	11,818	20,784
REGION 7 - Ocean County	7,153	32,820
REGION 8 - Salem County	1,685	4,148
REGION 9 - Sussex County	1,944	5,174
REGION 10- Warren County	1,892	4,276
REGION 11- Counties of:	149,005	131,014
Bergen            Morris		
Essex            Passaic		
Hudson          Somerset		
Middlesex       Union		
REGION 12- Counties of:	24,526	54,600
Burlington		
Camden		
Gloucester		

\*Revised from original report - now excludes population in group quarters.  
(October, 1977)

D. Housing Allocation Methodology

The fourth task in the statewide allocation of low-and moderate-income housing need involved the formulation of a method for distributing the regional housing goals to the component municipalities within a region. Various allocation methods have been developed and tried by planning agencies throughout the nation, and these were reviewed as possible models.

The allocation methodology adopted for this housing plan is described below. The methodology attempts to allocate the present and prospective housing needs in each of the twelve regions in terms of three guidelines. They are:

- (1) Those housing needs which have been enumerated as existing in each region in 1970 should be shared among the municipalities in that region in a manner which will reduce the further overconcentration of such conditions in certain municipalities, but also in a manner that will not tend to overburden the other municipalities in the region.

A proportional method based on the magnitude of the housing stock in each municipality and in the region as a whole was used for this purpose.

- (2) The regional prospective need for low-and moderate-income units from 1970 to 1990 should be shared by municipalities in a manner which takes into account their relative suitabilities and capabilities to accommodate additional low-and moderate-income housing.

The method used for this purpose involves an averaging of four different indexes of suitability and capability.

- (3) The allocation to a municipality of housing need in excess of those needs specifically originating within the municipality itself should be reduced for those municipalities with inadequate vacant developable land and redistributed to those municipalities in the region which have adequate developable land. This guideline has been included to correct a shortcoming in the preliminary plan in which a number of municipalities with little or no vacant developable land were given additional allocations.

Based upon these guidelines, two separate regional allocations, i.e., an allocation of 1970 needs and an allocation of prospective need, were made to each municipality in the twelve regions in the State. They were then combined for each municipality and further reduced or increased depending upon the availability of vacant developable land. This process was as follows:

1. Allocation of 1970 (Present) Housing Need. The existing housing need in each region was allocated to component municipalities based on an equal proportion method. This method utilizes the ratio of 1970 housing needs to the total housing stock in the particular region. For example, if the 1970 housing need in a region is 10 percent of that region's total housing stock, then each municipality in that region was allocated an amount of needed housing units equal to 10 percent of its own housing stock. This method is shown in the following illustrative example. The column numbers in the example correspond to the actual column of the methodology as found in Appendix A .

	<u>1</u>		<u>2</u>	<u>3</u>
	1970	1970	Allocation	
<u>Municipality</u>	<u>Housing Needs</u>	<u>Housing Stock</u>	<u>of 1970</u>	<u>Difference</u>
			<u>Housing Need</u>	
A	10	200	20	+10
B	20	50	5	-15
C	40	150	15	-25
D	<u>50</u>	<u>800</u>	<u>80</u>	<u>+30</u>
Region Total	120	1,200	120	0

This region's total of 120 units of needed housing is 10 percent of the regional housing stock of 1,200 units. As such, each municipality receives an allocation equal to 10 percent of its housing stock. The "difference" column shows whether a municipality receives more or less than the 1970 housing need originating within its own municipality.

Appendix A (columns 1,2 and 3) contains the results of the equal proportion method for each municipality in the twelve regions of the state.

2. Allocation of Prospective Housing Need (1970-1990) A second method was used to allocate each region's prospective housing need. This method employs four indexes which reflect municipal differences in suitability and capability to accommodate additional low-and moderate-income housing. The indexes are:

Vacant Developable Land  
Employment Growth  
Municipal Fiscal Capability  
Personal Income

Municipalities in each region were compared in terms of these four factors. Each municipality received an allocation of prospective housing need according to each factor, and then a single allocation of prospective need was computed for each municipality by averaging the four indexes. A description of these factors and how they were employed is as follows:

Vacant developable land - This factor was included as a measure of a municipality's capability to assume additional housing construction. Vacant developable land has been defined as the vacant land in a municipality less land with greater than 12 percent slope, wetlands, qualified farmland and public lands. Farmland qualified for farmland assessment was included in the adjustment of vacant developable land in accordance with a general state policy to preserve farmland. However, this cannot be construed as a prohibition against the use of any farmland for housing development.

Based on this index, each municipality's share of the acreage of vacant developable land is also its share of the prospective housing need. For example, if a municipality's share of vacant developable land is 10% of the total of such land in the region, then it would receive 10% of the prospective housing need of the region.

Employment growth - This factor is used to measure the relative responsibility of municipalities to provide housing in relation to employment growth. As defined in the original allocation plan, employment growth was the increase in covered employment between 1969 and 1975. In this report, the employment information was updated to include 1976. Only those municipalities with gains in employment receive allocations. For example, if a municipality's share of employment growth is 10% of the total of such growth in the region, then it would receive 10% of the prospective housing need of the region.

Municipal fiscal capability - This third allocation factor was included as a relative measure of municipal capability to accommodate additional low-and moderate-income housing. Non-residential ratable growth between 1968 and 1974 was used in the original report as a criterion for fiscal capability. Non-residential ratables had been defined to include any ratables not classified as residential properties. This general definition of ratables did not reflect an accurate description of the growth of non-residential ratables in many farm and rural communities, i.e., places with large amounts of farmland ratables and/or vacant land ratables. Therefore, the original definition of non-residential ratables was changed to apply to only the commercial and industrial ratables growth in each municipality. This information was updated to include 1975. Each municipality's share of the regional growth in non-residential ratables represents its share of the allocation goal. For example, if a municipality's share of non-residential ratables growth is 10% of the total of such growth in the region, then it would receive 10% of the prospective housing need of the region.

Personal income - This fourth factor is an additional measure of municipal capability to absorb low-and moderate-income housing growth. It has been included to take into account municipalities which have not experienced much non-residential ratables growth, but presumably have the affluence to accommodate housing without undue hardship. This factor has been defined as the municipal total of family and unrelated individual income as reported by the 1970 census. Total municipal personal income wealth was weighted to reflect regional variation in per capita income in New Jersey. A municipality which has a per capita income exceeding the per capita income for the region as a whole had its total personal income increased. Conversely, if a municipality's per capita income was below the regional per capita income, its total personal income was decreased. To illustrate this point, if a municipality's per capita income is twice the size of the regional per capita income, its total personal income wealth is doubled; conversely, if a municipality's per capita income is half the regional level, its total personal income is halved. Each municipality's weighted share of the region's personal income wealth is also its share of the prospective housing need of the region. For example, if a municipality's share of total personal income after weighting is 10% of the total income of the region, then it would receive 10% of the prospective housing need.

Municipal allocations of prospective housing needs were computed for each of the four indexes and averaged to obtain a single prospective need allocation. The results of this index-averaging method for allocating prospective housing need is shown in column 4 of Appendix C.

3. Development Limit/ Redistribution of Unallocated Units . A development limit concept was employed as a corrective adjustment to the allocation process to eliminate situations where the methodology allocated additional low-and moderate-income units to municipalities with inadequate vacant developable land to accommodate these housing needs.<sup>20</sup> For each municipality, an "unadjusted housing allocation" was computed to isolate that part of the combined present and prospective allocations in excess of the 1970 housing need specifically originating in the municipality itself. This information is shown in column 5 of Appendix A. This "unadjusted housing allocation" was then compared with the development limit computed for the municipality to determine whether the development limit would be adequate to accommodate these housing needs.

The basis for computing the development limit is the amount of vacant developable land in a municipality at a density of development of 4 dwelling units per acre.<sup>21</sup> In those cases where the development limit exceeded the "unadjusted housing allocation", the development limit was termed "adequate" and the allocation accepted. However, when the development limit was found to be less than the "unadjusted housing allocation", the allocation was reduced to the development limit figure and the resulting unallocated units were redistributed to other municipalities within the region which had adequate developable land.

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20. The development limit concept has been used by Rahenkamp, Sachs, Wells and Associates, Inc. Their report, "Pennsylvania Housing Need and Allocation Model," Philadelphia, October 1, 1971 (p.22), has provided the example for this modification to the plan.

21. The formula for computing the development limit is as follows:

$$DL = VDL \times D \quad \text{where, } DL = \text{development limit (units)} \\ VDL = \text{vacant developable land (acres)} \\ D = \text{housing density} = 4 \text{ dwelling units per acre}$$

The use of 4 dwelling units per acre on 100 percent of the vacant developable land in a municipality should not be taken by the reader as a suggestion that all municipalities should provide low-and moderate-income housing opportunities in this one specific manner. Higher densities on less land would also be appropriate.

To illustrate this process, the following example is provided, which continues the illustrative example from p. 15.

	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>8</u>
<u>Municipality</u>	<u>Difference*</u>	<u>Allocation of Prospective Housing Need (1970-1990)</u>	<u>Unadjusted Housing Allocation</u>	<u>Development Limit</u>	<u>Units Not Allocated</u>
A	+10	80	90	(430)-Adequate	0
B	-15	150	150	(568)-Adequate	0
C	-25	300	300	(260)	40
D	+30	70	100	(294)-Adequate	0
Region Total	0	600	640		40

\*Refer to example on p.15.

The "unadjusted housing allocation" (that part of the combined present and prospective allocations in excess of the 1970 housing need originating in the municipality itself) was computed for each of the illustrative municipalities. For municipalities A and D, the "unadjusted housing allocation" is the sum of the prospective allocation and the "difference" column (their additional shares of 1970 need). For municipalities B and C, the "unadjusted housing allocation" is equal to the prospective allocation only. These are the only units added in the allocation process for these two municipalities, since their shares of the 1970 housing need were reduced in the regional allocation of 1970 (present) housing need. These reductions are shown as negative numbers in column 3 and are treated as zeroes here. By comparing the "unadjusted housing allocations" with the respective development limits, municipalities A, B and D can be seen to have adequate land to accommodate their allocations. However, municipality C can only accommodate 260 of the 300 units, and 40 units are therefore not allocated to it. These 40 units are redistributed below to those municipalities in the region with adequate land to accommodate them (in this case, municipalities A, B and D).

The total number of units not allocated in each region were redistributed to all municipalities in the region whose "unadjusted housing allocations" had not reached their development limits. The redistribution was performed in same proportion as the first "unadjusted housing allocation."<sup>22</sup>

22. In three regions, a second redistribution was required because certain municipalities were found to exceed their development limits after the first redistribution. This second redistribution is not shown in the illustrative example.

The continuation of the illustrative example shows the redistribution process, as follows:

<u>Municipality</u>	<u>7</u> Allocation Based On The Development Limit	<u>8</u> Units Not Allocated Based on the Develop- ment Limit	<u>9</u> Redistri- bution Of Units Not Allocated	<u>10</u> Adjusted Housing Allocation
A	90	-	10	100
B	150	-	18	168
C	260	40	-	260
D	<u>100</u>	<u>-</u>	<u>12</u>	<u>112</u>
Region Total	600	40	40	640

The redistribution of the 40 units not allocated to municipality C, due to its inadequate development limit, is shown in column 9, above.<sup>23</sup> These units were then added to the allocation based on the development limit (column 7) to yield an adjusted housing allocation (column 10) for each municipality.

23. For example, municipality A's share is 10 units, based on the ratio of its allocation due to the development limit to the remainder in column 7 after municipality C's allocation has been taken out, i.e.,  $90/340 \times 40$  units not allocated = 10 units.

#### 4. Resulting Allocation

Each municipality's resulting allocation consists of its adjusted allocation of regional housing needs based on its development limit (column 10) and its indigenous share of existing (1970) regional need (column 11).

The final use of the illustrative example shows the calculation of the resulting allocation, as follows:

	<u>1</u>	<u>2</u>	<u>10</u>	<u>11</u>	<u>12</u>
				Indigenous Share of 1970 Housing Needs	
<u>Municipality</u>	<u>1970 Housing Needs</u>	<u>Allocation of 1970 Needs</u>	<u>Adjusted Housing Allocation</u>		<u>Resulting Allocation</u>
A	10	20	100	10	110
B	20	5	168	5	173
C	40	15	260	15	275
D	<u>50</u>	<u>80</u>	<u>112</u>	<u>50</u>	<u>162</u>
Region Total	120	120	640	80	720

The resulting allocation (column 12) for each municipality is the sum of the adjusted housing allocation (column 10) and the indigenous share of the region's 1970 housing need (column 11). For municipalities A and D, whose regional shares of the 1970 housing need are greater than the needs specifically located in the municipalities themselves, the indigenous share is equal to the 1970 housing need in the municipality (column 1). The indigenous shares for municipalities B and C are equal to the allocated 1970 housing need (column 2); these shares are less than the 1970 (present) housing need originating within these municipalities themselves.

For the purposes of this housing allocation plan, certain municipalities received numerical reductions in their housing need burden because of the methodology used to equitably allocate the 1970 (present) housing need (see p. 15). This result should not be taken to imply that these municipalities should be given less consideration or priority in terms of qualifying for federal, state or other housing assistance programs. For such housing assistance purposes, a more appropriate reference on housing needs is An Analysis of Low-and Moderate-Income Housing Need in New Jersey.

Column 12 shows the resulting municipal allocations. The regional total of 720 units equals the sum of this illustrative region's 1970 housing need and prospective need (1970-1990).



### III. COMPLIANCE AND COORDINATION WITH STATEWIDE PLANNING OBJECTIVES

Under the mandate of Executive Order No. 46, the provision of needed housing opportunities in accordance with this allocation plan has been considered within the context of the statewide planning objectives formulated by the Division of State and Regional Planning in a separate plan, the State Development Guide Plan. Accordingly, all municipalities in the State have been looked at in terms of the policy objectives for the State's future growth and development as contained in the Guide Plan, to determine whether, in any cases, municipal action to meet its housing allocation might be inconsistent with the Guide Plan and should be deferred.

It should be understood that two categories of housing need were isolated in the housing allocation methodology: (1) those needs indigenous to the municipality and also part of its share of existing (1970) regional needs, and (2) those needs resulting from a distribution of regional existing and prospective needs. As explained in previous sections of this report, each municipality's indigenous share of 1970 housing need exists and is an immediate need. Attending to such needs would be remedial rather than growth-oriented and should be addressed immediately by every municipality regardless of any future growth policy.

On the other hand, each municipality's allocation of 1970 housing need in excess of the need originating in the municipality itself, as well as its allocation of the regional prospective need, represent potential municipal growth and, as such, should be evaluated in terms of the recommended land use classifications identified by the Guide Plan.

But  
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In this light, the provision of housing opportunities, as set forth in this housing allocation plan, should be deferred in those municipalities where any additional growth or development is being discouraged by state policy as represented by the Guide Plan. In all other municipalities which are designated in the Guide Plan as partially developed and containing areas which are suitable for future growth, municipal action to provide these needed housing opportunities should be immediate. The State Development Guide Plan, its use classifications and the coordination of these classifications with the implementation of this plan are explained below.

The State Development Guide Plan can be viewed as a framework within which state government can make choices among competing and worthy needs - the need for jobs, clean air, adequate housing, prime farmland, improved transit systems and recreational open space. In this regard, the Guide Plan suggests the balance which should be sought between conservation and development in the State. It indicates where further development should be encouraged, and where major efforts to preserve essential natural resources, recreational space and agricultural lands should be focused.

More specifically, the State Development Guide Plan identifies areas in the State where certain general uses should predominate and recommends appropriate policies. These major use categories are:

Growth Areas - Areas marked by existing development and existing infrastructure which can accommodate further growth without endangering vital natural resources, incurring massive new public investments, or contributing to inefficient uses of energy or land resources.

These growth areas contain major transportation facilities and energy supplies and are the location of many of New Jersey's residences, major businesses and industrial facilities. Major investments have been made to provide public facilities and services to support this development. As a result, these areas are particularly suitable for development because of their accessibility to employment and services. Properly channeled, this growth could result in more amenable and energy-efficient patterns of development. Accordingly, it is within the growth areas that much of the State's investment in development-encouraging facilities and services should be made.

Limited Growth Areas - Areas not yet intensively developed nor of major environmental significance which may grow at a moderate pace and may serve as a reserve for future development.

The limited growth areas do not contain major concentrations of development or critical natural resources or prime agricultural lands. Sizable areas remain which have not been developed in the past primarily because other portions of the State have been more accessible to markets and population centers. For these areas, only a minimum level of public investment is recommended in order that these areas continue to develop and grow at their own moderate pace.

Open Space Areas - Areas of unique natural character and of statewide significance which should be preserved in their present state in order to satisfy growing demands for outdoor recreation, water supply and other uses which are necessary for, but not compatible with, further urban expansion.

These areas include plans for the expansion of publicly owned and managed lands - the Skylands, the Pinelands and the Delaware Water Gap. Each of these scenic areas also contain abundant water resources. Accordingly, they provide both wilderness recreation opportunities and essential water resources to support a growing population.

Agricultural Areas - Areas characterized by suitable soils and active agricultural use justifying its value as a limited natural resource.

In these areas, development is relatively sparse, and extensive water and sewer systems and other public facilities are lacking. These areas also contain the most favorable soils for productive agriculture, and accordingly, development is considered inappropriate and should be discouraged by the State.

Each municipality in the State was classified pursuant to these categories. Once the classification of municipalities was completed it was then possible to address the issue of municipal compliance with this housing allocation plan.

Those municipalities which are suitable for and will be experiencing some growth as identified by the State Development Guide Plan (i.e., growth and limited growth areas) are expected to take immediate action with respect to their allocations. The Guide Plan has defined these areas as those where most of the development in the State is located and where such development should occur now and in the future. In these cases, there would be no need to defer or to exclude from that development the provision of needed housing opportunities for low-and moderate-income households.

On the other hand, those municipalities which may be exclusively categorized as open space or prime agricultural areas may defer action in complying with their adjusted housing allocations until some future date or perhaps indefinitely.<sup>24</sup> However, it is important to understand that a municipality will lose its deferred status if it actually experiences growth or elects to pursue policies which encourage growth. For example, a municipality would be encouraging growth if it actively seeks ratables or jobs or manifests other characteristics which could be considered as having a growth orientation, such as zoning for commercial and industrial ratables. Where a municipality is experiencing or encouraging growth, a share of that growth (as quantified in this report) should be for low-and moderate-income housing.

In summary, an application of the above procedures indicates that there are 498 municipalities in New Jersey which can be classified in the immediate category and 23 municipalities which are in the deferred category.<sup>25</sup> There are 86 municipalities with development limits of zero which therefore receive no adjusted allocations. They did not require classification according to the Guide Plan; their compliance includes only their shares of the 1970 (present) housing need. Appendix B indicates those municipalities which are in the deferred category.

24. It should be noted that there is no deferral of the indigenous portion of the 1970 (present) housing needs. These require immediate municipal action in compliance with this report.
25. It should be noted that these 23 municipalities have been categorized as exclusively open space or prime agricultural areas. A number of other municipalities, which are predominantly open space or agricultural, were not included in the deferred category since they contain sufficient growth or limited growth areas to accommodate their allocations.

#### IV. IMPLEMENTATION STRATEGIES: PROVISION OF NEEDED HOUSING OPPORTUNITIES

This part of the report discusses how municipalities can go about meeting their housing allocations.<sup>26</sup> First, the discussion centers on inclusionary strategies municipalities can pursue toward the goal of expanded housing opportunities by reducing housing costs and increasing production of lower cost housing.<sup>27</sup> Second, there is a description of implementation techniques that may be used by municipalities to effect inclusionary strategies. Third, there is a brief explanation of currently available federal, state and local assistance programs for new housing construction.

##### A. Inclusionary Strategies

Strategies directed to reducing housing costs and increasing the production of lower cost housing via zoning and land use regulations are briefly presented below. Since municipal development regulations affect important housing cost components, these strategies are organized to address: (1) cost of land, (2) cost of land improvements, (3) cost of materials and labor, and (4) pre-development administrative costs and post development carrying charges.

Cost of Land Strategy: Higher Density Housing<sup>28</sup>- If land can be used for higher density housing, the per dwelling unit cost of the land is reduced. The higher the density of housing, the lower the per unit cost of land. For example, an acre of land costing \$10,000 with a higher development density, such as four dwelling units to the acre, has a per unit land cost of \$2,500 ( $\$10,000 \div 4 = \$2,500$ ). This is one-fourth the per unit land cost of the same parcel if developed at a lower density, such as one unit to the acre, i.e., having a per unit land cost of \$10,000 ( $\$10,000 \div 1 = \$10,000$ ). It is desirable, therefore, to allow as high a density as possible, consistent with other objectives. This savings in per unit land costs could theoretically result in lower sales prices or rental costs to the consumer.

26. This discussion is based, in large part, on the report, Housing Handbook for New Jersey Municipalities, Housing Demonstration Program, Division of Housing and Urban Renewal, 1976 and the "701" Housing Element (draft) prepared by the Division of State and Regional Planning, New Jersey Department of Community Affairs, 1977.
27. Inclusionary as used here means any municipal policy, program or regulatory effort to increase opportunities for the production of less costly housing for a greater variety of income groups, i.e., low-moderate-and middle income households.
28. Housing Handbook for New Jersey Municipalities, op. cit., p. 5; see Chapters 3 and 4 of that report for a more extensive discussion of the zoning map and land costs, especially p. 10.

There are severe restrictions on the amount of land zoned for higher density development in the State.<sup>29</sup> If properly implemented, an expanded supply of land developable at higher densities can be affected, thereby increasing the potential for housing production - at lower cost. However, the designation of land for higher density housing will not of itself bring about lower cost housing. In fact, if the land is delineated on the zoning map at a specific higher density, often the reverse will occur because the potential for increased profit will create inflated land prices, and lower cost housing will be priced out. Alternatives for avoiding this situation are discussed in the implementation techniques section.

Cost of Land Improvements Strategy: Design Efficiency, Reducing Excessive Amenities/Facilities Requirements<sup>30</sup> - The pattern in which development takes place directly affects the cost of ancillary roads and utilities. It has been demonstrated that substantial savings in on-site and off-site improvement costs can be achieved through clustering and planned development.<sup>31</sup> The cost of land improvements, which represents an amount about equal to the cost of the land itself, bears a direct relationship to the specifications in subdivision and related ordinances for streets, walks, curbs, utilities, etc. Such specifications should be re-examined to remove unnecessarily costly requirements and to insure that they contain only those requirements needed to protect public health and safety.

It has become customary for ordinances to require certain amenities or facilities to be provided by a developer when higher density housing is built. Some municipalities require dedication of open space, and the developer himself often provides recreational facilities and other amenities as part of development. The costs accruing to these practices are of course passed on to the consumer and must be balanced against the objective of getting lower cost housing.

Cost of Materials/Labor Strategy: Reducing Excessive Requirements<sup>32</sup> - Many municipal ordinances require large minimum floor areas for dwelling units; even when multi-family housing is allowed by ordinance, large minimum room sizes are required. These requirements often are excessive and do not reflect a realistic concern for public health and safety. Unreasonable requirements in this regard only increase the cost of housing via greater materials and labor costs.

29. Land Use Regulations: The Residential Land Supply, op. cit, pp. 10A, 25, 26.

30. Housing Handbook for New Jersey Municipalities, op. cit, p. 5-6.

31. Real Estate Research Corporation, The Costs of Sprawl (Washington, D.C.: Superintendent of Documents, April, 1974).

32. Housing Handbook for New Jersey Municipalities, op. cit, pp. 6, 32-33. In the past, a proliferation of building codes, as well as outmoded requirements, contributed to raising the cost of residential construction. In New Jersey, the implementation of the recently adopted Uniform Statewide Construction Code should result in housing cost savings.

In line with using strategies to reduce materials and labor costs, a municipality might consider allowing the construction of mobile homes or other forms of prefabricated housing. Recent changes in design, standards, regulation, patterns of development and financing warrant serious consideration of mobile homes to supply a portion of a municipality's need for lower cost housing.

The State of New Jersey in 1972 adopted a mobile home construction code, administered by the Department of Community Affairs, which has since been updated. Federal legislation further tightened construction and safety standards for mobile homes. These standards cover plumbing, frame and body construction, heating and electrical systems. The New Jersey Health Code sets minimum standards for mobile home parks, and developers must submit plans to the State Department of Health for approval before construction may begin. Health and safety standards that can be incorporated into local regulatory ordinances have been published by the Environmental Health Service of the U.S. Public Health Service.

The price of mobile homes ranges from \$5,000 to \$15,000 for single-wides to \$8,000 to \$25,000 for double-wides. The average cost of a mobile home in New Jersey is \$10,000 for a standard model (1976). Financing (similar to an automobile loan) is available through banks at about 12 percent for a term of up to 15 years. Mobile homes are also eligible for Federal Housing Administration (FHA), Farmer's Home Administration (FmHA) and Veteran's Administration (VA) loan insurance and guarantee programs. To date, most mobile homes have been sold by mobile home park developers to be placed on a site for which the mobile home owner pays a monthly rental charge that includes taxes, fees and usually water and sewerage charges. Site rentals vary, depending on location in the State and the services and facilities offered.

It is clear from even a cursory look at the cost of mobile homes and site rentals that this form of housing may be within reach of moderate-income families, but not low-income families without some kind of subsidy. Mobile homes are now eligible for federal housing assistance payment programs and FmHA financing. Also, experiments are going on in southern Jersey with non-profit and limited-dividend corporation ownership of mobile home communities to accommodate low-income families. Most of the mobile home communities are in southern Jersey, the shore area and central Jersey. Mobile home parks have usually needed a variance to be developed, however, recently some communities have begun to include provisions for them in their master plans and ordinances. Plainsboro (Middlesex County), for example, in its Master Plan designates a 25-acre parcel of land for 150 to 200 single-unit modular homes. In Spotswood (Middlesex County), the zoning ordinance, as adopted in 1973, creates "M" zones in which mobile home parks are a permitted use and made subject to site plan review. Borough-owned land was auctioned for such a development, and an adult community of 367 homes is under way. The attractive nature of recently built mobile home communities suggests the possibility that they might be included in a planned development or mobile subdivision, with mobile homes clustered on private lots or in a condominium arrangement, using federal or other subsidy for low-income families. The East Windsor Township (Mercer County) ordinance makes mobile homes a permitted use in planned developments. Besides this type of housing, other forms of lower cost housing might be allowed via inclusionary ordinances, e.g., modular units or other types of prefabricated dwellings. As with mobile homes, these forms of lower cost housing would have to meet all required code standards to insure public health and safety.

Other Strategies: Reducing Administrative and Carrying Charge Costs<sup>33-</sup>

Very often responsibility for administering land-use controls is divided among several municipal agencies, requiring the applicant to go back and forth from one agency to another before development proposals are approved. Criteria for approval may be vague, resulting in delays which increase the applicant's costs. To avoid such delays and to provide equitable treatment of applicants, administration should, whenever possible, be vested in a single public agency, and the system of approvals should be clearly spelled out. With construction costs constantly rising, extended delays can raise the final cost of the housing built. The Municipal Land Use Law, which became effective August 1, 1976, addresses some of these problems by simplifying the process of development approval. For example, a request for a use variance involving a site plan can now be handled by a single agency, whereas past practice required two agencies, i.e., planning board and board of adjustment, to grant approval.

Although municipalities do not have the power to influence many of the costs associated with overhead, they can directly affect the amount of taxes to be paid by a development once it is built. Tax abatement (total or partial) may be granted by municipalities for qualified low-and moderate-income units. A common practice for a municipality has been to require a small percentage of the total rent receipts of a qualified development in lieu of taxes, e.g., 15 percent of rent receipts. And to the extent that excessive amenities and facilities are required by municipal ordinances, the carrying charges of residential developments will be inflated after development is complete. Municipal actions to reduce taxes on qualified developments and carrying charges can lower housing costs and increase housing opportunities for a greater variety of income groups.

B. Implementing Inclusionary Strategies<sup>34</sup>

In the past, opportunities for lower cost housing, e.g., multi-family units, in developing areas of New Jersey typically were affected through use of variances or rezoning of selected sites. A use variance is granted by a municipal Board of Adjustment for a use not permitted in a district in which it is sought, provided there are "special reasons for granting the variance" and that it can be granted "without substantial detriment to the public good" and will not impair the intent and purpose of the zone plan and zoning ordinance."<sup>35</sup> It is through the use variance that most of the multi-family housing in suburban New Jersey has been provided in the past.<sup>36</sup> While many such

33. Ibid., p. 6.

34. Ibid., pp. 7-10.

35. Subsection 57d and Section 8 of the Municipal Land Use Law, P.L. 1975, c. 291 (c.40:550-1 et seq.), effective August 1, 1976.

36. See Multi-family Housing and Suburban Municipalities, draft document, New Jersey County and Municipal Study Commission, October 1973, Chapter 7, especially Table 7-5.

variances appear to be legally invalid, they have survived for lack of a challenge. Likewise, site-specific zoning, sometimes referred to as "spot-zoning", is a device by which specific sites for residential or multi-family uses are rezoned in response to individual development proposals and may be declared illegal by the courts if found to be an unreasonable exercise of zoning power. However, use variances and site-specific zoning can be effective ways to implement inclusionary strategies, at least in the short-term, if applied in a manner consistent with a housing policy which clearly reflects a municipality's willingness to receive proposals for lower costs housing.

Today, the Municipal Land Use Law allows a zoning ordinance to implement the housing policy of a municipal master plan by providing for specific implementative mechanisms and land regulations required to effectuate that policy. Described below are some basic zoning and land use tools that can help a municipality implement its inclusionary strategies and progress toward meeting housing allocations and in-place housing needs.

Incentive Zoning - This technique offers a developer economic incentives through the relaxation of various restrictions of an ordinance in exchange for certain public benefits, such as lower cost housing or open space. A major incentive would be in the form of a density bonus -- that is, an increase in overall housing density in return for the provision of a certain number of lower cost units. This can be an important component of an inclusionary ordinance to increase the economic feasibility of lower-cost units, while avoiding a charge of "taking" property without just compensation.

Mandatory Requirement - One of the provisions of an inclusionary ordinance may be the requirement that developers include a minimum amount, i.e., number or percentage, of subsidized or lower cost housing in their developments. The requirement may or may not be accompanied by a density bonus or other incentives. There are various ways in which this mandatory requirement may be satisfied. Some ordinances require that the below-market units be subsidized by government subsidy programs and exempt the developer if government funds are not available. Others allow the requirement to be met with or without government subsidy. Still others consider the requirement met if the developer makes land available to a public housing authority or non-profit housing sponsor for housing to be built by them with government funds.

Conditional Use<sup>37</sup> - The conditional use technique, in the framework of conventional zoning with mapped districts, has been widely used to permit churches, schools, country clubs, etc. in residential districts. The zoning ordinance authorizes a particular use under predetermined stated conditions, in zoned areas where that use would not otherwise be permitted. Although the conditional use concept has been utilized previously in terms of particular uses, the concept is broad enough to accommodate a mixture of housing types and other uses as well. Such conditional use in a low-density residential

37. See Section 54 and Section 3 of the Municipal Land Use Law.



district might be multi-family lower cost housing or a multi-family development that includes a percentage of lower cost housing, with or without an added density bonus. Criteria for the granting of such conditional uses should be clearly spelled out.

Mapped Special District - This is similar to conventional mapped districts but with more detailed goals. For example, a special district might be created to mix townhouses and apartments and/or to require a percentage of low-and moderate- income housing. Or a district could be created to provide maximum flexibility for obtaining a range of multi-family housing based on broad design characteristics, with each proposal examined as it arises for its merits and compatibility with adjacent residential areas. (This technique differs from site-specific or "spot" zoning in that it is not responsive to existing development proposals).

Planned Development (PD)<sup>38</sup>-The American Society of Planning Officials defines Planned Development as:

"...a land development project comprehensively planned as an entity via a unitary site plan which permits flexibility in building sites, mixtures of housing types and land uses, usable open spaces, and the preservation of significant natural features...A site plan review process, guided by a combination of specific design standards and performance criteria, replaces the self-executing ordinance. Administrative discretion and negotiation are increased as well as opportunities for development incentives."

Planned Development differs from conventional districting in that it regulates use of whole tracts rather than individual lots. This concept is well-suited to implement an inclusionary strategy: it can accommodate a mix of housing types; it may be mapped or unmapped or it may include density bonus incentives in exchange for lower-income housing and/or mandatory requirements for low-and moderate-income units.<sup>39</sup>

<sup>38</sup>. See Subsection 52d, Subsection 29.1b and c and Section 3.3 of the Municipal Land Use Law.

<sup>39</sup>. The differences between PD and conditional use under the new Municipal Land Use Law are essentially as follows: PD must include residential clusters with common open space. This open space can be either maintained by an association or dedicated to the municipality. The planning board must also make certain specific fundings required by the statute before approving a PD. PD also permits the timing of development within a particular PD. There are no such requirements for a conditional use.

In choosing an appropriate implementation mechanism for those listed above, communities should bear in mind the warning of many zoning authorities that mapping of districts for multi-family housing may jeopardize the possibility of lower cost housing in those districts. If only a limited number of sites are zoned for multi-family uses, market pressures will tend to drive up the price of such raw land and make those sites too expensive for lower cost housing. Under such conditions, high cost housing might be likely to be built where lower cost housing or a mix of housing types were desired.

The techniques for implementing inclusionary zoning strategies described above provide a reasonable choice of tools and provide sufficient flexibility in their application for municipalities that wish to increase housing opportunities. Regardless of their individual circumstances, municipal planning and elected officials can begin to investigate these techniques as a first step in addressing housing allocations and in-place housing needs. These techniques can increase the chances for expanded housing production of lower cost housing. Applied properly, they can assist in carrying out long-term municipal housing policies. The next section describes what further steps a municipality can take to encourage or to make the construction of lower cost housing not merely a possibility, but a reality.

#### C. Housing Assistance Programs

Municipal planning officials, elected officials and the public may seek to, and can, improve the possibilities for construction of desired housing beyond selecting inclusionary zoning and land use strategies and implementation techniques.<sup>40</sup> They can require or encourage housing developers and sponsors to provide lower cost housing consistent with inclusionary policies through one or more of the several federal, state and local programs that provide financial assistance for new housing construction - primarily housing that benefits low-and moderate-income households.

Brief descriptions of these programs are provided below. It should be noted, again, that while such programs may be utilized in conjunction with or subsequent to inclusionary zoning and land use practices, they are just as applicable in meeting in-place housing needs of municipalities. In this sense, they are appropriate for central cities, older urban suburbs and small urban municipalities, e.g., boroughs, that received little or no adjusted allocation figures in this report but who, nonetheless, have large or burdensome in-place housing needs.

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40. In the Mount Laurel case, op. cit., it was noted that, "Courts do not build housing nor do municipalities", but the Court did acknowledge and suggest that municipalities pursue "additional action" encouraging fulfillment of fair-share housing responsibilities, besides appropriate zoning ordinance amendments. Indeed, the Court went so far as to suggest that a municipality had a moral obligation to establish a local housing authority to meet selected residential housing needs, p. 192.

# 1. Federal Programs <sup>41</sup>

The Housing and Community Development Act (HCDA) of 1974, as amended, is the basis for most federal housing assistance efforts. Two sections of the Act provide funding and administration of financial assistance programs directed to increasing housing opportunities. They are: Title I, Community Development and Title II, Housing Assistance and Related Programs.

Community Development (Title I) - This part of the HCDA replaced previous federal programs, e.g., model cities, urban renewal, rehabilitation homes, etc. by a consolidated program of block grants from the federal government to qualified municipalities. These grants are intended to give municipal officials flexibility and freedom to design a more closely related community development and housing program. Two activities eligible for Title I funds include:

1. The acquisition of real property, e.g., blighted, deteriorated, deteriorating, underdeveloped, or inappropriately developed land, etc., and
2. The acquisition, construction, reconstruction, or installation of public works, facilities and site or other improvements.

Inasmuch as funding acquisition of land suggests the possibility of a community's acquiring, in advance, sites for lower cost housing, there is an important relationship to municipal inclusionary policies. Likewise the possibility to finance public works infrastructure, e.g., sewers, water lines, utilities, streets, etc. and ancillary facilities for lower cost housing could be a direct action available to municipalities.

Housing Assistance and Related Programs (Title II) - While there are various direct federal housing assistance programs, a major program of the HCDA of 1974 was a rental subsidy program - Section 8 - which replaced previous federal programs that financed housing production through direct federal loans and mortgage interest payments. It is now the primary vehicle for federal housing assistance.

Section 8 - This program provides rental housing assistance payments to owners of residences for eligible households. Housing assistance can extend to owners of new, existing and substantially rehabilitated housing including mobile homes. The Department of Housing and Urban Development (HUD) administers this program which sets the amount of housing assistance to owners as the difference between "fair-market" rents and what the eligible household can actually afford. For very low-income families, as defined by HUD, it is the difference between "fair-market" rents and 15 percent of the monthly income and for other lower-income families the difference between "fair-market" rents and 15 to 25

<sup>41</sup> . See the Housing Handbook For New Jersey Municipalities, op. cit., for detailed explanations of these selected federal housing assistance programs, pp. 17-24.

percent of their monthly income. While the municipality can require or encourage a developer to utilize this assistance in a development, all administrative aspects of the Section 8 program are the responsibility of HUD and the owner; however, the owner may contract with a local public housing agency or other administrative entity to have these services performed.

A variety of financing arrangements for new construction can be used in tandem with Section 8 housing assistance payments by a developer seeking this arrangement with HUD. These include: conventional loans from traditional lenders, direct federal loans under other assistance programs, e.g., Section 202 direct loan programs for housing elderly or handicapped persons; other federally insured loans, e.g., public housing, state housing finance agency loan and loans for development through tax-exempt lands or other obligations. Used together, a combination of the Section 8 housing assistance payment and other programs can further reduce the housing costs to households, provide developers with economic incentives to build such housing and, in turn, programs toward fulfilling municipal inclusionary policies. Some other major federal housing assistance programs that a developer may utilize are briefly described below.

Public Housing - This is the traditional public housing program under which local housing authorities sell bonds to pay for construction of multi-family units, and the federal government pays the principal and interest on those bonds, thereby reducing financing costs of housing by the local authority. Moreover, the federal government subsidizes the operating costs of this housing by paying the difference between annual operating costs and 25 percent of tenants' income. This allows reduction of rents below actual costs so that lower income tenants will not have to pay over 25 percent of their income for rent.

Section 202 Housing - This is a direct loan program for housing elderly or handicapped persons. It provides long-term, permanent financing by the federal government for the construction of this type of housing by non-profit sponsors. Since these federal loans are made at interest rates more favorable than market conditions, housing financing costs can be reduced. Moreover, this arrangement can be combined with the Section 8 rental subsidies previously described to further reduce housing costs to occupants and encourage non-profit organizations to sponsor such housing.

Section 235 - This program provides a subsidy to assist moderate-income households to purchase newly constructed, rehabilitated or existing family units. By combining a variable interest rate reduction subsidy with an extended loan term, lower downpayment, and an interest deductibility subsidy for homeowners, housing costs can be effectively reduced. In new subdivisions, no more than 40 percent of units may be subsidized. The subdivisions are available for rehabilitated housing and new townhouses, cooperatives, condominiums, as well as conventional single-family detached homes. The developer or housing sponsor of a subdivision would have to contact HUD offices (Newark or Camden) to determine the eligibility of their particular development.

Section 236 - This program provides a subsidy similar to 235, but it applies to rental units. It can cover up to 100 percent of a mortgage loan to non-profit housing sponsors, and, when combined with a state housing finance agency mortgage, can reduce the interest rate to as low as 1 percent.

Farmers Home Administration (FmHA) - This agency makes loans in rural areas to private, public, and non-profit agencies to finance homes. Funds may be used to build and rehabilitate rural homes and related facilities. The agency's program emphasis is on new construction of modest character. These include:

- Aid for construction of rental or cooperatively owned housing for elderly and low/moderate-income families with long-term loans at subsidized interest rates;
- Building site loans to non-profit organizations to buy, develop and sell home sites on a non-profit basis; and
- Self-help loans to groups of low-income rural families who work together on construction of their homes to reduce cash cost.

FmHA also makes loans to public or private non-profit organizations for the acquisition and development of land or building sites to be subdivided and sold to families, non-profit organizations, public agencies, and cooperatives that are eligible for any other federal subsidy programs. For the municipalities in rural areas in the State, these programs, if encouraged, could increase opportunities for desired housing to meet their housing allocation and/or in-place needs.

## 2. State Programs<sup>42</sup>

The State initiates, sponsors or supports many varied efforts to improve housing conditions throughout New Jersey. These efforts range from direct housing construction financing to indirect housing technical advisory services, from meeting immediate shelter needs to long-range planning for these needs, and from eliminating housing problems in selected municipalities and neighborhoods to effecting solutions on a statewide basis. The programs aimed at increasing new housing production are emphasized and briefly described, and there are also brief descriptions of state programs suitable for redevelopment and preservation efforts to meet in-place housing needs.

New Jersey Housing Finance Agency (HFA) - This is the major state program used to increase the production of lower cost housing in New Jersey. HFA achieves this by selling tax-exempt revenue bonds and using the proceeds to make low interest loans to limited-dividend and non-profit sponsors for the construction or

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42. For detailed explanations of these programs, see "701" Housing Element, op. cit., Part II.

rehabilitation of housing for rent or cooperative ownership by low-and moderate-income families. Loans cover construction and long-term permanent financing of housing and related facilities. Non-profit groups may borrow up to 100 percent of development costs, and limited-dividend sponsors may borrow up to 90 percent. After preliminary applications and site selections have been approved by the Agency, more detailed planning for development can begin. Non-profit sponsors are eligible for pre-construction development loans ("seed-money" loans) to cover the initial architectural, legal and consultant work and can include money for land options. These pre-construction loans are paid back when permanent mortgage financing is made available. Typically, a proposed project will be a high-rise elevator building for senior citizens, a garden apartment structure for families or townhouses for either families or the elderly. To service the tenants, the Agency can finance the construction of schools, stores, community meeting facilities, day-care centers, etc. Before the Agency can proceed with the processing of an application, a resolution of need for low-and moderate-income housing must be approved by the local governing body. Zoning variances are frequently required, and municipalities are asked to accept annual payments in lieu of taxes. In the past the Agency frequently used federal Section 236 mortgage loan interest payments in many of its projects, and it also now employs the Section 8 rental subsidy program in its developments to further reduce the cost of housing to occupants.

In addition to the production of new housing, the Agency more recently has encouraged and initiated rehabilitation of existing housing units to improve the environment immediately surrounding some of its new housing developments, thereby removing a potentially blighting influence.

New Jersey Mortgage Finance Agency - This agency was created to increase the availability of mortgage and home improvement loans to residents of the State. Originally the Agency sold tax-exempt bonds and placed the proceeds with lending institutions who, in turn, made mortgage loans at "below-market" rates. Today, MFA administers a Neighborhood Loan Program (NLP) which encourages homeownership in viable urban areas. The NLP is a cooperative effort of federal, state and local government and private industry whereby the Agency sells tax-exempt bonds and creates a pool of funds with the proceeds to purchase mortgage loans originated by lenders who have entered into commitments to originate and sell NLP loans to the Agency. While the primary emphasis for this program is to encourage the purchase of existing housing, the program can provide permanent financing for new residential construction and, as such, may be applicable to urban municipalities which have received adjusted zoning and land use allocations. In most urban areas of the State, construction of new one-to-four family units is at a standstill for many reasons, including the high cost of land. If land costs were reduced through use of city-owned parcels of land, written down through the urban renewal process, the Agency would consider purchasing mortgages for development of one or two-family buildings or townhouse-condominium type units. Such developments could be built in conjunction with federal housing subsidies for low-and moderate-income housing or could be market housing on an "infill" or larger scale basis. Such an effort could expand housing opportunities and eventually increase the tax base of the municipalities involved.

Housing Demonstration Program - This program, administered by the Department of Community Affairs, allows state government to test solutions for eradicating urban deterioration and meet the need for new housing for low-and moderate-income families. Although the current emphasis is on neighborhood preservation, a Housing Handbook For New Jersey Municipalities has been funded and published by the program and is a practicable resource for municipal planning officials, elected officials and public interests in effecting inclusionary housing policies. In addition, two demonstrations (South Brunswick, Princeton Borough/Township), which sought to identify new inclusionary zoning, land use and development strategies for increasing housing opportunities, are especially relevant to municipal planners and consultants faced with suggesting inclusionary land use alternatives.

However, the primary direction of the Housing Demonstration Program currently is neighborhood preservation, and as such, may be particularly applicable in those municipalities with burdensome in-place housing, who now choose to pursue a course of urban revitalization short of new construction. This program has funded pilot neighborhood preservation demonstrations in twelve New Jersey cities which, when completed, will assist over 15,000 dwelling units. Recently, a statewide neighborhood preservation grant program was initiated for municipalities throughout the State eligible to apply for funds. The goal in this latest effort is to provide a more comprehensive form of neighborhood assistance, e.g., repair loans, public improvement, technical assistance and related consumer services, but sufficiently concentrated in selected neighborhoods to have the greatest possible beneficial impact. Although the first series of applications has already been received for the modest funds that this program can provide, it is one more resource a municipality may investigate when developing local housing policies.

Related State Programs - In addition to the state programs which directly increase housing opportunities, there are several other state resources that can provide indirect forms of assistance in meeting housing allocations, in-place housing needs and other housing problems. Practically all of them are administered by the Department of Community Affairs and include:

- The New Jersey Mortgage Finance Agency's Home Improvement Loan Program, for homeowners and landlord/tenants, which uses a combination of agency, private, federal, state, county and local funds.
- The State/Local Cooperative Housing Inspection Program which promotes efficient, regular housing inspection programs under the New Jersey Hotel and Multiple Dwelling Law, that also provides for the regulation of construction and maintenance of this ofrm of housing.
- The Uniform Construction Code activities which promulate regulations to achieve quality new housing and, as a result, insure less costly maintenance and the preservation of housing stock in the future.
- The Division on Aging's program of technical assistance and informational and advisory services designed to meet the housing needs of the non-institutionalized elderly, with emphasis on low-and moderate-income persons.

-The Division of Housing and Urban Renewal's management, technical assistance and advisory services directly related to housing, including: advice on limited-dividend and non-profit housing corporations, advice on local housing authorities and re-development agencies, administration of relocation assistance payments to displaced families or persons and administration of a rental/housing assistance effort for existing units in cooperation with the federal government.

### 3. Municipal Programs<sup>43</sup>

Tax Abatement - Mentioned previously, this is the most common form of municipal subsidy for low-and moderate-income housing. Public housing is by federal law exempt from paying local property taxes and pays instead an amount equal to 10 percent of the yearly gross shelter rents. Tax abatement has often been granted by municipalities for New Jersey Housing Finance Agency development and housing assisted by federal programs. These local efforts to reduce property taxes are passed on to the occupants of assisted housing in the form of lower housing costs.

Land Acquisition - It was previously suggested that a municipality might acquire sites with a federal community development grant or with regular municipal funds and transfer such sites at reduced or no cost to another public entity for development of lower cost housing.<sup>44</sup>

4. Other Assistance Devices - Besides governmentally sponsored housing assistance programs and efforts, there are other devices available to housing developers and sponsors to cut housing costs. These include:

Leasehold Mortgage Financing - This is a method by which a ground lease permits land to continue under the ownership of one party while another retains the right to use the property and own the improvements placed on it. Under such an arrangement, a housing developer would pay ground rent for use of the land and obtain a leasehold mortgage to build housing on it, based on the independent value resulting from the operating income of that housing.

Several advantages accrue to a developer in this type of arrangement. The developer needs to borrow only the funds required to construct the project. If the landowner agrees to allow his land to serve as additional security for the mortgage, the developer may be able to get a larger loan and be able to provide a more extensive project. In addition, for profit-making and limited-dividend developers, ground rent payments are fully deductible for tax purposes, while under outright purchase of land, only the interest portion is deductible. Again, these savings can be translated into lower housing costs for occupants.

43. Housing Handbook For New Jersey Municipalities, op. cit., pp. 26-28.

44. The Township of Parsippany-Troy Hills and Borough of Somerville are now in the process of attempting to effect this type of arrangement for lower cost housing sponsors.



Internal Subsidy - Here a developer provides his own, or "internal" subsidy, by taking advantage of economies of scale, higher density and skewed rents and prices to produce a development that includes moderately priced units. In an inclusionary ordinance, required low-and moderate-income housing units might be provided if the developer is given sufficient incentives, e.g., density bonuses, to do so. It is possible to allow the developer to use the increased land value which occurs when approval is granted for higher density development on land that already has been purchased under low-density zoning.

As discussed under land costs, the developer, under these conditions, will be able to build more units at a given land cost so his per unit land costs, as well as other per unit costs, will be substantially reduced. While this allows the developer a larger profit from his development as a whole, or a result of municipal action allowing higher densities, etc., some of this profit presumably can be captured and applied as a subsidy for lower-cost units. This can only occur if the developer does not have to pay inflated prices for land. Thus, it is important, if a municipality seeks this type of internal subsidy, that higher density areas not be designated or mapped.<sup>45</sup>

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45. For a detailed discussion of this approach, see The Princeton Housing Proposal: A Strategy to Achieve Balanced Housing Without Government Subsidy, Housing Demonstration Program, Division of Housing and Urban Renewal, Department of Community Affairs, May, 1977.

## V. CONCLUSION

This report has presented a revised statewide housing allocation plan for New Jersey. This plan responds to the directive of Executive Order No. 46 and is based on a review and modification of the preliminary draft housing allocation plan which was prepared for public discussion in November of 1976 under the mandate of Executive Order No. 35.

This plan has been designed to provide each municipality in the State with guidelines for the proper evaluation of its housing programs and land use regulations. These guidelines are presented in this plan by an enumeration of existing (1970) and prospective housing needs (1970-1990) of low-and moderate-income households in New Jersey and by a regional allocation of these needs to each municipality.

The adjusted allocations, i.e., those needs in excess of 1970 (present) housing need originating in a municipality, have been evaluated in terms of state planning objectives as formulated by the Division of State and Regional Planning in the preliminary State Development Guide Plan. The recommendations for land use as set forth in the Guide Plan were employed to suggest that the implementation of the adjusted housing allocation be deferred in those municipalities where such growth should not be encouraged because of the need to preserve these areas as prime farmland and open space.

This report has also presented a discussion on how each municipality can provide the housing opportunities to meet its allocation. More specifically, this report addresses: (1) inclusionary strategies which municipalities can pursue to move toward the goal of expanding housing opportunities by reducing housing costs and increasing development possibilities for lower cost housing; (2) implementation techniques that may be used by municipalities to effect inclusionary strategies; and (3) federal, state and local assistance programs currently available for new housing construction.

It has not been the intention of this report to imply or suggest that there can be a standard response equally applicable to all municipalities. There are wide differences among municipalities in terms of housing composition, location, land availability, recent efforts to accommodate housing needs, and local circumstances. Obviously, each municipality will need to devise specific solutions best suited to its own situation, but each should strive to provide a favorable climate for the construction of low-and moderate-income housing. Moreover, it would appear that regardless of the size of the housing goal allocated to each municipality, every municipality has the obligation to seek to remove exclusionary practices which act as artificial barriers to the achievement of equal opportunity for all income groups. It is hoped that this report will facilitate initiatives in this regard.

REGION 11	UNADJUSTED HOUSING ALLOCATION					ADJUSTED HOUSING ALLOCATION					RESULTING HOUSING ALLOCATION	
	1	2	3	4	5	6	7	8	9	10	11	12
Morris COUNTY												
MUNICIPALITY	1970 Housing Need *	Allocation of 1970 Housing Need	Diff-erence Col. 2 - Col. 1	Allocation of Pros-pective Housing Need (1970-1990)	Unad-justed Housing Allo-cation Col. 3 + Col. 4 **	Develop-ment Limit	Allo-cation Based on Develop-ment Limit	Units Not Allocated Col. 5 - Col. 7	Redistri-bution of Units not Allocated	Adjusted Housing Allo-cation Col. 7 + Col. 9	Indi-genous Share of 1970 Housing Needs Col. 1 or Col. 2 ***	Resulting Allo-cation Col. 10 + Col. 11
Mendham	48	105	57	745	802	Adequate	802		303	1,105	48	1,153
Mine Hill	98	104	6	124	130	Adequate	130		50	180	98	278
Montville	225	313	88	779	867	Adequate	867		328	1,195	225	1,420
Morris	198	509	311	1,313	1,624	Adequate	1,624		614	2,238	198	2,436
Morris Plains	137	160	23	478	501	Adequate	501		190	691	137	828
Morristown	709	662	(-47)	820	820	148	148	672	0	148	662	810
Mountain Lakes	39	119	80	165	245	Adequate	245		93	338	39	377
Mount Arlington	75	113	38	59	97	Adequate	97		37	134	75	209
Mount Olive	197	294	97	1,377	1,474	Adequate	1,474		557	2,031	197	2,228
Netcong	76	89	13	28	41	Adequate	41		16	57	76	133
Parsippany-												
Troy Hills	959	1,657	698	2,240	2,938	Adequate	2,938		1,110	4,048	959	5,007
Passaic	109	211	102	591	693	Adequate	693		262	955	109	1,064
Pequannock	258	384	126	351	477	Adequate	477		181	658	258	916
Randolph	236	417	181	1,152	1,333	Adequate	1,333		504	1,837	236	2,073
Riverdale	73	82	9	99	108	Adequate	108		41	149	73	222
Rockaway	203	194	(-9)	221	221	Adequate	221		84	305	194	499
Rockaway Twp.	436	533	97	1,611	1,708	Adequate	1,708		646	2,354	436	2,790
Roxbury	347	460	113	1,007	1,120	Adequate	1,120		423	1,543	347	1,890

\* Includes dilapidated, overcrowded and needed vacant units, only.

\*\* Negative numbers in Column 3 are treated as zeroes.

\*\*\* A municipality's share of 1970 Housing Needs originating within the municipality itself.

REGION 11	UNADJUSTED HOUSING ALLOCATION					ADJUSTED HOUSING ALLOCATION					RESULTING HOUSING ALLOCATION	
	1	2	3	4	5	6	7	8	9	10	11	12
Morris COUNTY												
MUNICIPALITY	1970 Housing Need *	Allocation of 1970 Housing Need	Diff-erence Col. 2 - Col. 1	Allocation of Pro-spective Housing Need (1970-1990)	Unad-justed Housing Allo-cation Col. 3 + Col. 4 **	Develop-ment Limit	Allo-cation Based on Develop-ment Limit	Units Not Allocated Col. 5 - Col. 7	Redistri-bution of Units not Allocated	Adjusted Housing Allo-cation Col. 7 + Col. 9	Indi-genous Share of 1970 Housing Needs Col. 1 or Col. 2 ***	Resulting Allo-cation Col. 10 + Col. 11
Victory Gardens	61	29	(-32)	6	6	0	0	6	0	0	29	29
Washington	152	213	61	1,473	1,534	Adequate	1,534		580	2,114	152	2,266
Wharton	176	177	1	142	143	0	0	143	0	0	176	176
TOTAL	8,129	11,365	+3,402 -168	24,297	27,701		25,751	1,374	9,742	36,069	8,272	44,341

\* Includes dilapidated, overcrowded and needed vacant units, only.

\*\* Negative numbers in Column 3 are treated as zeroes.

\*\*\* A municipality's share of 1970 Housing Needs originating within the municipality itself.

APPENDIX A

Resulting Housing Allocation

Region 1 - Atlantic County	Region 6 - Monmouth County
Region 2 - Cape May County	Region 7 - Ocean County
Region 3 - Cumberland County	Region 8 - Salem County
Region 4 - Hunterdon County	Region 9 - Sussex County
Region 5 - Mercer County	Region 10 - Warren County

Region 11

Bergen County	Morris County
Essex County	Passaic County
Hudson County	Somerset County
Middlesex County	Union County

Region 12

Burlington County  
Camden County  
Gloucester County

REGION 7	UNADJUSTED HOUSING ALLOCATION					ADJUSTED HOUSING ALLOCATION					RESULTING HOUSING ALLOCATION	
	1	2	3	4	5	6	7	8	9	10	11	12
Ocean COUNTY												
MUNICIPALITY	1970 Housing Need *	Allocation of 1970 Housing Need	Diff-erence Col. 2 - Col. 1	Allocation of Pro-spective Housing Need (1970-1990)	Unad-justed Housing Allo-cation Col. 3 + Col. 4 **	Develop-ment Limit	Allo-cation Based on Develop-ment Limit	Units Not Allocated Col. 5 - Col. 7	Redistri-bution of Units not Allocated	Adjusted Housing Allo-cation Col. 7 + Col. 9	Indi-genous Share of 1970 Housing Needs Col. 1 or Col. 2 ***	Resulting Allo-cation Col. 10 + Col. 11
Mantoloking	4	11	7	734	741	0	0	741	0	0	4	4
Ocean	58	113	55	747	802	Adequate	802		211	1013	58	1071
Ocean Gate	43	50	7	35	42	Adequate	42		11	53	43	96
Pine Beach	33	49	16	106	122	Adequate	122		6	128	33	161
Plumsted	170	121	(-49)	539	539	Adequate	539		142	681	121	802
Point Pleasant	427	523	96	2492	2583	1072	1072	1516	0	1072	427	1499
Point Pleasant Beach	120	187	67	624	691	0	0	691	0	0	120	120
Seaside Heights	57	49	(-8)	820	820	0	0	820	0	0	49	49
Seaside Park	41	88	47	279	326	0	0	326	0	0	41	41
Ship Bottom	25	39	14	240	254	0	0	254	0	0	25	25
South Toms River	207	95	(-112)	157	157	0	0	157	0	0	95	95
Stafford	117	165	48	1266	1314	Adequate	1314		346	1660	117	1777
Surf City	23	110	87	120	207	0	0	207	0	0	23	23
Tuckerton	63	117	54	430	484	Adequate	484		127	611	63	674
Barneгат	43	54	11	197	203	0	0	208	0	0	43	43
TOTAL	7153	7150	+1272 -1272	32820	34092		27231	6861	6861	34092	5880	39972

\* Includes dilapidated, overcrowded and needed vacant units, only.

\*\* Negative numbers in Column 3 are treated as zeroes.

\*\*\* A municipality's share of 1970 Housing Needs originating within the municipality itself.

REGION 9	UNADJUSTED HOUSING ALLOCATION					ADJUSTED HOUSING ALLOCATION					RESULTING HOUSING ALLOCATION	
	1	2	3	4	5	6	7	8	9	10	11	12
Sussex COUNTY												
MUNICIPALITY	1970 Housing Need *	Allocation of 1970 Housing Need	Diff-erence Col. 2 - Col. 1	Allocation of Pro-spective Housing Need (1970-1990)	Unad-justed Housing Allo-cation Col. 3 + Col. 4 **	Develop-ment Limit	Allo-cation Based on Develop-ment Limit	Units Not Allocated Col. 5 - Col. 7	Redistri-bution of Units not Allocated	Adjusted Housing Allo-cation Col. 7 + Col. 9	Indi-genous Share of 1970 Housing Needs Col. 1 or Col. 2 ***	Resulting Allo-cation Col. 10 + Col. 11
Andover	27	20	(-7)	182	182	Adequate	182		15	197	20	217
Andover Twp.	69	69	0	250	250	Adequate	250		20	270	69	339
Branchville	13	26	13	118	131	124	124	7		124	13	137
Byram	116	102	(-14)	189	189	Adequate	189		15	204	102	306
Frankford	73	62	(-11)	266	266	Adequate	266		22	288	62	350
Franklin	119	114	(-5)	233	233	Adequate	233		19	252	114	366
Fredon	22	35	13	137	150	Adequate	150		12	162	22	184
Green	25	33	8	118	126	Adequate	126		10	136	25	161
Hamburg	43	46	3	73	76	Adequate	76		6	82	43	125
Hampton	51	51	0	164	164	Adequate	164		13	177	51	228
Hardyston	124	85	(-39)	179	179	Adequate	179		15	194	85	279
Hopâtcong	255	228	(-27)	265	265	Adequate	265		22	287	228	515
Lafayette	33	29	(-4)	97	97	Adequate	97		8	105	29	134
Montague	30	32	2	108	110	Adequate	110		9	119	30	149
Newton	234	201	(-33)	376	376	Adequate	376		31	407	201	608
Ogdensburg	45	51	6	113	119	0	0	119		0	45	45
Sandyston	35	38	3	69	72	Adequate	72		6	78	35	113
Sparta	153	264	111	504	615	Adequate	615		50	665	153	818

\* Includes dilapidated, overcrowded and needed vacant units, only.

\*\* Negative numbers in Column 3 are treated as zeroes.

\*\*\* A municipality's share of 1970 Housing Needs originating within the municipality itself.

REGION 9	UNADJUSTED HOUSING ALLOCATION					ADJUSTED HOUSING ALLOCATION					RESULTING HOUSING ALLOCATION	
	1	2	3	4	5	6	7	8	9	10	11	12
Sussex COUNTY												
MUNICIPALITY	1970 Housing Need *	Allocation of 1970 Housing Need	Diff-erence Col. 2 - Col. 1	Allocation of Pro-spective Housing Need (1970-1990)	Unad-justed Housing Allo-cation Col. 3 + Col. 4 **	Develop-ment Limit	Allo-cation Based on Develop-ment Limit	Units Not Allocated Col. 5 - Col. 7	Redistri-bution of Units not Allocated	Adjusted Housing Allo-cation Col. 7 + Col. 9	Indi-genous Share of 1970 Housing Needs Col. 1 or Col. 2 ***	Resulting Allo-cation Col. 10 + Col. 11
Stanhope	84	66	(-18)	89	89	Adequate	89		7	96	66	162
Stillwater	62	66	4	172	176	Adequate	176		14	190	62	252
Sussex	68	59	(-9)	281	281	16	16	265		16	59	75
Vernon	134	146	12	711	723	Adequate	723		58	781	134	915
Walpack	13	14	1	142	143	Adequate	143		12	155	13	168
Wantage	116	109	(-7)	337	337	Adequate	337		27	364	109	473
TOTAL	1,944	1,946	+174 -174	5,173	5,349		4,958	391	391	5,349	1,770	7,119

\* Includes dilapidated, overcrowded and needed vacant units, only.

\*\* Negative numbers in Column 3 are treated as zeroes.

\*\*\* A municipality's share of 1970 Housing Needs originating within the municipality itself.



REGION 11	UNADJUSTED HOUSING ALLOCATION					ADJUSTED HOUSING ALLOCATION					RESULTING HOUSING ALLOCATION	
	1	2	3	4	5	6	7	8	9	10	11	12
Essex COUNTY												
MUNICIPALITY	1970 Housing Need *	Allocation of 1970 Housing Need	Diff-erence Col. 2 - Col. 1	Allocation of Pros-pective Housing Need (1970-1990)	Unad-justed Housing Allo-cation Col. 3 + Col. 4 **	Develop-ment Limit	Allo-cation Based on Develop-ment Limit	Units Not Allocated Col. 5 - Col. 7	Redistri-bution of Units not Allocated	Adjusted Housing Allo-cation Col. 7 + Col. 9	Indi-genous Share of 1970 Housing Needs Col. 1 or Col. 2 ***	Resulting Allo-cation Col. 10 + Col. 11
Belleville	1,000	1,148	148	313	461	0	0	461	0	0	1,000	1,000
Bloomfield	1,413	1,817	404	578	982	0	0	982	0	0	1,413	1,413
Caldwell	208	305	97	125	222	Adequate	222		82	304	208	512
Cedar Grove	200	369	169	306	475	Adequate	475		180	655	200	855
East Orange	3,702	2,952	(-750)	654	654	0	0	654	0	0	2,952	2,952
Essex Fells	11	71	60	113	173	Adequate	173		23	196	11	207
Fairfield	117	178	61	1,547	1,608	Adequate	1,608		608	2,216	117	2,333
Glen Ridge	113	242	129	139	268	0	0	268	0	0	113	113
Irvington	2,230	2,400	170	397	567	0	0	567	0	0	2,230	2,230
Livingston	332	804	472	1,525	1,997	Adequate	1,997		755	2,752	332	3,084
Maplewood	426	791	365	717	1,082	0	0	1,082	0	0	426	426
Millburn	271	686	415	1,254	1,669	Adequate	1,669		159	1,828	271	2,099
Montclair	1,358	1,495	137	613	750	0	0	750	0	0	1,358	1,358
Newark	23,257	12,823	(-10,434)	1,312	1,312	0	0	1,312	0	0	12,823	12,823
North Caldwell	61	156	95	182	277	Adequate	277		104	381	61	442
Nutley	761	1,041	280	630	910	0	0	910	0	0	761	761
Orange	1,671	1,244	(-427)	205	205	0	0	205	0	0	1,244	1,244
Roseland	47	123	76	409	485	Adequate	485		184	669	47	716

\* Includes dilapidated, overcrowded and needed vacant units, only.

\*\* Negative numbers in Column 3 are treated as zeroes.

\*\*\* A municipality's share of 1970 Housing Needs originating within the municipality itself.

REGION	UNADJUSTED HOUSING ALLOCATION					ADJUSTED HOUSING ALLOCATION					RESULTING HOUSING ALLOCATION	
	1	2	3	4	5	6	7	8	9	10	11	12
Essex COUNTY												
MUNICIPALITY	1970 Housing Need *	Allocation of 1970 Housing Need	Diff- erence Col. 2 - Col. 1	Allocation of Pro- spective Housing Need (1970- 1990)	Unad- justed Housing Allo- cation Col. 3 + Col. 4 ***	Develop- ment Limit	Allo- cation Based on Develop- ment Limit	Units Not Allocated Col. 5 - Col. 7	Redistri- bution of Units not Allocated	Adjusted Housing Allo- cation Col. 7 + Col. 9	Indi- genous Share of 1970 Housing Needs Col. 1 or Col. 2 ***	Resulting Allo- cation Col. 10 + Col. 11
South Orange	271	524	253	585	838	0	0	838	0	0	271	271
Verona	310	487	177	283	460	304	304	156	0	304	310	614
West Caldwell	147	333	186	592	778	Adequate	778		294	1,072	147	1,219
West Orange	944	1,371	427	1,382	1,809	Adequate	1,809		684	2,493	944	3,437
TOTAL	38,850	31,360	+4,121 -11,611	13,861	17,982		9,493	8,185	3,073	12,870	27,239	40,109

\* Includes dilapidated, overcrowded and needed vacant units, only.

\*\* Negative numbers in Column 3 are treated as zeroes.

\*\*\* A municipality's share of 1970 Housing Needs originating within the municipality itself.

REGION 12	UNADJUSTED HOUSING ALLOCATION					ADJUSTED HOUSING ALLOCATION					RESULTING HOUSING ALLOCATION	
	1	2	3	4	5	6	7	8	9	10	11	12
CAMDEN COUNTY												
MUNICIPALITY	1970 Housing Need *	Allocation of 1970 Housing Need	Diff-erence Col. 2 - Col. 1	Allocation of Pro-spective Housing Need (1970-1990)	Unad-justed Housing Allo-cation Col. 3 + Col. 4 ***	Develop-ment Limit	Allo-cation Based on Develop-ment Limit	Units Not Allocated Col. 5 - Col. 7	Redistri-bution of Units not Allocated	Adjusted Housing Allo-cation Col. 7 + Col. 9	Indi-genous Share of 1970 Housing Needs Col. 1 or Col. 2 ***	Resulting Allo-cation Col. 10 + Col. 11
Audubon	238	318	80	283	363	180	180	183	0	180	238	418
Audubon Park	14	43	29	16	45	0	0	45	0	0	14	14
Barrington	205	234	29	234	263	Adequate	263		27	290	205	495
Bellmawr	521	400	(-121)	681	681	Adequate	681		70	751	400	1,151
Berlin	118	124	6	463	469	Adequate	469		48	517	118	635
Berlin Twp.	170	138	(-32)	134	134	Adequate	134		14	148	138	286
Brooklawn	94	83	(-11)	92	92	Adequate	92		9	101	83	184
Camden	4,602	3,003	(-1,599)	1,191	1,191	0	0	1,191	0	0	3,003	3,003
Cherry Hill	544	1,573	1,029	6,730	7,759	Adequate	7,759		797	8,556	544	9,100
Chesilhurst	21	20	(-1)	46	46	Adequate	46		5	51	20	71
Clementon	140	133	(-7)	208	208	Adequate	208		21	229	133	362
Collingswood	401	581	180	459	639	112	112	527	0	112	401	513
Gibbsboro	53	59	6	60	66	Adequate	66		7	73	53	126
Gloucester	508	406	(-102)	323	323	0	0	323	0	0	406	406
Gloucester Twp	597	636	39	1,094	1,133	Adequate	1,133		116	1,249	597	1,846
Haddon	267	547	280	685	965	540	540	425	0	540	267	807
Haddonfield	149	371	222	341	563	64	64	499	0	64	149	213
Haddon Heights	190	266	76	604	680	184	184	496	0	184	190	374

\* Includes dilapidated, overcrowded and needed vacant units, only.

\*\*\* Negative numbers in Column 3 are treated as zeroes.

\*\*\*\* A municipality's share of 1970 Housing Needs originating within the municipality itself.

REGION 12	UNADJUSTED HOUSING ALLOCATION					ADJUSTED HOUSING ALLOCATION					RESULTING HOUSING ALLOCATION	
	1	2	3	4	5	6	7	8	9	10	11	12
CAMDEN COUNTY												
MUNICIPALITY	1970 Housing Need *	Allocation of 1970 Housing Need	Diff-erence Col. 2 - Col. 1	Allocation of Pro-spective Housing Need (1970-1990)	Unad-justed Housing Allo-cation Col. 3 + Col. 4 **	Develop-ment Limit	Allo-cation Based on Develop-ment Limit	Units Not Allocated Col. 5 - Col. 7	Redistri-bution of Units not Allocated	Adjusted Housing Allo-cation Col. 7 + Col. 9	Indi-genous Share of 1970 Housing Needs Col. 1 or Col. 2 ***	Resulting Allo-cation Col. 10 + Col. 11
Hi-Nella	41	42	1	42	43	Adequate	43		4	47	41	88
Laurel Springs	106	68	(-38)	153	153	92	92	61	0	92	68	160
Lawnside	115	70	(-45)	202	202	Adequate	202		21	223	70	293
Lindenwold	423	339	(-84)	441	441	Adequate	441		45	486	339	825
Magnolia	227	151	(-76)	142	142	Adequate	142		15	157	151	308
Merchantville	109	138	29	128	157	0	0	157	0	0	109	109
Mt. Ephraim	171	161	(-10)	123	123	Adequate	123		13	136	161	297
Oaklyn	100	153	53	106	159	112	112	47	0	112	100	212
Pennsauken	818	983	165	2,410	2,575	Adequate	2,575		264	2,839	818	3,657
Pine Hill	219	128	(-91)	140	140	Adequate	140		14	154	128	282
Pine Valley	0	2	2	2	4	0	0	4	0	0	0	0
Runnemede	306	279	(-27)	308	308	Adequate	308		32	340	279	619
Somerdale	202	166	(-36)	209	209	Adequate	209		21	230	166	396
Stratford	168	241	73	336	409	Adequate	410		42	452	168	620
Tavistock	0	0	0	0	0	4	0		0	0	0	0
Voorhees	135	146	11	1,049	1,060	Adequate	1,060		109	1,169	135	1,304
Waterford	90	102	12	367	379	Adequate	379		39	418	90	508
Winslow	209	256	47	1,440	1,487	Adequate	1,487		153	1,640	209	1,849
Woodlynne	94	92	(-2)	48	48	Adequate	48		5	53	92	145
TOTAL	12,365	12,452	+2,369 -2,282	21,290	23,659		19,702	3,958	1,891	21,593	10,083	31,676

\* Includes dilapidated, overcrowded and needed vacant units, only.

\*\* Negative numbers in Column 3 are treated as zeroes.

\*\*\* A municipality's share of 1970 Housing Needs originating within the municipality itself.

## APPENDIX B

### MUNICIPALITIES WITH DEFERRED ALLOCATIONS

As mentioned in the text of this report, there are several municipalities exclusively categorized as open space or prime agricultural areas in the State Development Guide Plan. These municipalities may defer action in complying with adjusted housing allocations until some future date or perhaps indefinitely. However, it is important to understand that a municipality will lose its deferred status if it actually experiences growth or elects to pursue policies which encourage growth. It should be noted that there is no deferral of the indigenous portion of the 1970 present housing needs. These require immediate municipal action in compliance with this report.

The municipalities which have been categorized as open space or prime agricultural areas are:

- Region 4 - Delaware Township, Frenchtown Borough\*,  
Kingwood Township, Milford Borough\*,  
Stockton Borough\*.
- Region 6 - Allentown Borough\*, Roosevelt Borough\*.
- Region 8 - Alloway Township, Elmer Borough\*,  
Mannington Township, Pittsgrove Township,  
Upper Pittsgrove Township, Woodstown Borough\*.
- Region 9 - Lafayette Township, Montague Township,  
Sandyston Township, Walpack Township.
- Region 11- Ringwood Borough, West Milford Township.
- Region 12- Bass River Township, Washington Township (Burlington Co.)  
Newfield Borough\*, South Harrison Township.

\*These are smaller, more developed municipalities which lie within larger open space or prime agricultural areas. In these instances compliance with housing allocations, consistent with current municipal development limits, is appropriate.

Division of State and Regional Planning, New Jersey Department of Community Affairs, May, 1978.

Region 9 - SUSSEX COUNTY

UNADJUSTED A L L O C A T I O N S							
	PRESENT	VACANT LAND	EMPLOYMENT	RATABLES	INCOME WEALTH	PROSP. TOTAL	UNADJUSTED FINAL ALLOCATION
ANDOVER BORO	20.	16.	593.	76.	41.	182.	202.
ANDOVER TWP	69.	339.	228.	230.	202.	250.	319.
BRANCHVILLE BORO	26.	2.	246.	131.	93.	118.	144.
BYRAM TWP	102.	224.	62.	156.	314.	189.	291.
FRANKFORD TWP	62.	683.	196.	54.	122.	266.	329.
FRANKLIN BORO	114.	49.	321.	336.	226.	233.	347.
FREDON TWP	35.	186.	127.	52.	192.	137.	172.
GREEN TWP	33.	239.	96.	46.	131.	118.	151.
HAMBURG BORO	46.	5.	0.	171.	111.	73.	118.
HAMPTON TWP	51.	327.	0.	227.	102.	164.	215.
HARDYSTON TWP	85.	205.	84.	227.	153.	179.	264.
HOPATCONG BORO	228.	152.	274.	104.	522.	265.	494.
LAFAYETTE TWP	29.	193.	53.	96.	47.	67.	126.
MONTAGUE TWP	32.	148.	204.	35.	47.	108.	140.
NEWTON TOWN	201.	32.	580.	456.	438.	376.	577.
OGDENSBURG BORO	51.	0.	165.	168.	116.	113.	164.
SANDYSTON TWP	38.	140.	0.	50.	87.	69.	107.
SPARTA TWP	264.	570.	0.	259.	1188.	504.	768.
STANHOPE BORO	66.	5.	84.	94.	174.	89.	155.
STILLWATER TWP	66.	391.	140.	49.	113.	172.	238.
SUSSEX BORO	59.	0.	896.	97.	129.	281.	339.
VERNON TWP	146.	66.	694.	1723.	360.	711.	657.
WALPACK TWP	14.	521.	20.	0.	26.	142.	156.
WANTAGE TWP	109.	675.	119.	338.	216.	337.	446.
TOTAL REGION 9	1944.	5174.	5174.	5174.	5174.	5174.	7118.

Region 11 - ESSEX COUNTY

UNADJUSTED ALLOCATION S							
	PRESENT	VACANT LAND	EMPLOYMENT	RATABLES	INCOME	WEALTH	UNADJUSTED FINAL ALLOCATION
						PROSP. TOTAL	
BELLEVILLE TOWN	1148.	0.	0.	444.	807.	313.	1461.
BLOOMFIELD TOWN	1317.	0.	0.	374.	1435.	578.	2395.
CALDWELL BORO	305.	37.	0.	119.	345.	125.	431.
CEDAR GROVE TWP	369.	151.	404.	323.	348.	306.	676.
EAST ORANGE CITY	2952.	0.	0.	610.	2006.	654.	3606.
ESSEX FELS BORO	71.	24.	55.	12.	364.	113.	185.
FAIRFIELD BORO	178.	918.	3425.	1691.	153.	1547.	1725.
GLEN RIDGE BORO	242.	0.	25.	33.	499.	139.	381.
IRVINGTON TOWN	2400.	0.	0.	199.	1389.	397.	2797.
LIVINGSTON TWP	304.	1044.	2164.	1416.	1474.	1525.	2329.
MAPLEWOOD TWP	791.	0.	1294.	285.	1289.	717.	1508.
MILLBURN TWP	685.	220.	978.	607.	3212.	1254.	1940.
MONTCLAIR TOWN	1495.	0.	0.	125.	2327.	613.	2108.
NEWARK CITY	12323.	0.	0.	1072.	4175.	1312.	14135.
NORTH CALDWELL BORO	155.	285.	0.	32.	411.	182.	338.
NUTLEY TOWN	1041.	0.	1139.	453.	913.	630.	1671.
ORANGE CITY	1244.	0.	0.	160.	630.	205.	1449.
ROSELAND BORO	123.	448.	579.	460.	143.	409.	531.
SOUTH ORANGE VILL	524.	0.	704.	208.	1428.	585.	1109.
VERONA BORO	487.	37.	169.	207.	713.	283.	770.
WEST CALDWELL BORO	333.	317.	1021.	533.	495.	592.	925.
WEST ORANGE TOWN	1371.	767.	2235.	706.	1821.	1382.	2754.

## (appendix C)

Region 11 - MORRIS COUNTY

UNADJUSTED ALLOCATIONS							UNADJUSTED FINAL ALLOCATION
	PRESENT	VACANT LAND	EMPLOYMENT	RATABLES	INCME	WEALTH	PROSP. TOTAL
BOONTON TOWN	297.	137.	0.	210.	219.	141.	439.
BOONTON TWP.	95.	1380.	449.	78.	113.	506.	601.
BUTLER BORO	212.	56.	72.	197.	128.	113.	325.
CHATHAM BORO.	311.	38.	0.	192.	442.	168.	479.
CHATHAM TWP.	253.	627.	294.	101.	651.	421.	679.
CHESTER BORO.	41.	146.	140.	142.	24.	113.	154.
CHESTER TWP.	118.	3063.	28.	39.	134.	816.	934.
DENVILLE TWP	415.	1538.	302.	279.	353.	620.	1035.
DOVER TOWN	494.	9.	0.	311.	313.	159.	653.
EAST HANOVER TWP	203.	609.	2593.	889.	192.	1071.	1274.
FLORHAM PARK BORO	206.	352.	1610.	1275.	254.	998.	1204.
HANOVER TWP	297.	1153.	0.	1440.	321.	728.	1026.
HARDING TWP	101.	1904.	22.	61.	351.	584.	685.
JEFFERSON TWP	445.	4517.	160.	125.	269.	1268.	1712.
KINNELOV BORO	202.	2659.	240.	86.	330.	841.	1043.
LINCOLN PARK BORO	256.	191.	646.	219.	203.	315.	571.
MADISON BORO	490.	5.	300.	372.	665.	336.	825.
MENDHAM BORO.	99.	1067.	0.	66.	138.	318.	417.
MENDHAM TWP.	105.	2453.	253.	10.	266.	745.	850.
NINE HILL TWP	104.	403.	0.	18.	75.	124.	228.
MONTVILLE TWP	313.	2272.	0.	532.	313.	779.	1092.
MORRIS PLAINS BORO	160.	186.	1028.	490.	210.	478.	638.
MORRIS TWP	509.	1444.	1588.	1241.	930.	1313.	1822.
MORRISTOWN TOWN	662.	18.	1685.	988.	590.	820.	1482.
MOUNTAIN LAKES BORO	119.	188.	56.	52.	366.	165.	284.
MOUNT ARLINGTON BORO	113.	104.	31.	16.	33.	59.	171.
MOUNT OLIVE TWP	294.	4605.	517.	204.	180.	1377.	1671.
NETCONG BORO	89.	16.	0.	48.	49.	28.	118.
PARSIPPANY-TRBY HILL	1657.	2237.	3852.	1420.	1452.	2240.	3897.
PASSAIC TWP	211.	1792.	127.	166.	230.	591.	803.
PEQUANNOCK TWP	384.	360.	354.	314.	375.	351.	735.
RANDOLPH TWP	417.	2973.	837.	422.	377.	1152.	1569.
RIVERDALE BORO	82.	239.	0.	96.	50.	99.	181.
ROCKAWAY BORO.	194.	108.	321.	329.	127.	221.	416.
ROCKAWAY TWP.	533.	5419.	255.	322.	445.	1611.	2144.
ROXBURY TWP	460.	2436.	630.	610.	351.	1007.	1467.
VICTORY GARDENS BORO	29.	0.	0.	10.	14.	6.	35.
WASHINGTON TWP	213.	5537.	64.	139.	150.	1473.	1686.
WHARTON BORO	177.	0.	159.	290.	113.	142.	319.



Assisted Housing Units For The State Of New Jersey

NEW JERSEY HOUSING FINANCE AGENCY				OTHER HOUSING PROGRAMS						
County/ Municipality	Completed Projects	Projects Under Construction		Conditional Committ- ment	Sect. 221 D-3 BMIR	Sect. 202	Public Housing	Section 8 Existing Housing		Farmers Home Mortgage Administration
		Sect. 8	Sect. 236		Sect. 236			Total	Leased	
<u>Morris</u>										
Boonton Town					76		74			
Boonton Twp.										
Butler										
Chatham Boro.										
Chatham Twp.										
Chester Boro.										
Chester Twp.										
Denville										
Dover					180		61	100		
East Hanover										
Florham Park										
Hanover										
Harding										
Jefferson										
Kinnelon										
Lincoln Park										
Madison										
Mendham Boro.										
Mendham Twp.										
Mine Hill										
Montville										
Morris										
Morris Plains							400	400	118	
Morristown										

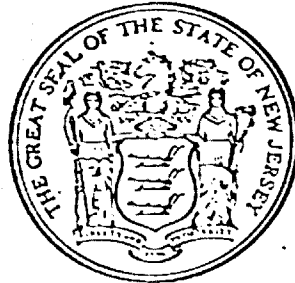
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Assisted Housing Units For The State Of New Jersey

NEW JERSEY HOUSING FINANCE AGENCY				OTHER HOUSING PROGRAMS						
County/ Municipality	Completed Projects	Projects Under Construction		Conditional Committ- ment	Sect. 221 D-3 BMIR		Public Housing	Section 8 Existing Housing		Farmers Home Mortgage Administration
		Sect. 8	Sect. 236		Sect. 236	Sect. 202		Total	Leased	
<u>Morris (Cont'd)</u>										
Mountain Lakes										
Mount Arlington										
Mount Olive										
Netcong										
Parsippany-Troy Hills										
Passaic										
Pequannock										
Randolph										
Riverdale										
Rockaway Boro.										
Rockaway Twp.										
Roxbury										
Victory Gardens										
Washington										
Wharton										
TOTAL					256		535	500	118	

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A STATEWIDE HOUSING  
ALLOCATION PLAN FOR  
NEW JERSEY



RECEIVED  
APR 25 1977  
MORRIS CTY. PLANNING BD.

Preliminary Draft  
For Public Discussion

NOVEMBER 1976

STATE OF NEW JERSEY  
DIVISION OF STATE AND REGIONAL PLANNING

# A STATEWIDE HOUSING ALLOCATION PLAN FOR NEW JERSEY

A Preliminary Draft Prepared  
By The New Jersey Division of  
State and Regional Planning  
Richard A. Ginman, *Director*

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*The original document was appropriately signed and sealed by Richard A. Ginman, P.P., on November 3, 1976, in accordance with Chapter 41 of Title 13 as promulgated by the N.J. State Board of Professional Planners.*

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NOVEMBER 1976

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## I. INTRODUCTION

### A. Background

In the Housing Act of 1949, Congress declared that "...the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage...and the realization as soon as feasible of the goal of a decent home and suitable living environment for every American family..."<sup>1</sup>

In 1968, Congress went further, stating that "...this goal has not been fully realized for many of the Nation's lower income families... The highest priority and emphasis should be given to meeting the housing needs of those families for which the national goal has not become a reality..."<sup>2</sup>

In 1968 and in 1970, the New Jersey Department of Community Affairs investigated the extent of the housing problem in the State of New Jersey. These investigations found that the State was in the midst of a serious housing crisis characterized by deterioration of housing in the core cities, a decline in the volume of housing production and a low vacancy rate. This housing crisis was found to exist in juxtaposition with a situation of widespread exclusionary land use restrictions on housing opportunity in the developing areas of the State outside the core cities.<sup>3</sup>

Since 1970, a number of studies have documented the State's housing needs and the nature and extent of exclusionary land use practices.<sup>4</sup> Under former Governor William T. Cahill, two messages were delivered to the Legislature outlining the State's housing problems and suggesting a number of strategies that might be utilized to increase housing opportunities, including the need to consider regional housing needs in the exercise of local land use powers.<sup>5</sup> An outgrowth of this executive initiative was

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1. The Housing Act of 1949, Public Law 171, 81st Congress; 63 Stat. 413; 42 U.S.C. 1441, Section 2, approved July 15, 1949.
  2. The Housing and Urban Development Act of 1968, Section 2, Public Law 90-448, 82 Stat. 476.601; 12 U.S.C. 1701t and 42 U.S.C. 1441a, approved August 1, 1968.
  3. Housing in New Jersey 1968 and The Housing Crisis in New Jersey 1970, New Jersey Department of Community Affairs.
  4. An Analysis of Low and Moderate Income Housing Need in New Jersey, New Jersey Department of Community Affairs, 1975; Modeling State Growth: New Jersey 1980, Franklin James and James W. Hughes, Center for Urban Policy Research, Rutgers University, the State University of New Jersey, New Brunswick, New Jersey 1973; Land Use Regulation The Residential Land Supply, New Jersey Department of Community Affairs, 1972; and Multi-Family Housing and Suburban Municipalities - Fiscal and Social Impact, New Jersey County and Municipal Government Study Commission (Xerox), 1973.
  5. A Blueprint for Housing in New Jersey, 1970, and New Horizons in Housing, 1972, Governor William T. Cahill.

further research and the introduction of proposed legislation which, although not enacted, sought to meet some of the State's housing problems by encouraging municipalities, on a voluntary basis, to increase the number of housing sites suitable for low-and moderate-income housing.<sup>6</sup> Governor Brendan T. Byrne has continued and expanded these efforts to address the State's housing problems and in April 1976 issued an Executive Order which mandates that the Division of State and Regional Planning "prepare State housing goals to guide municipalities in adjusting their land use regulations in order to provide a reasonable opportunity for the development of an appropriate variety and choice of housing to meet the needs of the residents of New Jersey."<sup>7</sup>

Although the Executive branch of New Jersey's government has worked to solve the complex issue of exclusionary zoning and housing opportunity, it was the decisions of the New Jersey courts which finally focused public attention on the problem. In March 1975, the landmark New Jersey Supreme Court decision--Southern Burlington County N.A.A.C.P. v. the Township of Mount Laurel--essentially moved the issue of fair share housing from problem defining to the stage of corrective implementation. The Mount Laurel decision redefined the relationship between housing opportunity and municipal land use powers, stating that municipalities must, by their land use regulations, "presumptively make realistically possible an appropriate variety and choice of housing...at least to the extent of the municipality's fair share of the present and prospective regional need..."<sup>8</sup> It was made clear that the exercise of municipal land use regulation and other actions affecting housing opportunity must take into account not only a municipality's own housing needs, but also the housing needs of a wider region of which it is a part.

#### B. A Statewide Fair Share Housing Allocation Plan for New Jersey

The Mount Laurel case sets forth the "fair share" responsibility of municipalities with regard to regional housing needs. However, that case did not provide the specific guidelines by which municipalities might determine "fair shares." Subsequent related court decisions have attempted to deal with this and related issues, but not on a uniform basis. Consequently, the Division of State and Regional Planning, under the mandate of both the Mount Laurel decision and Executive Order No. 35, has prepared a statewide fair share housing allocation plan which provides guidelines for determining municipal "fair shares."

The plan has three basic aspects: (1) ascertaining a numerical housing goal based on the present and prospective need for low-and moderate-income housing in the State; (2) delineating appropriate housing regions; and (3) formulating a fair share allocation methodology to distribute each regional

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6. Assembly Bill 1421, November 13, 1972.

7. Executive Order No. 35, April 2, 1976.

8. Southern Burlington County N.A.A.C.P. et. al. v. Township of Mount Laurel, 67 N.J. 1975, at 174.



housing goal among the municipalities in the region. Under this plan, each municipality in the State receives an allocation of low-and moderate-income housing units based on present housing needs, recent growth and a potential to accommodate future growth.

#### C. Scope of the Allocation Plan

There are a number of unsatisfactory housing conditions in New Jersey, including physical housing deficiencies--deteriorated or dilapidated units and housing lacking plumbing facilities; financial housing imbalances--units priced above, or with rental costs above the affordability of households; overcrowded housing units; and an insufficient number of vacant units to provide mobility in the housing market. Unsatisfactory housing conditions also exist where suitably priced units are not in reasonable proximity to employment opportunities, and when the type of housing available is not suitable for a portion of the housing market. For this plan, the housing goal which has been selected and allocated to municipalities does not represent all the housing needs in the State. As will be discussed in this report, present housing needs include only particular types of existing housing problems, and the target group for the assessment of both present and prospective housing needs is only low-and moderate-income households. The housing goal selected for allocation is therefore more limited than the housing problems that confront the State.

This housing allocation plan focuses specifically on the need for new housing construction for low-and moderate-income households. A change in the locational opportunity for such housing is necessary and has been directed by the New Jersey Supreme Court. However, the goal should not be such that any one municipality might be overburdened or possibly overwhelmed as a result of its compliance. The selection of a more limited goal is consistent with this objective and also attempts to meet the needs of that portion of the population which has the least opportunity to secure adequate housing, and therefore requires the most public attention at the present time.

#### D. Public Opportunities For Comment

This statewide fair share housing allocation plan has been submitted to all municipal clerks and county planning boards in the State. The plan will be the subject of several public hearings at which interested agencies and citizens will have the opportunity to comment on the determination of housing needs and the allocation of the regional housing goals to the municipalities in each allocation region. After reviewing the public comments, a final report will be issued in February 1977.

## II. HOUSING ALLOCATION PLAN

This statewide fair share housing allocation plan is presented in four interrelated parts, followed by the allocation figures computed for each municipality in the State. The four sections are: (1) present housing needs: 1970; (2) prospective housing needs: 1970-1990; (3) substate regions for housing allocation; and (4) housing allocation methodology.<sup>9</sup>

### A. Present Housing Needs: 1970

Purpose: The determination of the present housing needs of low- and moderate-income households in New Jersey, which are applicable for replacement by new units, is the purpose of this section.

Method: As already indicated, there are many types of present housing needs, and all such needs were not considered to be within the scope of this plan. The types selected as measures of present housing needs for inclusion as part of the regional need-suitable for housing allocation are: (1) dilapidated units, (2) overcrowded units, and (3) needed vacant units. These housing needs predominantly affect low- and moderate-income households and most closely reflect new construction requirements. Unlike these three types, the others, although important, do not, strictly speaking, require new units on a one-for-one basis. Strategies other than new construction--e.g., housing maintenance, rehabilitation, renovation, financial assistance, etc.--might be more appropriate to meet these housing problems.

The target group for the assessment of present housing needs consists of households in the State in 1970 with gross incomes in the low- and moderate-income ranges. While households of higher incomes also experience housing needs, it is recognized that low- and moderate-income households have the least mobility, purchasing power and opportunity to secure adequate housing in the present housing market. Numerical income ranges for this target group were determined by using family budget information published by the United States Department of Labor. In 1970, these income ranges were:

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9. This discussion is based on four detailed technical reports prepared by the Division of State and Regional Planning in the Summer of 1976. These include: New Jersey's Present Housing Needs, Prospective Housing Needs Report, Housing Allocation Regions and New Jersey's Fair-Share Housing Allocation.

Low Income Household.....up to \$5,568/year

Moderate Income Household.....\$5,569 to \$8,567/year<sup>10</sup>

The three types of housing needs which were selected to represent the present housing need are defined as follows:

1. Dilapidated Units: units having one or more critical defects; or having a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding; or being of inadequate original construction. The defects are either so crucial or so widespread that the structure should be extensively repaired or torn down.<sup>11</sup>
2. Overcrowded Units: units which are considered not large enough to accommodate the occupants adequately. The standard of overcrowding used was 1.01 or more persons per room.
3. Needed Vacant Units: units which are considered necessary to permit mobility and choice in the housing market. The number of units required to achieve a five (5) percent vacancy rate for rental units and a 1.5 percent rate for owner occupied units were used as a measure of this need.

Findings: Using the above definitions for present housing needs, it was found that in 1970 there existed a statewide need for 219,455 units. This included 94,835 dilapidated units, 94,499 overcrowded units and 31,121 needed vacant units.<sup>12</sup>

Table 1 shows the 1970 present housing needs for each county and for the State. A total present need figure is provided for each municipality in Appendix 2.

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10. Standards of Living for an Urban Family of Four, Bulletin No. 1570-5, Bureau of Labor Statistics, Spring, 1967. See also An Analysis of Low- and Moderate-Income Housing Need in New Jersey, op. cit., p.1. Since 1970, these income ranges have expanded. In 1976, low and moderate-income households are estimated to have incomes of up to approximately \$13,000.
  11. Plumbing Facilities and Estimates of Dilapidated Housing, Final Report, HC (6) U.S. Bureau of the Census, Census of Housing: 1970, pp. VII and VIII.
  12. New Jersey's Present Housing Needs, op. cit., pp. 10-12, and Appendixes A and B. Some overcounting of present housing needs might result if and when new units become available for households presently occupying overcrowded units. The amount of overcrowding would be reduced, however, since some of the overcrowded units contain more than one family. (Unfortunately, the extent of "doubling-up" cannot be determined accurately.) As a practical matter, however, the fact that there may be some overcounting of overcrowded units is not significant in light of the very limited definition of housing needs used in this allocation plan.

TABLE 1

1970 - Present Housing Needs

<u>County</u>	<u>Dilapidated Units</u>	<u>Overcrowded Units*</u>	<u>Needed Vacant Units</u>
Atlantic	3,517	2,092	73
Bergen	8,033	7,758	5,709
Burlington	3,189	3,360	852
Camden	5,814	5,493	1,067
Cape May	1,352	478	20
Cumberland	2,228	1,690	157
Essex	17,527	16,612	4,711
Gloucester	2,184	2,113	454
Hudson	11,062	13,120	3,795
Hunterdon	683	602	220
Mercer	3,868	3,402	1,050
Middlesex	5,209	7,943	2,503
Monmouth	5,411	5,475	932
Morris	2,934	3,485	1,710
Ocean	3,805	3,119	229
Passaic	7,109	7,036	3,006
Salem	871	600	214
Somerset	1,618	1,866	859
Sussex	861	948	135
Union	6,520	5,674	3,206
Warren	1,040	633	219
State Total	94,835	93,499	31,121

\*Overlap between dilapidated units and overcrowded units has been eliminated in these numbers.

8. Prospective Housing Needs: 1970-1990

Purpose: Determining the prospective housing requirements for low- and moderate-income households in New Jersey is the purpose of this section.

Method: In the statewide fair share housing allocation plan, prospective housing need is defined as the projected increase in low- and moderate-income households between 1970 and 1990. This twenty-year time span was selected to provide reasonably accurate projections of household growth.

The calculation of the increase in low- and moderate-income households involves several steps and a number of assumptions, e.g., a slower rate of population growth, a decrease in household size, and a continuation of current socio-economic trends.<sup>13</sup> Population was projected to 1990 for each county, and county household increases between 1970 and 1990 were determined. The prospective low- and moderate-income housing needs were then computed for each county.

Findings: Table 2 shows the steps involved in determining low- and moderate-income household growth. Column 7 indicates the 1970-1990 low- and moderate-income household growth by county. For the State, there will be the need to house an additional 326,627 low- and moderate-income households between 1970 and 1990.<sup>14</sup>

C. Substate Regions for Housing Allocation

Purpose: Delineating a set of substate regions which can facilitate the equitable allocation of the present and prospective regional needs for low- and moderate-income housing is the purpose of this section.

Method: Four criteria were identified as necessary to delineate equitable and practicable housing allocations regions. They are:

1. Sharing Housing Needs - In Southern Burlington County N.A.A.C.P. v. Township of Mount Laurel, the New Jersey Supreme Court made it clear for the first time that municipalities must take into account not only local

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13. Prospective Housing Needs Report, op. cit.

14. An adequate vacancy rate to allow mobility and choice for future low- and moderate-income households might be added to prospective housing needs, as was done with present housing needs. It has not been included here because of the difficulty in projecting housing stock changes to the year 1990. Periodic updating of the housing needs analysis will consider such vacancy needs.

TABLE 2

## Prospective Housing Needs: 1970 - 1990

	<u>Col. 1</u>	<u>Col. 2</u>	<u>Col. 3</u>	<u>Col. 4</u>	<u>Col. 5</u>	<u>Col. 6</u> % of Low-and Moderate- Income Households in 1970	<u>Col. 7</u> Low & Moderate Income Household Growth: 1970-1990 (Col.5 x Col.6)
<u>County</u>	<u>1970 Households</u>	<u>1990 Population</u>	<u>1990 Average Household Size</u>	<u>1990 Total Households (Col.2 ÷ Col.3)</u>	<u>1970-1990 Total Household Growth (Col.4-Col. 1)</u>		
Atlantic	60,716	200,060	2.61	76,651	15,935	58.4	9,306
Bergen	279,625	956,200	2.71	352,841	73,216	28.4	20,793
Burlington	84,788	409,540	2.85	143,698	58,910	35.6	20,972
Camden	138,408	572,835	2.76	207,549	69,141	41.5	28,694
Cape May	21,177	78,615	2.49	31,572	10,395	61.1	6,351
Cumberland	37,086	154,950	2.73	56,758	19,672	51.0	10,033
Essex	302,582	943,380	2.66	354,654	52,072	46.8	24,370
Gloucester	49,693	218,800	2.81	77,865	28,172	40.4	11,381
Hudson	207,499	612,165	2.54	244,553	37,054	51.7	19,157
Hunterdon	21,063	89,835	2.72	33,028	11,965	37.7	4,511
Mercer	93,486	379,600	2.67	142,172	48,686	40.9	19,913
Middlesex	168,076	694,280	2.74	253,387	85,311	31.2	26,617
Monmouth	135,230	542,415	2.79	194,414	59,184	39.1	23,141
Morris	109,823	475,890	2.83	168,159	58,336	25.7	14,992
Ocean	68,362	360,600	2.71	133,063	64,701	51.9	33,580
Passaic	147,214	508,435	2.68	189,715	42,501	42.6	18,105
Salem	18,681	76,120	2.70	28,193	9,512	44.8	4,261
Somerset	57,013	231,665	2.80	82,737	25,724	26.9	6,920
Sussex	22,809	104,540	2.84	36,810	14,001	38.9	5,446
Union	171,580	576,015	2.72	211,770	40,190	33.6	13,504
Warren	23,271	88,950	2.67	33,315	10,044	45.6	4,580
State Total	2,218,182	8,283,890	2.71	3,052,904	834,722	39.4	326,627

housing needs, but also the housing needs beyond the municipality's boundaries in the region of which it is a part. The regional delineation should be reflective of the intent of the Mount Laurel decision and permit the equitable sharing of housing needs between areas with high levels of present housing needs and few resources and areas with the opposite characteristics. The lack of resources precludes, for example, the designation of Hudson County as a region by itself. The concentration of housing needs in this county would require a more expansive region than the county itself. This criterion (sharing housing needs) was considered to be the most important in the selection of a set of substate regions and would take precedence over the other three.

2. Socio-economic Interdependence - The regions should be characterized by evidence of socio-economic interdependence with regard to housing choice considerations, i.e., they should reflect the geographic area within which housing location decisions are made. Housing decisions are related to job location, to the location of community facilities and institutions and to available transportation and services.
3. Data Availability - Data reliability and availability are necessary considerations in delineating housing regions. The regions should have descriptive and directly applicable socio-economic data available for the purpose of housing allocation, with minimum reliance upon assumptions or interpolations from data describing other geographic units. It is necessary that reliable land use, demographic, economic and other data be available for all housing allocation regions, so that the enumeration of a regional housing need and "fair-share" allocation can be complete and precise.
4. Executive Order 35 - The regions should be reflective of the intent of Executive Order 35. While the term "region" is used in the Order, it is not explicitly defined; however, there are recurring references to the allocation of housing needs to municipalities within counties or groups of counties.

Various delineations of regions were analyzed in terms of these four criteria. They included existing planning, statistical and geographically defined regions in New Jersey, none of which were designed for housing allocation, and the housing allocation regions promulgated in recent judicial decisions in the State, including the Mount Laurel case. This analysis was concluded with the formulation of a new set of regions specifically delineated for the purpose of equitable housing allocation.

Findings: The recommended set of allocation regions consists of twelve regions covering the entire State. Ten of the regions (1-10) were delineated as single counties. They are:

Region 1: Atlantic	Region 6: Monmouth
Region 2: Cape May	Region 7: Ocean
Region 3: Cumberland	Region 8: Salem
Region 4: Hunterdon	Region 9: Sussex
Region 5: Mercer	Region 10: Warren

The other two regions consist of clusters of adjacent counties. Region 11, in the northeastern part of the State, contains the counties of:

Bergen	Middlesex	Somerset
Essex	Morris	Union
Hudson	Passaic	

Region 12, in the southwestern part of the State, consists of the counties of:

Burlington  
Camden  
Gloucester

The twelve allocation regions are shown on MAP 1. The delineation of two multi-county regions was necessary to insure an equitable balance between existing housing needs and resources. For the remaining areas of the State, the relationship between housing needs and resources did not currently warrant more expansive allocation regions than individual counties.

Table 3 shows the present and prospective housing needs for each of the twelve allocation regions in the State.

#### D. Housing Allocation Methodology

Purpose: The formulation of a method for equitably allocating each region's low-and moderate-income housing goal to the municipalities in the region is the purpose of this section.

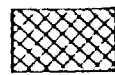
Method: There are various methods for distributing a housing goal to constituent units. Several have been developed by a number of agencies throughout the country and were reviewed as to their suitability for this housing allocation plan. In this plan, two principles were established to guide the formulation of an allocation methodology for New Jersey: (1) the allocation should improve the present imbalance of responsibility for meeting low-and moderate-income housing needs in a "fair share" manner, and (2) the allocation should take



MAP I  
HOUSING ALLOCATION REGIONS



INDIVIDUAL COUNTY  
REGIONS



CLUSTERED COUNTY  
REGIONS

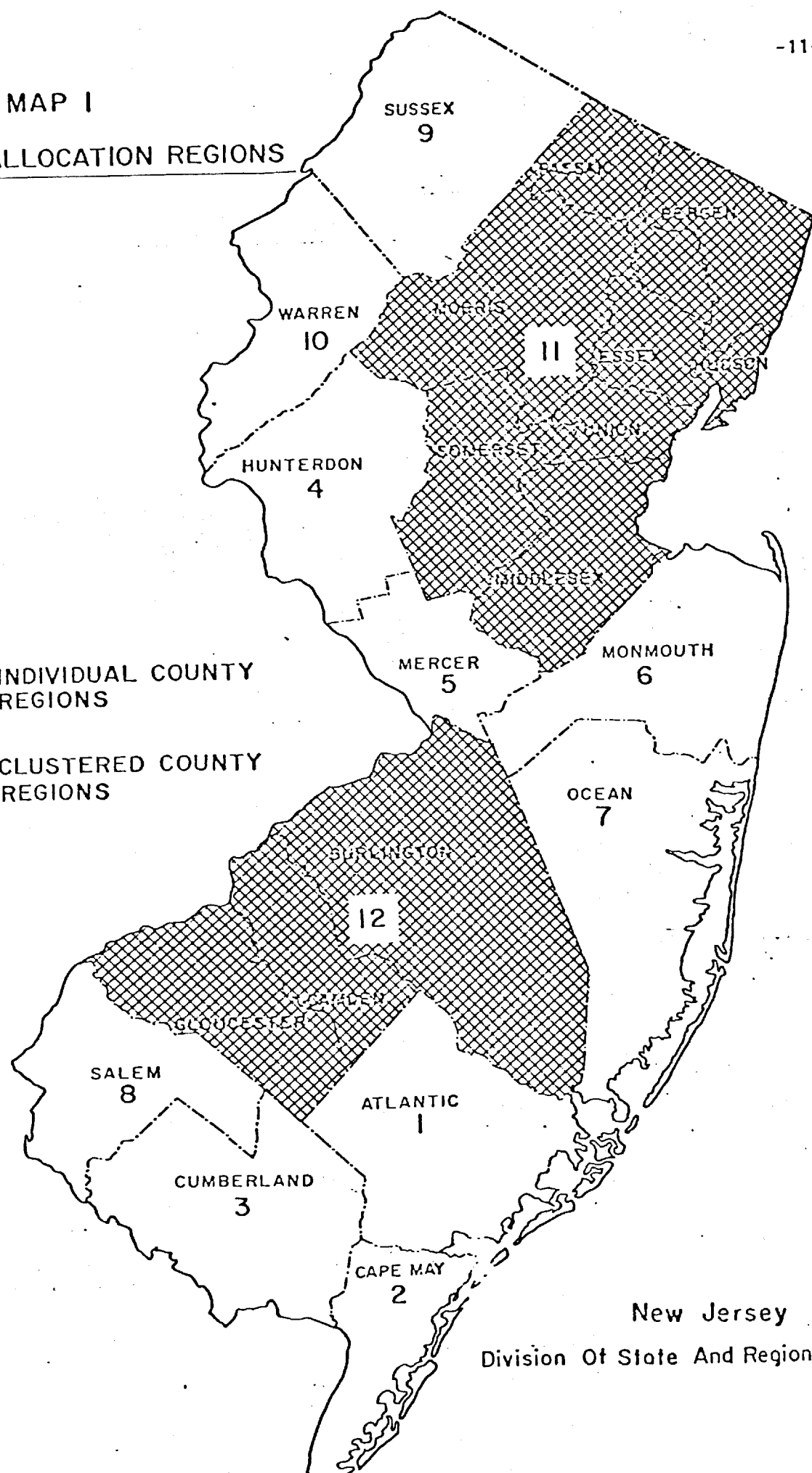


TABLE 3

Present and Prospective Housing Need By Allocation Regions

	<u>Present Housing Needs 1970</u>	<u>Prospective Housing Needs 1970-1990</u>
REGION 1 - Atlantic County	5,682	9,306
REGION 2 - Cape May County	1,850	6,351
REGION 3 - Cumberland County	4,075	10,033
REGION 4 - Hunterdon County	1,505	4,511
REGION 5 - Mercer County	8,320	19,913
REGION 6 - Monmouth County	11,818	23,141
REGION 7 - Ocean County	7,153	33,580
REGION 8 - Salem County	1,685	4,261
REGION 9 - Sussex County	1,944	5,446
REGION 10 - Warren County	1,892	4,580
REGION 11 -	149,005	144,458
Bergen Essex Hudson Middlesex	Morris Passaic Somerset Union	
REGION 12 -	24,526	61,047
Burlington Camden Gloucester		

into account the relative suitability or capability of municipalities to assume more responsibility for providing low-and moderate-income housing.

In order to incorporate these two principles, two separate allocations were performed and then combined for each municipality in its region. First, the present housing need in each region was allocated to constituent municipalities in a "fair share" manner. This approach involved equalizing responsibility for present housing needs throughout the region. For example, if present housing needs in a region were ten (10) percent of that region's total housing stock, then each municipality in that region was allocated a number of present housing needs equal to ten percent of its own housing stock. Each municipality is responsible for meeting present housing needs at the same rate as every other municipality in the region. No municipality would be responsible for more than its proportion, or "fair share" of the region's present housing need. This allocation approach tends to shift the responsibility for providing opportunities for low-and moderate-income housing away from municipalities which have higher shares of present low-and moderate-income housing needs to municipalities with lower shares of need. This approach is aimed at improving the balance of responsibility for present housing needs, and therefore, offers some relief to overburdened municipalities.

A second approach was used to allocate each region's prospective housing need. This approach employs four indexes which reflect municipal differences in suitability and ability to accommodate low-and moderate-income housing needs.

Municipalities in each region were compared in terms of land availability, employment growth, growth in non-residential tax ratables, and income wealth. Each municipality received an allocation of prospective housing needs according to each of the four indexes and was given a single allocation of prospective needs equivalent to the average of the four indexes. A brief description of these indexes and how they were employed is given below:

1. Vacant developable land - This factor was included as a measure of a municipality's capability to assume additional housing construction. Vacant developable land has been defined as the vacant land in a municipality, less reductions for land with greater than 12 percent slope, wetlands, qualified farmland and public lands. (Farmland qualified for farmland assessment was included in the adjustment of vacant developable land in accordance with a general State policy to preserve farmland. However, this cannot be construed as a prohibition against the use of any farmland for housing development.)

Based on this index, each municipality's share of the acreage of vacant developable land is also its share of the prospective housing need. For example, if a municipality's share of vacant developable land is 10% of the total of such land in the region, then it would receive 10% of the prospective housing need of the region.

2. Employment growth - This factor is used to measure the relative responsibility of municipalities to provide housing in relation to employment growth. As defined in this allocation plan, employment growth is the increase in covered employment between 1969 and 1975. Only those municipalities with gains in employment receive allocations. For example, if a municipality's share of employment growth is 10% of the total of such growth in the region, then it would receive 10% of the prospective housing need of the region.
3. Municipal fiscal capability - This third allocation factor was included as a relative measure of municipal capability to accommodate additional low-and moderate-income housing. Non-residential ratable growth between 1968 and 1974 was used as a criterion for fiscal capability. Each municipality's share of the regional growth in non-residential ratables represents its share of the allocation goal. For example, if a municipality's share of non-residential ratable growth is 10% of the total of such growth, then it would receive 10% of the prospective housing need of the region.
4. Personal income - This fourth factor is an additional measure of municipal capability to absorb low-and moderate-income housing growth. It has been included to take into account municipalities which have not experienced much non-residential ratable growth, but presumably have the affluence to accomodate housing without undue hardship. This factor has been defined as the municipal total of family and unrelated individual income as reported by the 1970 census. Total municipal personal income wealth was weighted to reflect regional variation in per capita income in New Jersey. A municipality which has a per capita income exceeding the per capita income for the region as a whole had its total personal income increased. Conversely, if a municipality's per capita income was below the regional per capita income, its total personal income was decreased. To illustrate this point, if a municipality's per capita income is twice the size of the regional per capita income, its total personal income wealth is doubled; conversely, if a municipality's per capita income is half the regional level, its total personal income is halved.

Each municipality's weighted share of the region's personal income wealth is also its share of the prospective housing need of the region. For example, if a municipality's share of total personal income, after weighting, is 10% of the total income of the region, then it would receive 10% of the prospective housing need.

Findings: Municipal allocations of prospective housing needs were computed for each of the four indexes, and averaged to obtain a single prospective need allocation. This average allocation of prospective housing needs was then added to the allocation of present needs, previously described, to obtain a single allocation number for each municipality in the twelve regions in the State.

### III. CONCLUSIONS

This report has presented a fair share housing allocation plan for New Jersey. Under this plan, each municipality in the State receives a regional allocation of low-and moderate-income housing units based on present housing needs, recent growth and the potential to accommodate future growth. The housing goal which has been selected and allocated to municipalities does not represent all the housing needs in the State. As discussed in this report, present housing needs include only three types of existing housing problems relating closely to the need for new housing construction, and the target group for the assessment of both present and prospective housing needs is only low-and moderate-income households. The housing goal selected for allocation is therefore more limited than the overall housing problems that confront the State, but a more accurate reflection of that aspect which requires the most affirmative attention if it is to be solved.

This statewide fair share housing allocation plan provides a specific allocation number with which each municipality can begin to evaluate its land use regulations and housing programs. It is not suggested here that there can be a standard response equally applicable to each municipality. There are wide differences among municipalities in terms of housing composition, location, land availability, recent efforts to accommodate housing need and local circumstances. Obviously, each municipality will need to devise specific solutions best suited to its own situation, but each should strive to provide a favorable climate for the construction of low-and moderate-income housing as reflected in the spirit of the Mount Laurel decision. Moreover, it would appear that regardless of the size of the housing goal allocated to each municipality, every municipality has the obligation to seek to remove exclusionary practices which act as artificial barriers to the achievement of equal opportunity for all income groups. It is hoped that this report will facilitate initiatives in this regard.

As indicated earlier in this document, this fair share allocation plan is preliminary in nature and thus subject to changes and revisions. Copies are

available at the following locations:

New Jersey State Library  
185 West State Street  
Trenton, New Jersey

Division of Administrative Procedure  
10 North Stockton Street  
Trenton, New Jersey

Copies have been forwarded by mail to all municipal clerks and county planning boards.

Written and oral comments concerning the draft plan will be received at the following public hearings:

<u>Date</u>	<u>Place</u>	<u>Time</u>
Nov. 29 (Mon.)	Rutgers, the State University Robeson Campus Center Newark, New Jersey	7:30 P.M.
Nov. 30 (Tues.)	N. J. State Museum Auditorium Trenton, New Jersey	7:30 P.M.
Dec. 2 (Thurs.)	Hackettstown Middle School Hackettstown, New Jersey	7:30 P.M.
Dec. 7 (Tues.)	Rutgers, the State University College Center Camden, New Jersey	7:30 P.M.
Dec. 9 (Thurs.)	Richard Stockton State College Pleasantville, New Jersey	7:30 P.M.

Interested persons may also send statements in writing relevant to the draft plan to be received on or before January 6, 1977, at the address below:

Division of State and Regional Planning  
Bureau of Urban Planning  
Box 2768  
Trenton, New Jersey 08625

After a review of the comments received at the public hearings and those submitted directly to the Division of State and Regional Planning, a final report will be issued in February 1977.

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EXECUTIVE ORDERS

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BRENDAN BYRNE,  
Governor.

Governor.

STATE OF NEW JERSEY,  
EXECUTIVE DEPARTMENT.

ER No. 45

whether November 26, 1976,  
be a work day; and

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occur on a Saturday; and  
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State, do hereby ORDER

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shall be on their respec-

b. For categories of employees who work in the Executive Branch of State Government and who are paid from State funds and whose regular work schedules do not include Saturdays, the celebration of Christmas Day 1976, New Year's Day 1977, and Dr. Martin Luther King, Jr.'s Birthday 1977 shall be on December 24, 1976, December 31, 1976, and January 14, 1977, the Friday preceding their respective dates of occurrence.

c. Employees shall be treated in accord with applicable regulations regarding requirements to work on holidays and holiday compensation.

d. No addiitonal time off shall be authorized for the celebration of any of these holidays.

Given, under my hand and seal this 18th day of  
[SEAL] November, in the year of Our Lord, one thousand nine  
hundred and seventy-six, of the Independence of the  
United States, the two hundred and first.

/s/ BRENDAN BYRNE,  
Governor.

Attest:

JOHN J. DEGNAN,  
Executive Secretary to the Governor.

STATE OF NEW JERSEY,  
EXECUTIVE DEPARTMENT.

EXECUTIVE ORDER No. 46

WHEREAS, The Division of State and Regional Planning has prepared preliminary housing allocation goals pursuant to Executive Order No. 35 (1976); and

WHEREAS, Housing allocation goals are related to current and ongoing efforts to revitalize the cities of New Jersey, preserve urban neighborhoods, provide for necessary redevelopment activities within more developed municipalities; and related to Statewide planning activities;

Now, THEREFORE, I, Brendan T. Byrne, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the statutes of this State, do hereby ORDER and DIRECT that:

1. The Director of the Division of State and Regional Planning shall review and if necessary modify as may be appropriate the preliminary housing allocation goals prepared pursuant to Executive Order No. 35 (1976) to assure that they take into account current programs designed to revitalize the cities of New Jersey, including such programs as neighborhood preservation and urban economic development programs; redevelopment possibilities for the more developed municipalities of New Jersey; and Statewide planning objectives as encompassed by the comprehensive planning activities of the Division of State and Regional Planning; as well as the housing goal allocation criteria prescribed by Executive Order No. 35 (1976).

2. To enable the director to perform the review required by this Order, the period for the director to complete the initial final allocation of housing goals pursuant to Executive Order No. 35 (1976) as supplemented by this Order shall be extended to no later than 1 year from the date of this Order.

Given, under my hand and seal this 8th day of  
[SEAL] December in the year of Our Lord, one thousand nine  
hundred and seventy-six, of the Independence of the  
United States, the two hundred and first.

/s/ BRENDAN BYRNE,  
Governor.

Attest:  
JOHN J. DEGNAN,  
*Executive Secretary to the Governor.*

STATE OF NEW JERSEY,  
EXECUTIVE DEPARTMENT.

#### EXECUTIVE ORDER No. 47

WHEREAS, There exists a substantial number of motor vehicles which are controlled and supervised by individual departments of State Government rather than the Central Motor Pool; and

WHEREAS, The services performed and the policies promulgated by the separate departments with respect to these vehicles are in many instances duplicative and contradictory; and

WHEREAS, The duplication of motor vehicles increases the cost of maintenance; and

WHEREAS, Increased consolidation of State-owned motor vehicles, standardization of equipment, and standardization of policies will reduce costs; and

WHEREAS, Fiscal constraints exist in government at the State level;

WHEREAS, Said Central Motor Pool is inefficient in the operation, maintenance, and control of the State-owned motor vehicles assigned to it;

Now, THEREFORE, I, BRUNO RUTENFRANZ, Governor of New Jersey, by virtue of my office and the powers vested in me by the Constitution and the statutes of this State, do hereby DIRECT:

1. The Central Motor Pool shall assume management of all State-owned motor vehicles which are currently under the control of the Department of Transportation, the Department of Defense and the State Police.

2. This Order shall take effect on the date of its adoption.

Given, under my hand and seal this 8th day of  
[SEAL] December, in the year of Our Lord, one thousand nine hundred and seventy-six, of the Independence of the United States, the two hundred and first.

Attest:  
JOHN J. DEGNAN,  
*Executive Secretary to the Governor.*