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REPORT ON LEAST COST HOUSING AND ZONING ORDINANCE PROVISIONS

prepared on behalf of plaintiffs in <u>Morris County Fair</u> Housing Council et al v. Township of Boonton et al.

prepared by Alan Mallach Associates, Philadelphia, Pa.

March 12, 1979

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Prepared on behalf of plaintiffs in Morris County Fair Housing Council et al. v. Township of Boonton et al. by Alan Mallach Associates.

The attached report is in two parts. The first part presents minimum standards for least cost housing, in keeping with the general standards established in the <u>Mt. Laurel</u> and <u>Madison</u> decisions, and principles to implement the overall objective of 'overzoning' as also established in the <u>Madison</u> decision. The second part of the report presents the relevant features of the zoning ordinances of the defendant municipalities for the purpose of determining whether or not these ordinances do indeed provide for least cost housing, and if so, whether in reasonable measure.

One important point should be borne in mind in reading the first section, dealing with least cost housing standards. We have not attempted, here, to arrive at the absolute least cost standards; rather, the standards proposed here are in all cases more expansive than an absolute least cost standard would be; e.g., lower densities, greater frontages, etc. For example, we recommend a standard of 10 DU/acre for townhouses. The fact remains that acceptable, livable, townhouse developments can be built at densities of 12, 14, or 15 DU/acre. In essence, recognizing that housing standards contain a strong cultural element, we have attempted to frame those presented here with at least some sensitivity to the suburban orientation of the communities to which it is addressed.

Given this point, it follows, however, that a standard more restrictive than those found here, if only by a modest degree, is inherently not least cost. The standards here should be construed as the most restrictive end of the least cost range, rather than the absolute least cost standards of development.

Finally, as a result of continuing ordinance changes, lack of availability of current ordinances or maps, cross references to other ordinances not available, etc., there will be certain omissions or inaccuracies in the attached zoning ordinance analyses. These will be corrected as expeditiously as possible, and resubmitted in corrected form.

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not available

## LEAST COST HOUSING

The purpose of this memorandum is to outline a workable definiton of 'least cost housing' that is consistent with the more general language of the <u>Mt. Laurel</u> and <u>Madison</u> decisions, and can be applied to the evaluation of a municipal zoning ordinance, or to the drafting of an ordinance that will be consistent with the above Supreme Court decisions.

The central language relevant to least cost housing is found in the Madison decision, where the Court held that

"...it is incumbent on the governing body to adjust its zoning regulations so as to render possible and feasible the "least cost" housing, consistent with minimum standards of health and safety, which private industry will undertake, and in amounts sufficient to satisfy the deficit in the hypothesized fair share."

This sentence raises two issues which must be addressed: (1) the question of what are standards that are indeed "least cost, consistent with minimum standards of health and safety"; and (2) the question of how much land must be zoned, or mapped, for 'least cost housing' in order to make "possible and feasible" the needed amount of fair share housing.

(1) ZONING STANDARDS FOR LEAST COST HOUSING

First, least cost housing embodies a variety of housing types. Both <u>Mt. Laurel</u> and <u>Madison</u> make clear that no one type of housing, reasonably, is adequate to meet the needs of the highly diverse population in need of housing. At a minimum, least cost housing includes (a) single family homes on very small lots; (b) multifamily housing, including townhouses and apartments of different types. PUDs, although perhaps not in themselves least cost housing, are seen, under appropriate circumstances and standards, as a potential vehicle for least cost housing. In addition, mobile homes and two family houses, in the appropriate circumstances, are a means for providing additional least cost housing to meet housing needs.

The initial threshold for a zoning ordinance, therefore, is simply the provision of the variety of housing types suggested above. Does the zoning ordinance provide for, as the <u>Mt. Laurel</u> decision phrased the point, an "appropriate variety and choice of housing"?

Even if the housing types are provided for in the ordinance, that ordinance does not provide for least cost housing unless the manner in which the housing is provided meets least cost criteria. There are three general criteria which, in our judgement, summarize the operational

#### LEAST COST HOUSING (2)

dimension of least cost housing:

 the absence of cost-generating provisions, or exactions, that are unrelated to health and safety;

no more than modest, and occupancy-based, floor area standards;

 no more than modest lot size or density, and related (frontage, width, etc.) requirements.

Unless all three of the above criteria are met, the zone cannot legitimately be considered to provide for least cost housing\*. Since the first two criteria are largely, although not entirely, independent of housing type, they can be discussed generally before we turn to the standards for specific types of accomodation.

(a) <u>cost-generating features</u>: cost generating features are the many features in a zoning ordinance which, whether imposed for benign or malign reasons, increase the cost of the housing unit without affecting the basic health and safety needs either of the resident in the housing, or the community in which it is located. Many of these features may, to some degree, be considered desireable by much of the population; they are nonetheless not necessary. They fit, in turn, into a number of categories, which may be helpful:

1. requirements designed to enhance house value. These include requirements such as

basements rather than slabs;

 excessive parking spaces, or requirements that units have enclosed garages;

 requirements for more open space dedication than bears a reasonable relationship to the needs of the occupants;

2. requirements designed to meet visual/aesthetic goals. These include requirements such as

- 'zigzag' standards, where setbacks in multifamily developments must be varied at regular intervals;
- 'no look alike' standards, where detached houses (or townhouses) must show significant variation from one another in elevation, facade, etc.
- requirements for more open space dedication than bears a reasonable relationship to the needs of the occupants;

\*lest it be felt that this is too stringent, it must be stressed that the Supreme Court said 'least cost', not 'less cost'. It must be stressed as well that many housing features that Americans have come to consider as virtually required are functions of (a) cultural tastes; and (b) affluence, and can be dispensed with if need be without great difficulty. 3. requirements designed to displace costs onto developers, and by extension, residents of new housing. These include requirements such as

 provision of major infrastructure or facility improvements by the developer at his expense

requirements that a development bear the cost of services (snow removal, trash removal, etc.) otherwise borne by the municipality.

It was a provision of the sort cited immediately above, dealing with provision of infrastructure, that the Court in <u>Madison</u> dealt with at length, noting "the sites were deliberately chosen in order to force the PUD developers and their customers to carry the burden of developing these remote areas".

In any event, provisions of this sort, by adding costs to achieve ends unrelated to health and safety, are inherently inconsistent with the objective of least cost housing.

(b) <u>floor area standards</u>: a particularly common, and significant, means by which housing is rendered more expenseive than necessary is through the imposition of a minimum size for the floor area of a house or apartment unit. Such sizes frequently have nothing to do with health and safety, and bear no relationship to the anticipated number of occupants of the unit. This point was dealt with in detail in a recent Superior Court decision, <u>Home Builders League of South Jersey et al v.</u> <u>Township of Berlin, et al.</u> (157 N.J. Super 586). Such requirements are imposed, either from a desire to increase house cost, or from a perhaps benign objective of providing more 'desireable' housing. Again, it is important to stress the distinction between what is desireable and what is necessary.

Although there is no absolute standard of crowding to determine the smallest possible unit that is consistent with health and safety, the existence of, and the extensive experience with, HUD Minimum Property Standards makes it unnecessary. These standards (known as the MPS) have been in use for over 40 years, and resulted in the construction of thousands of highly satisfactory and liavable housing units. They are 'performance' standards; in other words, rather than establish a flat figure for a dwelling unit, they establish requirements for specific rooms, storage space, clearances in hallways, etc., etc., from which an architect or engineer can construct a floor plan. Satisfactory floor plans have been designed, and constructed, under HUD MPS provisions resulting the following unit sizes:

1	bedroom	apartment	550 to	$600 \text{ ft}^2$
2	bedroom	apartment	660 to	$720 \text{ ft}^2$
3	bedroom	apartment	850 to	900 ft <sup>2</sup>

attractive and livable three bedroom houses are constructed under the

LEAST COST HOUSING (4)

Farmers Home Administration programs at 960 ft<sup>2</sup> (24' x 40')

To be least cost in effect, floor area standards should:

1. be no greater than the requirements of the HUD MPS, and preferably keyed to performance rather than flat area requirements:

2. be occupancy-based; i.e., vary with number of bedrooms, rather than a single unit requirement;

3. elimiate requirements unrelated to health and safety. An example would be the frequent requirement that a 1 story unit have X square feet, a 1 1/2 story unit X+Y square feet, and a 2 story unit 2X square feet. Such a provision, or variations thereof, is commonplace, and patently irrelevant to any goal other than ensuring a higher housing price.

Given the above, we can now turn to the standards that are specific to each significant housing type.

(c) standards for detached single family houses: It is important to keep lot and frontage requirements in single family housing to an absolute minimum, since they relate directly to cost - the lot size dictates the cost of acquisition, site preparation; the frontage dictates the cost of infrastructure improvements based on front feet or running feet, such as sewer and water lines, roads, curbs, sidewalks, and the like\*.

The minimum requirement of a lot is that it (a) be large enough to place a modest house on; (b) provide space for a driveway from the street to a docr; and (c) provide some flexibility for layout and alignment for purposes of privacy. The recreational potential of individual house lots below 3/4 acre to 1 acre is modest in any event.

A 50' x 100' lot is quite adequate for all the purposes cited above. A 25' x 40' house can be sited easily on such a lot, with a 10' wide driveway to one side, with adequate flexibility so that setbacks, window locations, etc., within a development can be varied for purposes of privacy.

The use of clustering can provide an alternative to the above; by clustering, the size of the lot could be reduced by at least 20%, to 50' x 80', for example, and the balance retained in shared recreational area. 1 acre of recreational space could be created for every 40-45 units, an amount suitable for small child play activities \*\*.

\*a major issue with regard to exactions is that of excessively stringent subdivision standards, in two regards (a) dimensionally excessive standards, such as street widths, sidewalk widths; or (b) materially excessive standards, such as paving requirements, concrete use, etc. \*\*given normal behavior patterns, it is highly unlikely in any event that older children and teenagers would restrict their play activity to the immediate vicinity of their homes. LEAST COST HOUSING (5)

(d) standards for townhouses: townhouses or rowhouses are far more economical in terms of land consumption than detached housing. A standard for density can be developed from the minimum requirements of a typical least cost townhouse unit. The width of a livable townhouse unit need not be more than 18', perhaps less\*. A townhouse development made of 18' wide units averaging 1200 ft<sup>2</sup> would have a basic townhouse module of roughly 18' x 34', on two stories. Such a development should have, in order to be on the safe side, 1.8 parking spaces per dwelling unit. If each unit sits on a lot 100' deep (again, more than absolutely needed) we obtain the following space requirements for a 10 unit townhouse development:

coverage by buildings (612' x 10)	6,120 ft <sup>2</sup>
area used by private buildings and lots	18,000 ft <sup>2</sup>
area used by parking spaces (200' x 18)	3,600 ft <sup>2</sup>

since the area covered by buildings is part of the lot area, we find that area taken up by buildings, private lots, and parking spaces, is 21,600 ft<sup>2</sup> or almost exactly 1/2 acre for 10 units. At a density of 10 DU/acre, that leaves 50% of the site for access ways, pedestrian walks, buffer strips (if needed, which is unlikely), and recreational spaces.

Given the ample space provided, it is our judgement that a density of less than 10 DU/acre (as a ceiling in the ordinance) is impossible to justify in the context of least cost housing. We would suggest that a density ceiling of 10 DU/acre, and a minimum unit width of 18' are the most restrictive standards that can be justified within the least cost framework, and that less restrictive standards could easily be considered acceptable. A requirement that 20% of the site be set aside, and prepared for a mixture of children and adult recreational uses, sould be more than adequate for the needs of the residents, and easily achieved at 10 DU/acre.

(e) standards for garden apartments: garden apartments are still more economical in space terms than townhouses. They are oriented to a different, but also significant, body of housing needs. A typical garden apartment unit might have a total square footage of 750 ft<sup>2</sup>, to which the addition of 10% would easily account for common spaces such as stairwells, foyers, etc., on the residential floors. The basement will contain such necessities as boilers, laundry room, etc.

A 25 unit garden apartment building on two stories will occupy between 10,000 and 11,000 ft<sup>2</sup> on the ground. Because of the typically smaller units, a garden aprtment development is not likly to require more than 1.5 parking spaces per unit, or a total of 5,000 ft<sup>2</sup> of parking for a 25 unit building (25 x 200ft<sup>2</sup>). Although the ground coverage here

\*many ordinances require 20' or 22' widths. This is patently absurd, as a visit to any attractive older community will show. Cities such as Philadelphia or Washington D.C. contain townhouses that are not only livable, but actively sought after, at widths of 15' and even 12'.

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does not appear extremely high, the bulk of a garden apartment building, particularly in an area characterized by single family houses may require greater setbacks than townhouses; similarly, the lack of private yards may justify greater allocation of open space.

Attractive garden apartments meeting all health and safety requirements can be constructed at densities of 15 to 20 DU/acre, if the typical building is a two story (or 2 1/2 story building); densities of 25 DU/acre or more are possible with 3 story garden apartments. It should be noted that when preparing an ordinance for such relatively high density garden apartments, it is desireable to require only modest setback, buffer, and similar provisions, in order to provide the developer with the greatest flexibility to use interior space in the development for sound recreational purposes. While setbacks of 100' for multifamily development, which are found in some ordinances, may not significantly increase costs, they do significantly impair the architect's ability to create useable and wellsituated open spaces for the enhancement of the residents' lives.

(f) <u>standards for senior citizens housing</u>: generally speaking, there is no particular justification to single out zones for senior citizen housing. If an area is suitable for senior citizens, it is most likely equally suitable for other multifamily housing to accomodate non-senior citizens. There are two distinctions that can be made, however:

(1) certain areas may be more suitable for senior citizens than others, by virtue of easy access to community services, public transportation, etc.

(2) within such areas, differential standards, based on objective considerations, can be set for senior citizen vs. housing designed for general occupancy;

In the former, with regard to location suitability, within the overall area in a community in which multifamily housing is permitted, differential standards for senior citizens housing (such as higher densities) should be provided only in those areas that are objectively more suitable for senior citizen housing. The differential standards that should be provided include:

(1) permitting mid-rise or elevator structures of four to six stories

(2) requiring no more than 1 parking space per DU, and in subsidized developments no more than .5 parking spaces per DU

(3) permitting higher density in keeping with the number of stories; e.g., a 5 story senior citizen building can be built at 45 DU/acre without exceeding 15%-20% coverage of the site.

An alternative to midrise construction of senior citizen housing, since it

## LEAST COST HOUSING (7)

is unsuitable to build housing for senior citizens that requires the residents to walk up and down flights of stairs, is the one story or attached cottage development\*. Land coverage effectively limits the density for one story development; since, however, parking requirements are minimal, and a compact development pattern is highly desireable\*\*, maximum coverage requirements should be set high. In our judgement, an ordinance that does not allow at least 30% site coverage for one story senior citizens housing is too restrictive. This should allow a density of 15 to 18 units/acre.

(g) <u>Standards for Planned Unit Developments (PUDs</u>): Although the court in <u>Madison implies that PUDs (or PRDs</u>, PRNs, etc.) can provide under appropriate circumstances a vehicle for least cost housing to come into being, practical considerations make this often unfeasible in reality. Since PUDs serve other purposes than the provision of least cost housing, including environmental preservation, open space and natural area protection, which may be implicitly inconsistent with the principle of 'least cost', the appropriate circumstances are likely only rarely to be available. Certainly, to the degree that least <u>cost standards are modified to serve unrelated (although perhaps</u> <u>desireable) objectives, the ordinance provisions cease to be least cost</u>. This is particularly true today, where the substantial front end costs of PUD development, coupled with high interest rates, can easily create an environment in which PUD units will be more expensive, rather than less expensive, than conventionally developed housing.

If PUD is to achieve any part of the least cost housing goals of a community it must be developed according to strict standards, imposed to ensure that the least cost housing goals are not compromised in the effort to achieve other community goals\*\*\*. We suggest the following standards toward that end:

1. the net density standards for housing types within the PUD should be no lower than those proposed for 'least cost' housing developments of each type separately.

By extension, the gross density for the PUD should be the sum of the net densities of the different housing types, in proportion to the share each housing type represents of the total dwelling units in the PUD. Open space

\*indeed, barring exceptional situations, it is State and Federal policy not to allow subsidies for senior citizens' housing to be used for developments other than the 1 story 'cottage' type or mid-rise (4 or more stories) elevator buildings.

\*\*It is important to keep the distance between units, and between the dwelling units and the communal facilities, such as community rooms or dining facilities (if provided) as short as possible.

\*\*\*These other community goals may be perfectly legitimate in their way. The point is that PUDs planned with standards aimed at creating open space communities, economic development centers, etc. do not provide least cost housing. Certain goals, each sound in themselves, may just not be compatible in harness.

### LEAST COST HOUSING (8)

dedication can be achieved by increasing the net densities of multifamily housing\*.

2. An alternative to the above is to provide for a <u>percentage</u> of the units in a PUD to be least cost housing through either internal skewing, or mandatory subsidization, etc., of a given percentage of the units in an otherwise non-least cost PUD.

In such a PUD, the provisions governing the remainder of the PUD, although perhaps not least cost, must still be at least 'reasonable'. The juxtaposition of highly exclusionary zoning standards with a mandatory subsidization requirement is almost guaranteed to make a zone effectively undevelopable.

3. a PUD should not bear non-housing costs (construction of infrastructure, creation of recreational facilities, provision of ongoing services to residents) significantly over and above those borne by a modest conventional development.

Although certain infrastructure costs may be inherent in a PUD, they must be limited to those clearly necessary to bring about the development. The loading of infrastructure or maintenance requirements on a PUD of a nature which are typically provided by the municipality elsewhere is a typical example of an exaction or cost-generating standard.

Finally, it is our judgement that a PUD, to provide a meaningful opportunity for least cost housing, cannot condition that development of housing on simultaneous development of industrial, office, or commercial facilities. Such provisions, which are often found in PUD ordinances, are devices for creating fiscal benefit to a municipality. To the degree that they are capable of causing delays in production of housing, requiring changes in the housing components of the PUD, or eliminating housing units altogether, they are inimical to the least cost housing objective. Furthermore, by adding employees to the community, they increase housing need over and above that needed already.

(h) other standards: at least two other types of housing should be touched upon briefly; namely, mobile homes and two family houses. <u>Mobile homes</u>, as noted in the Public Advocate's brief of March 2, 1979, are implicitly called for as an additional housing option in the Mt. Laurel decision. Mobile homes can be provided for in two ways:

1. through removal of constraints against use of mobile homes as single family houing in single family residential zones, particularly small lot zones;

2. through provision for mobile home parks. Mobile home parks where provided should allow for densities of at least 7 DU/ acre, and refrain from requiring either (a) open space and rec-

\*For example, a development of 100 single family units @ 7/acre (14.3 acres), 300 townhouses @ 10/acre (30 acres), and 100 apartments @ 15/acre (6.7 acres) would require a total of 51 acres. Thus the gross density would be 500 ÷ 51 or 9.8 units/acre for the PUD as a whole. LEAST COST HOUSING (9)

reational area in excess of the needs of the residents; (b) fees substantially increasing the effective cost of the housing to the residents.

Mobile homes can be a valuable housing alternative for young couples, as a 'starter' home, and as a form of moderate income retirement or senior citizens housing.

Two family houses make possible certain economies while maintaining a generally single family residential character. Lot widths and frontages can be reduced to no more than 4000 ft<sup>2</sup> and 40' respectively, while keeping all the functional features of single family residential development as discussed under (c) above. A small lot residential zone can reasonably provide for both one and two family houses as permitted uses.

An additional housing variation that should be considered is the type of two family house where one unit is designed for rental, and is generally smaller than the other unit. This can be included in a detached house (making it a two family house, sitting on a single lot), or in a townhouse. In the latter case, a number of townhouses in a development could be built as three story units, with a rental unit on the third story. This housing has a particular advantage, as has become aparent in many urban communities, as the incremental cost of adding the rental unit is less than the contribution it subsequently makes to the operating cost of the structure. As a result, providing such income opportunities makes homeownership available to households with less income than could afford a similar single family house.

#### (2) LAND AVAILABILITY FOR LEAST COST HOUSING

The question of the availability of land that is vacant, developable, and suitably zoned for least cost housing of the various types described above is the second part of the discussion. As the <u>Madison</u> decision held, which we cited above, the least cost housing zoning must be provided "in amounts sufficent to satisfy the deficit in the hypothesized fair share". Madison continued, that

"sound planning calls for providing for a reasonable cushion over the number of contemplated least cost units deemed necessary and believed theoretically possible under a particular revision. Plaintiff adduced testimony that a reasonable margin over any formulaic quota was necessary in order to produce any likelihood of achievement o the quota. The reasons are evident. Many owners of land zoned for least cost housing may not choose to use it for that purpose. And developers of least cost housing may not select all of the zoned land available therefor, at least not within the anticipated period of need. Thus overzoning for the category desired tends to solve the problem."

#### LEAST COST HOUSING (10)

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An additional point cited in the decision, in a footnote to the above, was the "possibility that low cost units actually built will not be utilized by persons needing low cost housing, but will be inhabited instead by higher income persons wishing to economize". Data, consistent with that available for larger areas, is cited in <u>Madison</u> to the effect that only half of the lower cost housing available in that municipality is indeed occupied by lower income households.

Finally, an additional point not made explicitly in the decision, but equally important, is the need to counteract the price effect of scarcity generated by only limited rezoning. In other words, if only a small amount of land is available for multifamily housing, an amount that is substantially less than the amount for which demand exists, the price of the land will be 'bid up' by its scarcity, and the housing will be made more expensive. This, in turn, is a signifcant reason why, as the <u>Madison</u> decision noted, "owners of land zoned for least cost housing may not choose to use it for that purpose". Such a choice, where suitably zoned land is scarce, is dictated by economic considerations.

The scarcity pressure on land zoned for least cost housing can only to a limited degree be reduced by the simultaneous zoning of other land for similar housing types, but at greater than least cost standards. Under most circumstances, the builder of non-least cost housing will seek out the zoning that will give him the greatest flexibility, which will be the least cost zone. As a result, the least cost zone will still be utilized for non-least cost housing even if alternatives are available\*.

All of the above suggests a central point: fixing the level of overzoning for least cost housing must be done in the context of market demand analysis, for least cost and other housing, in the community. The greater the demand for more expensive housing, the greater the overzoning must be if least cost housing is to be achieved.

On the basis of the above, both the <u>Madison language</u>, and our own commentary, it is possible to derive a series of explicit criteria for overzoning that should lead to the development of an overzoning level for a community:

 overzoning must make possible enough housing for families in need of least cost housing, recognizing that many units (generally around 50%) will not be occupied by such families.

2. overzoning must make possible the meeting of demand

\*One way of dealing with a part of this problem is through the setting of maximum as well as minimum standards; e.g., a one bedroom unit may be "no less than 550 and no more than 700" square feet. Although this does not explicitly deal with price, it does effectively eliminate competition from the upper levels of the price spectrum in many cases. The more 'desireable' the community involved, of course, the more narrow the range excluded. One cannot, however, be entirely comfortable at the thought of the increased regulation, and loss of developer flexibility, involved. LEAST COST HOUSING (11)

for higher density housing generally, so that developers of least cost housing are not effectively eliminated from the market by land price increments triggered by scarcity.

This is particularly important. It may appear superficially that a difference of \$1,500 to \$3,000, for example, in the unit price of land (from \$2,000 to \$5,000 per DU) is not significant. In reality, it has far more impact than the intrinsic price difference, since the economics of real estate dictate maintaining a reasonable ratio between land price and final cost. Thus, higher land costs effective dictate a larger, and more expensive, dwelling unit on that land.

3. overzoning must counteract the possibility, even certainity, that some owners will be unwilling to sell their land, either for a reasonable price or at all, or to build housing on it.

Finally, to the degree that zoning provisions, or land ownership patterns, tend to reduce flexibility, overzoning must counteract those situations. These include (a) the fewer the number of separate owners of suitably zoned land, the more likely that point (3) above will have a significantly restrictive effect on availability; (b) the greater the amount of suitably zoned land that is either farmed, or actively used for some other purpose, however low in intensity, the more likely that owners will be reluctant to sell; (c) to the degree that the ordinance imposes land assembly requirements by requiring a minimum tract size (many require 5, 10, 20 acres for multifamily deelopment), the more constrained developers will be, particularly those seeking to build least cost housing and thus constrained as well in the price they can offer.

The calculation of numerical goals for overzoning must take all of these factors into consideration. We have noted the implicit 2:1 ratio of units to households suggested by the Court in dealing with the question of occupancy (see point (1) above). The fact that affluent families will occupy least cost units will to some degree reduce the amount of overzoning required to deal with point (2), or the demand for non-least cost housing existing simultaneously in the community.

The actual assessment of demand in the community should take market factors into consideration. Since housing markets are regional, a market analysis done on a regional level - countywide - can make possible a rational approach to this problem. With all municipalities in the region sharing in both least cost and non-least cost housing demand, no one municipality is overwhelmed\*. Finally, after dealing with the factors of occupancy and demand, the municipality must evaluate the areas in which it proposes to place least cost housing zones, in order to determine the potential constraints on their utilization. This analysis will suggest the degree to which additional land should be suitably zoned to counteract the constraints.

\*this deals with the frequently voice problem; i.e., "if we rezone, but our neighbors do not, we will be overwhelmed." This is a reasonable concern (if one accepts the premise that least cost housing, and its occupants, are less than desireable additions to a community) but which is obviated by a regional approach.

# LEAST COST HOUSING (12)

The same is true as well of environmental constraints, and constraints imposed by the ordinance, such as the minimum tract area noted above.

Again, in our judgement the analysis to determine the extent of overzoning for least cost housing must take off from the objective expressed in the <u>Madison</u> decision to "render possible and <u>feasible</u>" the construction of such housing. The decision was not concerned with theoretical possibilities, but the realistic feasibility of housing being constructed. Thus, in essence, in the process of preparing the zoning map, the local officials must ask themselves, armed with as much information as possible about economic realities and market demands, if this area is zoned for least cost housing, what housing, if any, will realistically come into being? Through such a process, a