Transcript of the court's decision directing Holmdel to amend its young ordinance

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MM0000368

1	SUPERIOR COURT OF NEW JERSEY LAW DIVISION-MONMOUTH COUNTY
2	Docket Number L-1149-72 P.W.
3	DAVID & FURNAN, J.S.E.
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5	MIDDLE UNION ASSOCIATES, :
6	Plaintiff, ;
	Decision of the Court
7	v. on
8	ZONING BOARD OF ADJUSTMENT : Counts Two and Three
	OF TOWNSHIP OF HOLMDEL, et al,
9	or rounding of ar,
	Defendants.
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11	Freehold, N. J.
12	May 15, 1975
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14	BEFORE:
15	HONORABLE MERRITT LANE, JR., J. S. C.
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17	APPEARANCES:
18	ALAN J. WERKSMAN, ESQ. (Werksman, Saffron & Cohen),
	for the Plaintiff.
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20	S. THOMAS GAGLIANO, ESQ. (Gagliano, Tucci & Kennedy), and
20	DEAN A. GAVER, ESQ. (Hannoch, Weisman, Stern & Besser), for the Defendant Township of Holmdel.
21	TOT THE DETANGAME LOANDHID OF MONNGER.
سال منظ	
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	Daniel Greenspan
2.3	Official Court Reporter
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THE COURT: I want to thank all three counsel for your help. The briefs which you submitted have been very helpful, and the way in which you tried the case has made it a pleasure to have had you here.

In this action plaintiff appealed from the denial of a recommendation by the Board of Adjustment, Holmdel Township, for a use variance under N.J.S.A. 40:55-39(d) to construct in a Commercial-Industrial district in which any type of residential construction or use is prohibited a 694 unit planned residential development on 80 acres, with a mix of apartments for rent and town houses for sale. Earlier in the case the denial was affirmed.

Plaintiff also attacks the validity of the ordinance as it applies to plaintiff's property (count 2 of the complaint) and the validity of the entire ordinance on the grounds that it does not provide for multi-family housing and low-cost housing and on the grounds that the ordinance is not in accordance with a comprehensive plan.

The following issues on these questions are set forth in the pretrial order:

a. Is the zoning ordinance in accordance with

a comprehensive plan?

- b. When adopting a zoning ordinance must a municipality consider the surrounding municipalities?
- c. Is the zoning ordinance of the

 Township of Holmdel as applied to plaintiff's

 premises arbitrary, unreasonable and capricious?
- d. Is the zoning ordinance of the Township of Holmdel unreasonable in not providing for multi-family dwellings?
- e. Does the zoning ordinance of the

 Township of Holmdel preclude the use of

 plaintiff's premises for any purposes as alleged
 in the second count of the complaint?
- f. Does the zoning ordinance of the

 Township of Holmdel as applied to plaintiff's

 premises result in a taking of plaintiff's

 land and the condemnation of same as alleged in

 the second count of the complaint?
- g. Is the zoning ordinance of the Township
 of Holmdel contrary to, and in violation of,
 the statutory standards of the State of New
 Jersey for planning and zoning uses as alleged
 in the second count of the plaintiff's complaint?
 - h. Does any statute of the State of New

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Jersey or provision under the constitution of the State of New Jersey or of the constitution of the United States exist which requires the Township of Holmdel to provide for other than one-family detached housing facilities in its zoning ordinance?

- i. Is the Township of Holmdel required to provide for a balanced housing in its zoning ordinance?
- j. Does this plaintiff have the standing to raise the alleged denial of basic civil rights and liberties as set forth in paragraphs 3 and 5 of the third count of plaintiff's complaint?

k. Does the zoning ordinance of the Township of Holmdel, taken as a whole, have any rational relation to the statutory purposes of zoning as set forth in N.J.S.A. 40:55-32?

Plaintiff's property is an irregular piece on the east side of Union Avenue about 600 feet north of Route 35, a main artery. At the time plaintiff assembled it the zoning was for one-family houses on relatively small lots, I gather a little more than a quarter of an acre. When plaintiff applied for subdivision, the Planning Board did not act upon it before the governing body changed the zone to one acre lots. In 1961 the zone was changed

to Industrial. In 1963 it was changed to its present zoning, Commercial-Industrial.

Permitted uses in the CI Zone are:

- (1) Limited industrial uses;
- (2) Scientific and research laboratories;
- (3) Office buildings for business, professional, executive and administrative purposes;
- (4) Retail sales and services with certain exceptions; and
 - (5) Agricultural uses.

Plaintiff maintains that the zoning ordinance effectively prevents the use of plaintiff's land for any purpose and, therefore, constitutes a taking without compensation.

In order to prevail on this theory,
plaintiff must demonstrate that the ordinance so
restricts the use of the subject premises that it
cannot practically be utilized for any reasonable
purpose or that the only uses permitted by the
ordinance are those to which the property is
not adapted or which are economically infeasible.
Morris County Land Improvement Co. v. ParsippanyTroy Hills Tp., 40 N.J. 539, 557 (1963); Gruber
v. Mayor and Tp. Comm. Raritan Tp., 39 N.J. 1, 12
(1962).

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An effort was made by a Mr. Rice from 1962 through 1964 to dispose of the property. He was a professional but was unable to dispose of it. Mr. Milton Werksman, one of plaintiff's partners. who is a lawyer apparently specializing in real estate, testified that he made efforts to sell it for industrial uses. He talked to friends of his, brokers, lawyers and developers. during his daily activity. Apparently, he brought some of them down to look at the property. Mr. Lazarus testified that he had attempted to dispose of it. I discount Mr. Lazarus' efforts because they have gone on for far too short a period to be meaningful. He was engaged after the Board of Adjustment denied the recommendation, his engagement being sometime in September of last year. Certainly, the result in not being able to sell an 80 acre parcel in less than a year means nothing at all. There is no proof at all that any attempt has been made to market the property for a scientific or research laboratory or for an office building.

I believe Mr. Walker's testimony that proper efforts were not made to sell the property. Rice stopped in 1964. Mr. Werksman's conversations with

his acquaintances in the real estate field did
not constitute marketing. As I have said,
Lazarus has been at it too short a time. In
addition, I think the price of \$15,000 an acre
is too high. It makes no difference whether that
was communic ted to any prospective buyer or not.
I think Mr. Walker's figure, which I believe was
\$6,000 to \$9,000 an acre, was far more reasonable.

Plaintiff has failed to meet the burden of proof that the property could not practically be used for a permitted purpose. The proof was directed to industrial and retail sale uses only. As I have pointed out, there are other permitted uses in the CI Zone.

There will be a judgment for defendant on the second count.

plaintiff contends that the Holmdel zoning ordinance is invalid in that it is not in accordance with a comprehensive plan and in that it is unreasonable in not providing for multifamily dwellings. This Court, on a motion, determined that plaintiff had standing to raise the issues. Plaintiff originally argued that the zoning ordinance is exclusionary and denied to those who cannot afford single-family detached

homes the opportunity to live in Holmdel, but the Court dismissed this equal protection argument on the ground that plaintiff does not have standing to raise it.

Although it has raised the issue of whether the Holmdel zoning ordinance is in accordance with a comprehensive plan, plaintiff has not pursued this point in its brief nor in its proof. The basic requisites of a comprehensive plan are set forth in Kozenik v. Montgomery Tp., 24 N.J. 154, 166-167 (1957). See also Johnson v. Tp. of Montville, 109 N.J.Super. 511, 519-521 (App. Div. 1970).

It is clear that the purpose of a comprehensive plan, as required by N.J.S.A. 40:55-32 and as interpreted by the Supreme Court in Kozenik v.

Montgomery Tp., supra, was to prevent the occurrence of what has come to be known as spot zoning.

This problem is certainly not present in the case at Bar. The Holmdel zoning ordinance was not adopted piecemeal, although it has been amended, and is clearly an integrated product of a rational process. Therefore, plaintiff cannot prevail by contending that the zoning ordinance is not in accordance with a comprehensive plan.

Plaintiff argues that the zoning ordinance is invalid in that it neither provides for multi-family housing nor for a balanced housing scheme in the Township.

New Jersey Constitution of 1947, Article

IV, Section VI, paragraph 2, gives the

Legislature power to enact enabling legislation

to empower the municipalities to enact zoning

legislation.

N.J.S.A.40:55-30 specifically gives
municipalities authority to "limit and restrict
to specified districts * * * regulate therein,
buildings and structures according to their
construction, and the nature and extent of their
use, and the nature and extent of the uses of
land * * * ."

N.J.S.A. 40:55-32 sets forth the purposes of zoning legislation and the essential considerations. It provides, and I quote:

"Such regulations shall be in accordance with a comprehensive plan and designed for one or more of the following purposes: to lessen congestion in the streets; secure safety from fire, flood, panic and other dangers; promote health, morals or the general welfare; provide adequate light and

air; prevent the overcrowding of land or buildings; avoid undue concentration of population. Such regulations shall be made with reasonable consideration, among other things, to the character of the district and its peculiar suitability for particular uses, and with a view of conserving the value of property and encouraging the most appropriate use of land throughout such municipality."

The authority to zone is based on an enabling act which sets forth specific purposes. The act of zoning classifies homogeneous and compatible uses into separate districts under a comprehensive plan designed to promote the statutory purpose. It has been said that this makes it possible to exclude specific uses which could not be so excluded under the municipality's police power. Andover Tp. v. Lake, 89 N.J.Super. 313, 320 (App. Div. 1965). See 1 Rathkopf, The Law of Zoning and Planning (3d ed. 1969), p. 15-5.

Reasonable zoning regulations designed to promote early physical development of municipalities according to a land-use pattern represent a valid exercise of police power. Such regulation by establishing districts where land may be devoted

only to certain specified uses, and which fix area, front, and side yard requirements in the districts, impose restrictions on ordinary incidents of ownership. They are not constitutionally offensive because, when reasonable in degree and considered necessary by the governing body to the physically harmonious growth of land use in the municipality, they serve the overall public interest of the community. Gougeon v. Board of Adjustment of Borough of Stone Harbor, 52 N.J. 212, 225 (1968); Harrington Glen, Inc. v. Municipal Bd. of Adjustment of Borough of Leonia, 52 N.J. 22, 32 (1968). See Fischer v. Township of Bedminster, 11 N.J. 194 (1952); Duffcon Concrete Products, Inc. v. Borough of Cresskill, 1 N.J. 509 (1949); Clary v. Borough of Eatontown, 41 N.J.Super. 47 (App. Div. 1956).

However, all zoning legislation is subject to constitutional limitations that it not be unreasonable, arbitrary, or capricious and that the means selected by such legislation shall have a real and substantial relation to the legitimate purposes sought to be attained. Schmidt v. Board of Adjustment, Newark, 9 N.J. 405, 414 (1954). Constitutional guarantees require that zoning power

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not be utilized beyond the public need or impress unnecessary and excessive restrictions upon the use of private property or pursuit of useful activities. Katobman Realty Co. v. Webster, 20 N.J. 114, 122-123 (1955).

The test of the validity of a municipal zoning ordinance is the reasonableness of the ordinance viewed in light of existing circumstances in the community, used in a broad sense, and the physical characteristics of the area.

It used to be said that the party attacking the validity of a zoning ordinance has a heavy burden of affirmatively showing it bears no reasonable relationship to public health, morals, safety or welfare. Proof of unreasonableness has to be beyond debate. Barone v. Bridgewater Tp., 45 N.J. 224, 226 (1965). Even that presumption could be overcome by a showing on the face of the ordinance, or in the light of facts of which judifical notice can be taken, of transgression of constitutional limitations or bounds of reason. Moyant v. Paramus, 30 N.J. 528, 535 (1959).

Usually, the judicial role in reviewing a zoning ordinance is tightly circumscribed. There

used to be a strong presumption in favor of its validity. A court could not pass upon the wisdom or lack of wisdom of an ordinance. It could only invalidate a zoning ordinance if the presumption in favor of its vailidity is overcome by a clear, affirmative showing that it is arbitrary or unreasonable. Harvard Ent., Inc. v. Bd. of Adj. of Madison, 56 N.J. 362, 368 (1970).

The total factual setting has to be evaluated in each case. Under usual circumstances if the validity of the ordinance is in doubt, the ordinance must be upheld. Euclid v. Ambler Realty Co., 272 U.S. 365, 388 (1926).

In Southern Burlington County N.A.A.C.P. v. Tp. of Mount Laurel, __N.J.__ (1975), the Supreme Court considered an attack upon the zoning ordinance of Mount Laurel Township brought by various individual plaintiffs and by three organizations representing the housing and other interests of racial minorities. Plaintiffs argued that Mount Laurel's system of land use regulation was invalid in that it excluded low and moderate income families from the municipality.

The Supreme Court held the zoning ordinance to be invalid to the extent that it did not

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provide reasonable opportunity for an appropriate variety of housing to meet the needs, desires and resources of all categories of people who might desire to live in Mount Laurel.

The Court held that a presumptive obligation exists for each municipality affirmatively to plan and provide for such a variety and choice of housing, and went on to state, and I quote:

"We have spoken of this obligation of such muhicipalities as 'presumtive.' The term has two aspects, procedural and substantive. Procedurally, we think the basic importance of appropriate housing for all dictates that, when it is shown that a developing municipality in its land use regulations has not made realistically possible a variety and choice of housing, including adequate provision to afford the opportunity for low and moderate income housing or has expressly prescribed requirements or restrictions which preclude or substantially hinder it, a facial showing of violation of substantive due process or equal protection under the State Constitution has been made out and the burden, and it is a heavy one, shifts to the municipality to establish a valid basis for its action or non-action. Robinson v. Cahill, supra, 62 N.J. at 491-492, and

'presumptive' relates to the specifics, on the one hand, of what municipal land use regulation provisions, or the absence thereof, will evidence invalidity and shift the burden of proof and, on the other hand, of what bases and considerations will carry the municipality's burden and sustain what it has done or failed to do. Both kinds of specifics may well vary between municipalities according to peculiar circumstances." (Slip opinion, pg. 35-37).

Based upon a dictum in this decision, the defendant argues that the plaintiff, who seeks to develop, should not be permitted to maintain its attack on the ordinance. I might in theory agree with defendant. However, plaintiff has owned the land since the mid-fifties. During this time it has been a taxpayer. I fail to see how it would be constitutional to allow a resident who is not a developer to attack an ordinance but deny that right to a developer merely because he wants to make use of his property by developing. If plaintiff were a contract purchaser, there might be a reason to distinguish. I am sure we are all familiar with the provisions for equal.

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protection of the law. I cannot accept defendant's argument in this regard.

The defendant Township seeks to distinguish
the Mount Laurel decision and to avoid its clear
mandate by arguing that the thrust of the decision
is to guide munipalities in providing zones for
low and moderate income housing.

Even though it appears that the planned residential development proposed by plaintiff would not provide such low and moderate income housing, the Mount Laurel case cannot be so easily distinguished. The variety of housing to which the Court addressed itself included, but was not limited to, low and moderate income housing. What the Court was basically concerned with, however, was the fact that the Mount Laurel zoning ordinance permitted only one type of housing, single-family detached homes, and that multifamily housing, including garden apartments and town houses. was prohibited. (Slip opinion, pg. 37.) It noted that not only were many people incapable of affording such housing but that many, including young people and elderly and retired persons, did mt desire such housing. (Slip opinion, p. 38).

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Holmdel is 17.90 square miles in area or 11,456 acres. It has a number of farms. The population in 1960 was 2,959; in 1970, 6,117; and the estimated population in 1974 was about 7500. It has made a conscious effort to attract industrial and commercial organizations and has been highly successful. At the present time there are about 7300 employees employed in the Township. This represents 7 percent of the jobs in the County. It must also be kept in mind that Prudential Casualty Company is building a plant at which there will be, I believe, about 650 new jobs.

Holmdel's ordinance provides for residential uses only single-family detached houses on one acre. There is a provision for open space zoning, but it is of little help to a developer. The minimum house size in an R-4b Zone is 1200 square feet and in an R-4a Zone, 1750 square feet for a one-story house and 2000 square feet for two stories. The R-4b zone is very small and, to a large extent, built up.

There are presently 3,917 acres in the Residential Zone that is undeveloped. Only about 60 percent of the land is zoned for residences.

In fact, there are only about 1,848 residences in town, 23 of which are two-family. In 1973 Holmdel had 1.08 percent of new housing units built in the County-this, notwithstanding that it has 7 percent of the jobs.

developed. Defendant admits that there are 613 acres so zoned but underdeveloped. In the Office and Laboratory Zone there are 1,408 acres, of which 514 are developed or under development. There are—and this is not in addition to the figures that I have given but it is a compilation or it includes and crosses, I believe, all of the zones—there are 4,790.71 acres assessed as farm land.

through Multiple Listing, only three were for less than \$50,000. To build a new home in the R-4a or b Zones, the cost would be in excess of \$70,000. To buy a \$50,000 house and finance it, as most people have to do these days, one must have an income of at least \$24,667 a year. There is no employee of the Township, with the possible exception of Dr. Satz, who makes that much.

There is no doubt that Holmdel is a developing

municipality. It is close to built-up urban areas. It has sizeable land area, vacant. It is in the path of population influx. It has been experiencing development. As I have said, it has made a conscious effort to develop through commercial and industrial uses. Mr. Strong's definition of a developing community was just a plain non sequitur. The Parkway has been a great factor in the growth of Monmouth County and in the bringing of people who might, if they could afford it, want to live in Holmdel.

There is a lack of housing for low and moderate income persons in this County. There is a need for rental housing to serve the needs of the people. Holmdel has done nothing to make such housing available. The housing area is the County. 70 percent of the residents work in the County. I can understand the thinking of the people in Holmdel, but Holmdel falls squarely within the Mount Laurel category.

Mount Laurel decision is not applicable to it because there allegedly is an adequate supply of multi-family housing in the region. In making this argument, defendant clearly misses the import

of Mount Laurel. The Court held that each municipality must meet its fair share of the present and prospective regional needs for low and moderate income housing, that is, the need of Monmouth County. Theoretically, if no such need exists in the region around Holmdel, the defendant need not so provide.

However, the Court also held that when, as here, a municipality has not made realistically possible a variety and choice of all forms of housing, including but not limited to low and moderate income housing, it bears the heavy burden of justifying its action or non action.

Holmdel has offered no convincing reason why it should not provide areas in which housing for low and middle income people and in which multi-family housing can be built.

Mr. Strong's testimony was not very helpful since it was based on 1970 figures. I cannot credit his belief that the figures today are substantially what they were in 1970. I really was totally unimpressed with his testimony.

Insofar as Holmdel's zoning ordinance does not so provide, it is invalid. I recognize that you probably need sewerage and water for multi-

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family housing. The fact that there may be none now is no reason not to zone for the purposes I have referred to. Utility services can be supplied. The question is which is going to come first. Mount Laurel has clearly spelled it out.

Plaintiff's planning expert testified that there is presently a need for 30,000 moderate and low priced housing units in the County. In his opinion, Holmdel's fair share would be 7 percent, the percentage of jobs that it has.

I find that his method of calculating such share is logical and fair.

ordinance to provide for a reasonable area or areas where low and middle income housing can be built, including multi-family housing, in an amount of not less than 2100 units. "Low and moderate income families or housing" is used as defined in Mount Laurel. This more than doubles the number of residential units. The land is there. The municipality will have to cope.

It also must be realized that it will be a long time before 2100 units will in fact be constructed.

The Township must be given adequate time for . its Planning Board to properly determine how best

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plan, for public hearings to be held, and for the Township Committee to act upon the Planning Board's recommendation. I am well aware that this will be a difficult task. The thinking of all must change so that the Supreme Court's mandate in Mount Laurel may be accomplished. I realize that changes do not come quickly or easily.

In the past, traditionally Courts have allowed 90 days for such changes when ordinances have been found invalid or have been ordered to be amended. I think that that period is far too short and that it would necessarily result in a half-thought out job. Therefore, Holmdel will be directed to amend its zoning ordinance in accordance with this opinion within one year.

I warn the Township that any request for an extension will not with any sympathy whatsoever from this Court.

I might add that the suggestion of the plaintiff's expert that the Township rezone part of the residential district to provide for more flexibility in density in order to compensate for the increased ænsity to be permitted in multi-

family and low income use districts might well be reasonable in the present situation. Holmdel is a large, developing municipality with a distinctly rural atmosphere. An agricultural zone might be considered. I imply nothing as to its validity.

There will be no costs. In drawing the judgment, please recite that I set forth my findings of fact and conclusions of law on the record, today's date, with Mr. Greenspan as the certified shorthand reporter.

Again, I thank the attorneys very much for all of your help.

CERTIFIED A TRUE TRANSCRIPT OF MY STENOGRAPHIC NOTES.

Daniel Greenspan

Official Court Reporter.