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1	1	SUPERIOR COURT OF NEW JERSEY
2		LAW DIVISION MONMOUTH COUNTY Docket L-31114-75 P.W.
3	HARRY S. POZYCKI, SR., et als,	
4	Plaintiffs,	
5	vs.	JUDGE'S DECISION
6	THE TOWNSHIP OF MANALAPAN,	
7	Defendant.	
8		Monmouth County Court House
9		Freehold, New Jersey February 28, 1977
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11	BEFORE:	
12	Hanarahla MEDDIES IAME ID A T.C.C	
13	Honorable MERRITT LANE, JR., A.J.S.C.	
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15	APPEARANCES:	
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17	DAVID J. FRIZELL, ESQUIRE, Attorney for the Plaintiffs.	
18	FICHARD T. O'CONNOR, ESQUIRE,	
19	Attorney for the De	rendant.
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23	<b>1</b> }	ANNETTE R. KANE, C.S.R.,
24		Official Court Reporter.
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THE CCURT: I commend the attorney's for the job that each of them has done. You've been of very great help to the Court.

It's unfortunate that the trial of this case has been extended as much as it has and the fault is all mine. I remember trying cases before Assignment Judges and it is enough to drive an attorney up the wall. But unfortunately, that's our system.

In this action in lieu of prerogative writs, plaintiffs challenge the validity of the zoning ordinance of Manalapan Township, both on Mount Laurel grounds and as the ordinance applies to their property.

The issues that appear in the pretrial order are:

(a) What is the defendant's fair share of the regional need for low and moderate income housing?

What is low and moderate income housing?
What is the regional need therefore?
What is defendant's fair share?

(b) Is the Manalapan Township Zoning
Ordinance reasonable and does it provide for
the general welfare of the community in terms

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of its substantive planning content?

What minimal standards of rational planning must be incorporated into a municipal zoning ordinance, in order for it to pass the test of reasonability?

Can a zoning ordinance be found to be reasonable if it is shown that it encourages urban sprawl, discourages the conservation of open space and valuable natural resources, discourages coordination of the various public and private procedures and activities shaping land development with a view of lessening the cost of such development and to the more efficient use of land, ignores virtually every fundamental principle of good civic design?

(c) What effect does the relative rationality of the zoning adoption process have on the presumption of correctness?

If it is shown the ordinance was not adopted pursuant to a rational process and/or was, in fact, adopted for reasons and purposes extraneous to zoning, does the ordinance enjoy any presumption of validity?

(d) What is the appropriate remedy where there is shown an historical reluctance and

resistance to traditional forms of judicial action on the part of the defendant, the availability of rational alternatives?

The complaint was amended at the time of the pretrial and there was added as an issue:

(e) An order declaring the Manalapan

Township Zoning Ordinance to be invalid for

failure to provide for a variety and choice of
housing types; for failure to make low and
moderate income housing realistically available;
for failure to zone reasonably and for the
general welfare of the Township, in that the
zone plan promotes urban sprawl and the degradation of the environment; and for failure to
adopt the zone plan, pursuant to a rational
process.

Manalapan Township is a township of about thirty-one square miles or a little over 20,000 acres in central western Monmouth County, about forty-eight miles southwest of New York City.

It's seventeen miles from the City of New Brunswick, twenty-three miles from Trenton.

It's about twenty miles from the Atlantic Ocean.

In 1960, it had a population of 3,990, 853 more than in 1950. By 1970, the population

had increased to 14,049, a percentage increase of something over 250 percent. In January, 1976, it had a population of a little over 18,000. The population projected by the County for 1985 is 30,600. In 1960, it was essentially a rural, agricultural area. It had no sizable settlements or commercial or industrial enterprises. By 1970, the density population of Manalapan was 429 persons a square mile, which takes us out of the rural area class. It is in the general New York City-Northeastern New Jersey Metropolitan Region.

U.S. 9, Route 9, runs north and south, crossing the northwestern section of the Township. State Highway 33 bisects the southern half of the Township. The New Jersey Turnpike is a few miles to the west of the Township and the Garden State Parkway is a few miles to the east. State Highways 34 and 35 are not too far away from the Township.

The zoning ordinance with which we are concerned zones 3,312 acres for industry and office research, which is about sixteen or seventeen percent of the land in the Township developable land. 2,553 acres are zoned for commercial

usage, which is about fifteen percent of the land. The majority of the commercial zoning is in a strip pattern along Routes 9 and 33. There is no concentrated retail commercial area in the Township.

I suppose it can be considered that

Englishtown, which is surrounded by the Township, does constitute a concentrated commercial
area.

In the northern portion of the Township, there has been development in the conventional form of major subdivisions. Earlier zoning ordinances permitted only single-family, detached dwellings for the residential development.

The County Planning Board predicts, by the year 2000, the population in Manalapan will be something over 45,000 persons.

Plaintiffs are the owners of tracts of land in the southern portion of the Township, not too far from the intersection of Routes 33 and 527. They purchased the land involved in the early 1960's, when it was partially zoned for residential uses with a half-acre minimum lot size. In March of 1966, a zoning ordinance

was adopted, increasing the minimum lot-size to one acre.

In or on September 27, 1967, the governing body adopted an amendment to the zoning ordinance to add additional industrial and commercial zones. On December 27 of that year, there was another amendment to increase the minimum square footage required for the homes. On January 31, 1968, the governing body voted to extend the life of the minimum lot size of one acre for nine months. On December 11 of that year, a new zoning ordinance was adopted, which increased the minimum residential lot size in the southern part of the Township to one and a half acres.

On July 25, 1973, there was a building moratorium. And the ordinance provided that there be no more subdivision approvals until January 21, 1974. Before that date, this moratorium was extended until May 31, 1974. And it was again extended to August 31, 1974. And then on August 28, 1974, it was extended to November 30, 1974.

The Township did engage a planning association to develop a master plan for the Township. There were hearings on the proposed

master plan towards the end of 1974. But, in fact, to this day, no master plan has been adopted.

use regulations permitted only large lot singlefamily residential units. There was an exception to this provision in Covered Bridge, which
is a senior citizens' housing development. The
median family income in the Township in 1969
was about \$14,500. Only 7.1 percent of the
households were in what would be called the
low income range. 11.5 of the households were
in the moderate income range.

Now, the testimony shows that the Township has 16,243 acres of developable land, of which 13,286 acres are zoned for residential use.

The portion of land in the Township that is developable amounts to about 8.5 percent of that in the County.

There is no doubt that Manalapan has acted affirmatively to control development and to attract a selective type of growth. The statistics indicate that the effect of the zoning regulations has been to tend to exclude persons of low and moderate income.

Now, this, of course, follows -- or it follows from this youths and older persons are excluded.

In 1975, in <u>Woodward Associates v. Zoning</u>

Board of Adjustment of the Township of Manalapan, et als, this Court ordered the Township to amend its zoning ordinance to provide for an appropriate variety and choice of housing. The Township was given three months. No ordinance was introduced within that time.

So far as the evidence shows, there was no resolution retaining the services of a municipal planner in that time.

The Planning Board, within that time, did not recommend any amendments to the ordinance which the Court had declared invalid. On October 22, 1975, the Appellate Division granted a motion of the Township, staying the judgment until February 1, 1976.

On March 31, 1976, the zoning ordinance before the Court was introduced. And on April 12, 1976, the ordinance was adopted.

Now, this zoning ordinance, as I understand the testimony, zoned some eleven thousand plus acres for residential purposes, of which

about 6,000 acres are currently developed. The zoning ordinance zones one thousand twenty-four plus acres R-40, 1,172 acres R-30-40, 9,524 acres R-20. Now, the R-40 is 40,000 square feet. The R-30-40 can be a combination. The R-20 is 20,000 square feet. And it's perfectly clear to me that all of these lot sizes are large lots. There are some 842 acres in the MR zone. The regulations for this zone require that 60 percent of the lot be developed under the R-20 guidelines.

There is a provision for townhouses with a greater density than provided in the R-20 zone.

units. There is no zone in the Township that allows any residential use other than single-family dwellings, with the exception of the townhouses. There are no provisions for apartments. There are no provisions for two-family houses. There are no provisions for mobile homes. There are no provisions for housing on small lots. There is, in fact, no provision for any housing that can be acquired by somebody in the low income group and very, very little, really.

I think none for moderate income.

Now, the argument is that the zoning ordinance is invalid, in that it fails to provide a variety and choice of housing types for all categories of persons and further fails to provide for its fair share of the regional need for low and moderate income housing.

N.J. Constitution of 1947, Article IV, Section VI, paragraph 2 grants the Legislature power to enact enabling legislation to empower municipalities to enact zoning legislation.

N.J.S.A. 40:55D-1, et sec, now governs land-use regulations. Section II of that act sets forth the essential considerations that must be followed in adopting land-use regulations.

The authority to zone is based on the enabling act, which, as I have said, sets forth specific purposes.

Now, we're in a transitional period right now. This ordinance before the Court was not adopted under the new land-use act, to which I referred, but rather it was adopted under the old act which had existed for quite a period of time, which was not as explicit as the

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new and presently governing act is.

Reasonable zoning regulations designed to promote an early physical development of the municipality according to a land-use pattern do represent a valid exercise of the police power. They are -- the regulations are not constitutionally offensive when reasonable in degree and when considered necessary by the governing body to the physically harmonious growth of the land use in the municipality. In such circumstances, they serve an overall public -- the overall public interest of the community. All zoning legislation is subject to constitutional limitations that it not be unreasonable 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.

Constitutional guarantees require that zoning power not be utilized beyond the public need or impress unnecessary and excessive restrictions on the use of private property or pursuit of useful activities.

The test of the validity of the 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 that the ordinance bears no reasonable relationship to public health, morals, safety or welfare. Proof of unreasonableness had to be beyond debate. Even that presumption could be overcome by a showing on its face or in the light of facts of which judicial notice can be taken, of transgression of constitutional limitations or bounds of reason.

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 the ordinance. It could only invalidate a zoning ordinance if the presumption in favor of its validity was overcome by a clear, affirmative showing that the ordinance was arbitrary or unreasonable.

It was said that the functions of legislative bodies and the judicial forums were

distinct.

In Southern Burlington County NAACP v.

Tp. of Mount Laurel, 67 N.J. 151, the Supreme

Court considered an attack of the zoning plan

of Mount Laurel Township. That attack had been

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.

nance to be invalid, to the extent that it did not provide the 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 variety and choice of housing. And the Court went on to state:

"We have spoken of this obligation of such municipalities as presumptive. The term has two aspects; procedural and substantive.

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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 cases cited therein. The substantive aspect of 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 Both kinds of specifics may well vary to do.

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between municipalities according to peculiar circumstances." (180-181)

There is an aspect of the defense that seems to argue that plaintiffs who seek to develop should not be permitted to maintain their attack on the ordinance. plaintiffs do seek to develop. I might, in theory, agree with that position. However, plaintiffs have owned the land since the early 1960's. And during this time, they have been taxpayers. 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 developers merely because they want to make use of their property by develop-If plaintiffs were contract purchasers, there might be a reason to distinguish, but I'm not even sure of that.

Laurel decision is not applicable to the situation before the Court. Defendant admits they're not providing for apartments within the Township. However, it says that the existing units and housing provided under the ordinance provide a variety of housing for low and moderate

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income individuals. It also says that it is not a developing community in the path of substantial future development.

I cannot in any way agree with that contention. There is no doubt at all from the evidence that, not only Manalapan Township, but every township in Monmouth County, except those that are almost full, are developing municipalities as that term is used by the Supreme Court in the Mount Laurel case. But even beyond that, the Mount Laurel case cannot be so easily distinguished. The variety of housing to which the Court there addressed itself included but it was not limited to low and moderate income housing. What the Court was basically concerned with was the fact that the Mount Laurel ordinance permitted only one type of housing. Singlefamily detached dwellings. And in that case, that multi-family housing, including garden apartments and townhouses, was prohibited. N.J. at 181. 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 not desire such housing. 67 N.J. at 181. In that case, the Court further

held that each municipality must meet its fair share of the present and prospective regional need for low and moderate income housing.

Theoretically, if no such need exists in the region around Manalapan, defendant need not so provide.

However, the Court also held that, when 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.

As a general matter, our society depends upon private enterprise for the provision of our housing needs. In times of economic stress, such as we are experiencing now, the private sector being susceptible to the ravages of market forces caused by inflation and other economic factors may be inadequate to the task of providing the variety of housing needed, especially low income housing, unless aided by subsidization or external incentive. See

Oakwood at Madison, Inc. v. Tp. of Madison,
Slip Opinion, page 34. Sources extraneous to the unaided private building industry cannot be

depended upon to produce any substantial proportion of the housing needed and affordable by most of the lower income population. id. at 35.

As I've said, there is no doubt that

Manalapan is a developing municipality. It is
a part of the 22-county urban metropolitan

region.

In Oakwood, supra, Judge Conford, writing for the Court, discussed the municipality's assertion that, under such economic realities, the mandate in Mount Laurel is impracticable and that litigation to enforce the principles of Mount Laurel was futile. The Judge said:

"To the extent that the builders of housing in a developing municipality like Madison
cannot through publicly assisted means or appropriately legislated incentives (as to which,
see infra) provide the municipality's fair share
of the regional need for lower income housing,
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. As the matter was put in a supplemental amicus brief of The Public Advocate:

'\* \* \* for now, and in the foreseeable future, it is absolutely essential to build a substantial amount of housing units at the lowest cost feasible and consistent with health and safety. Builders now must be given the opportunity to build as inexpensively as possible in order to accomodate the low, moderate-subsidized and, especially, moderate-conventional population. Thus, in one sense, future disparities in the increases in housing cost and median income are not relevant; that is, we should be building at the lowest cost feasible now.'

\* \* \* "Nothing less than zoning for least cost housing will, in the indicated circumstances, satisfy the mandate of <a href="Mount Laurel">Mount Laurel</a>."
Slip Opinion, pages 36 and 37.

While compliance with the Court's direction may not provide newly-constructed housing for all lower income categories, it will, nevertheless, according to the Supreme Court in Oakwood, through the filtering-down process, tend to augment the total supply of available

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housing in such a manner as will indirectly provide additional and better housing for the insufficiently and inadequately housed of the region's lower income population.

In analyzing a municipal zoning ordinance's compliance with the least cost approach, the Court must consider both the quantitative and qualitative consequences dictated by such This would include examining the ordinance. amount of land allocated to achieve least cost purposes. Oakwood suggests that overzoning for these categories might be appropriate in order to produce any likelihood that a desired Slip Opinion, page 46. quota can be met. This is to offset the probability that some owners will not use the property in accordance with the least cost purpose and the probable occupation of least cost housing by higher income persons wishing to economize.

The Court should also ask whether the ordinance makes allowance for what is described as very small lots. Slip Opinion, page 41.

Do the provisions of the ordinance, when combined with the economics of building, dictate small multi-family units, even though facially

the ordinance, standing alone, might appear to permit otherwise. [Slip Opinion, page 42.] Also, does the ordinance or another ordinance require certain excessive dedication or improvements which add to the costs of development and consequently raise the price of housing.

The Court will also consider whether the ordinance contains unwarranted procedural or application requirements which make for costly delays which again will be reflected in additional costs for housing. [Slip Opinion, page 51.]

With respect to issue (a) of the pretrial order, Oakwood offers the following observations:

- "1. Based upon our analysis and findings in IV and VI, the 1973 ordinance is clearly deficient in meeting Madison's obligation to share in providing the opportunity for lower cost housing needed in the region, whether or not the specific fair share estimates submitted by the defendant are acceptable. These estimates are, in any event, defective at least in not including prospective need beyond 1975.
- " 2. The objective of a Court before which a zoning ordinance is challenged on Mount

Laurel grounds is to determine whether it realistically permits the opportunity to provide a fair and reasonable share of the region's need for housing for the lower income population.

- " 3. The region referred to in 2 is that general area which constitutes, more or less, the housing market area of which the subject municipality is a part and from which the prospective population of the municipality would substantially be drawn, in the absence of exclusionary zoning.
- "4. Fair share allocation studies submitted in evidence may be given such weight as they appear to merit in the light of statements 2 and 3 above. But the Court is not required, in the determination of the matter, itself to adopt fair share housing quotas for the municipality in question or to make findings in reference thereto." [Slip Opinion, page 80 and 81.]

I would point out that this analysis does not accept a county as per se the appropriate region.

If the Court chooses to select quotas for fair share or pinpoint low and moderate

income housing, it would rely or at least place weight on plaintiffs' studies. Plaintiffs' studies appear to be more comprehensive and logically valid. The defendant's study is deficient, in that it does not take into account unmet housing needs resulting from previous exclusionary practices.

In that Manalapan's ordinance only provides for single-family, large-lot housing with a small provision for expensive townhouses and excludes apartments and rental housing, it is clear that it has not provided the variety of housing talked about in Mount Laurel and Oakwood.

The ordinance does not take into account the least cost approach. Furthermore, it is obvious that it does not deal adequately with environmental concerns. The location of the MR zones is not rational.

I accept Mr. Nellesen's testimony as to the constraints on those locations. The land zoned for industrial, office research and commercial is far too great.

The ordinance is, therefore, invalid and unreasonable, as not providing for the general welfare and for failure to make provision for

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the Township's fair share of the region's housing needs.

A judgment will issue, requiring the Township to make proper provisions for a variety of housing in light of Mount Laurel and Oakwood, with proper consideration given to the concept of least cost and to multi-family housing and with proper consideration given to environmental concerns and with substantially cutting down the amount of land zoned for industrial, office research and commercial. Clustering must be permitted. Reasonable figures as to the need must be developed by the municipality.

If the judgment is not carried out within 180 days, absent good cause and a showing of progress to that point, the Court will give serious consideration to imposing judicial supervision and fashioning a proper ordinance.

I would be reluctant to accept plaintiff's plan as a whole, as the model, because, although it appears to be better than that of defendant, it was not drawn specifically with the least cost concept in mind, nor does it adequately consider the entire Township.

This judicial supervision might be

necessary because of the defendant's failure to comply with the Court's earlier judgment. I might say that it did make a small step in an effort to comply. But as I read Oakwood,

Oakwood is saying you don't tell the municipality specifically what to do. Rather you give them the general guidelines and then if they don't do it, you, the Court, zones the municipality. I cannot interpret Oakwood any other way.

There is no specific remedy to be ordered for the plaintiff, although there is authority for a specific remedy. See <u>Oakwood</u>, <u>supra</u>, Slip Opinion, pages 89-94. It should be rarely granted. Plaintiff here does not present the same circumstances as the plaintiff did in <u>Oakwood</u>.

The judgment will carry costs for the plaintiff.

Is there anything I did not dispose of, Mr. Frizell?

MR. FRIZELL: I don't believe so, Your Honor.

THE COURT: Mr. O'Connor?

MR. O'CONNOR: No, Your Honor.

THE COURT: All right. Again I thank the attorneys very much for their help.

## - CERTIFICATE -

I, ANNETTE R. KANE, a Certified Shorthand
Reporter and Notary Public of the State of New Jersey, do
hereby certify that the foregoing is a true and accurate
transcription of my stenographic notes as taken by me on
the date, time and place hereinbefore set forth.

ANNETTE R. KANE, C.S.R.,
Official Court Reporter.